

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholder of **Pidilite Industries Limited** (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer (Kotak Mahindra Capital Company Limited) or the Registrar to the Buyback (Link Intime India Private Limited). Please refer to the section on ‘Definitions’ for the definitions of the capitalized terms used herein.



Pidilite Industries Limited

CIN: L24100MH1969PLC014336

Registered Office: Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai – 400021

Tel.: +91-22-28357000 Fax: +91-22-28216007

Correspondence Address: Pidilite Industries Limited, Ramkrishna Mandir Road, Off Mathuradas VasANJI Road, Andheri East, Mumbai - 400059

E-mail: investor.relations@pidilite.co.in; Website: www.pidilite.com

Compliance Officer: Smt Savithri Parekh, Company Secretary

CASH OFFER TO BUYBACK NOT EXCEEDING 50,00,000 FULLY PAID-UP EQUITY SHARES OF FACE VALUE RE. 1/- EACH, REPRESENTING 0.975% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. FEBRUARY 12, 2018, ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” ROUTE AT A PRICE OF RS. 1,000/- (RUPEES ONE THOUSAND ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 500,00,00,000/- (RUPEES FIVE HUNDRED CRORES ONLY)

- 1) The Buyback is in accordance with Article 14 of the Articles of Association of the Company and is subject to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 and in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Reserve Bank of India, etc.
- 2) The Buyback Offer Size is 15.07% of the aggregate of fully paid-up equity share capital and free reserves as per the audited standalone accounts of the Company for the financial year ended March 31, 2017 and 14.79% of the aggregate of fully paid-up equity share capital and free reserves as per the audited consolidated accounts of the Company for the financial year ended March 31, 2017 and is less than the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited standalone accounts of the Company as well as the last audited consolidated accounts of the Company.
- 3) The Letter of Offer will be sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. February 12, 2018.
- 4) The procedure for tender and settlement is set out in paragraph 23 at page no. 41 of this Letter of Offer. The tender form (“**Tender Form**”) is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Equity Shareholders, please refer to paragraph 23.26 of this Letter of Offer.
- 6) A copy of the Public Announcement published on February 2, 2018 and this Letter of Offer (including Tender Form) is available on the website of Securities and Exchange Board of India - <http://www.sebi.gov.in>.
- 7) Equity Shareholders are advised to read this Letter of Offer and in particular, refer to paragraph 19 (Statutory Approvals) and paragraph 24 (Note on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: THURSDAY, MARCH 01, 2018 AT 9:15 AM

BUYBACK CLOSES ON: THURSDAY, MARCH 15, 2018 AT 3:30 PM

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO THE BUYBACK: MONDAY, MARCH 19, 2018 AT 5:00 PM

MANAGER TO THE BUYBACK

REGISTRAR TO THE BUYBACK



Kotak Mahindra Capital Company Limited

27BKC, 1st floor, Plot no. C-27, “G” Block,

Bandra Kurla Complex, Bandra (East), Mumbai 400 051

Tel: +91 22 22 4336 0128

Fax: +91 22 22 6713 2447

Email: project.pidilitebuyback@kotak.com

Contact Person: Mr. Ganesh Rane

SEBI Registration Number: INM000008704

CIN: U67120MH1995PLC134050

Validity Period: Permanent



Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083

Tel: +91 22 49186200

Fax: +91 22 49186195

Email: pidilite.buyback@linkintime.co.in

Contact Person : Mr. Sumeet Deshpande

SEBI Registration: INR000004058

Validity Period : Permanent Registration

CIN: U67190MH1999PTC118368

The Offer is pursuant to SEBI (Buy Back of Securities) Regulations, 1998 and subsequent amendments as well as in accordance with provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013

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1. **SCHEDULE OF ACTIVITIES**

Activity	Schedule of activities	
	Date	Day
Date of Board Meeting approving the proposal for the Buyback	December 26, 2017	Tuesday
Date of declaration of results of special resolution passed by shareholders approving the proposal for the Buyback	January 31, 2018	Wednesday
Public Announcement of Buyback	February 2, 2018	Friday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	February 12, 2018	Monday
Buyback Opens on	March 01, 2018	Thursday
Buyback Closes on	March 15, 2018	Thursday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar	March 19, 2018 5:00 PM	Monday
Last date of verification by Registrar	March 23, 2018	Friday
Last date of providing acceptance to the Stock Exchange by the Registrar	March 23, 2018	Friday
Last date of settlement of bids on the Stock Exchange	March 26, 2018	Monday
Last date of dispatch of share certificate(s) by Registrar/ return of unaccepted demat shares by Stock Exchange to Selling Member	March 26, 2018	Monday
Last Date of Extinguishment of Shares	April 02, 2018	Monday

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. **DEFINITION OF KEY TERMS**

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specifies otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

Acceptance Form	Tender Form
Act or Companies Act	The Companies Act, 2013, as amended
Articles	Articles of Association of the Company
Board or Board of Directors	Board of Directors of the Company
Board Meeting	Meeting of Board of Directors of the Company held on December 26, 2017
Bank	Kotak Mahindra Bank Limited
BSE	BSE Limited
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
Buyback Committee or Committee	Buyback committee comprising of Shri Bharat Puri, Managing Director, Shri Sabyaschi Patnaik, Whole Time Director, Shri P. Ganesh, Chief Financial Officer, Shri Sunil Burde – Vice President - Domestic Accounts and Smt. Savithri Parekh, Secretary of the Company, constituted on December 26, 2017
Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender, in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio / percentage of Buyback applicable to such Shareholder
Buyback or Buyback Offer or Offer	Offer to buyback up to 50,00,000 Equity Shares of Re. 1/- each of Pidilite

	Industries Limited at a price of Rs. 1,000/- per Equity Share in accordance with the regulations and relevant provisions of the Act via the tender offer route
Buyback Price or Offer Price	Price at which shares will be bought back from the shareholders i.e. Rs. 1,000/- per Equity Share
Buyback Size or Offer Size	Number of Equity Shares proposed to be bought back (i.e. up to 50,00,000 Equity Shares) multiplied by the Buyback Price i.e. Rs. 1,000/- (Rupees One Thousand Only) per Equity Share aggregating to Rs. 500,00,00,000 (Rupees Five Hundred Crores only)
Clearing Corporation	Indian Clearing Corporation Limited
Closing Date	Thursday, March 15, 2018
Company	Pidilite Industries Limited
Draft LOF or Draft Letter of Offer	The Draft Letter of Offer dated February 2, 2018
DP	Depository Participant
Equity Share(s) or Share(s)	The Company's fully paid-up equity share(s) of face value of Re. 1/- (Rupee One) each
Eligible Person(s) or Eligible Shareholder(s)	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders/beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. February 12, 2018 and excludes Person(s) who do not have the capacity under applicable law to tender shares.
Escrow Account	Escrow account opened in accordance with Buyback Regulations, in the name of 'Pidilite Industries Buyback - Escrow Account' bearing the account number 6011876306
Escrow Agent	Kotak Mahindra Bank Limited
Escrow Agreement	The escrow agreement entered into between the Company, the Manager to the Offer and Kotak Mahindra Bank Limited
FEMA	Foreign Exchange and Management Act, 1999 including the regulations, circulars, directions and notifications issued thereunder.
General Category	Eligible Shareholders other than the Small Shareholders
IT Act/ Income Tax Act	Income-tax Act, 1961, as amended
LOF or Letter of Offer	This Letter of Offer dated February 23, 2018 filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
LODR Regulations	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended
Manager to the Buyback or Manager to the Offer	Kotak Mahindra Capital Company Limited
Non-Resident Shareholders	Includes NRIs, Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI), OCB and Foreign Nationals.
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period or Tendering Period	Period of ten working days from the date of opening of the Buyback Offer i.e. Thursday, March 01, 2018 till its closure i.e. Thursday, March 15, 2018 (both days inclusive)
Opening Date	Thursday, March 01, 2018
PA or Public Announcement	The public announcement dated February 1, 2018, made in accordance with the Buyback Regulations, published on February 2, 2018 in all editions of Financial Express (English national daily), Jansatta (Hindi national daily), Navshakti (Regional language daily – Marathi, Mumbai Edition), each with wide circulation
PAN	Permanent Account Number
Promoters and Promoter Group	Promoters and promoter group of the Company as disclosed under the filings made by the Company under the listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
RBI	Reserve Bank Of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback

	Regulations. This date shall be February 12, 2018
Registrar to the Buyback or Registrar to the Offer or Registrar	Link Intime India Private Limited
Reserved Category	The Small Shareholders eligible to tender Shares in the Buyback
SEBI	The Securities and Exchange Board of India
SEBI Circular	"Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, including any amendments thereof
Seller Member or Seller Broker	A Stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	A Shareholder, who holds Equity Shares of market value not more than Rs. 200,000/- (Rupees two lakh only), on the basis of closing price of the Equity Shares on the Stock Exchange registering the highest trading volume, as on Record Date i.e. February 12, 2018
Share Capital Rules	Companies (Share Capital and Debentures) Rules, 2014
Shareholders or Members	Holders of Equity Shares and includes beneficial owners thereof
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip
Working Day	Working day as defined in the Buyback Regulations

3. **DISCLAIMER CLAUSE**

As required, a copy of this Letter of Offer has been submitted to the SEBI.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, Kotak Mahindra Capital Company Limited certifies that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Companies Act and the Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Kotak Mahindra Capital Company Limited has furnished to SEBI a Due Diligence Certificate dated February 2, 2018 in accordance with BuyBack Regulations, which reads as follows:

“We have examined various documents and material papers relevant to the Buyback, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback.
- All legal requirements connected with the said offer including SEBI (Buy Back of Securities) Regulations, 1998, have been duly complied with.
- The disclosures in the Public Announcement and Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the Buyback.
- Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”

The filing of the Letter of Offer with SEBI does not however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Directors of the Company declare and confirm that no information/ material likely to have a bearing on the decision of investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ mis-representation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the promoters/ directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons in term of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries

This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Offer to any new or additional requirements or registrations.

Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions.

Forward Looking Statement:

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

4. TEXT OF RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on December 26, 2017. The extracts of the Board resolution are as follows:

RESOLUTION:

Buyback of Equity shares

RESOLVED THAT in accordance with Article 14 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended (the "Buyback Regulations"), and subject to the approval of the shareholders of the Company by way of postal ballot and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Mumbai (the "ROC") and/ or other appropriate authorities, the consent of the Board be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of a face value of Re. 1/- each ("Equity Share"), from the shareholders of the Company, as on a record date ("Record Date"), for an amount not exceeding Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc. (hereinafter referred to as the "Buyback Offer Size"), being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest audited balance sheet as on March 31, 2017, of upto 50,00,000 equity shares at a price of Rs. 1,000/- (Rupees One Thousand Only) per Equity Share on a proportionate basis through the "Tender Offer" route (hereinafter referred to as the "Buyback"), in accordance and consonance with the provisions contained in the Buyback Regulations and the Act.

RESOLVED FURTHER THAT the Company shall implement the Buyback from its free reserves and that the Buyback shall be through the tender offer route in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board of Directors may deem fit, subject to shareholders' approval.

RESOLVED FURTHER THAT in accordance with Section 68 and all other applicable provisions, if any, of the Act, the Articles of Association of the Company, and other applicable laws, the approval of the shareholders for the Buyback be sought by way of postal ballot.

RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from the shareholders on a proportionate basis under the Tender Offer, provided 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders at the Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER THAT all of the shareholders of the Company will be eligible to participate in the Buyback including promoters of the Company who hold Equity Shares as on the Record Date.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof.

RESOLVED FURTHER THAT the Buyback from non-resident shareholders, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors, Foreign Portfolio Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any."

RESOLVED FURTHER THAT the Company has complied and shall continue to comply with Section 70 of the Act, wherein:

- (a) It shall not directly or indirectly purchase its own shares:
 - (i) through a subsidiary company including its own subsidiary companies, if any; or
 - (ii) through any investment company or group of investment companies;

- (b) There are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years; and
- (c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Act.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the promoter(s) of the Company (as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“SEBI Takeover Regulations”), from its free reserves and/or such other sources or by such mechanisms as may be permitted by law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board of Directors to buyback any shares and/or impair any power of the Company or the Board of Directors to terminate any process in relation to such Buyback if so permissible by law.

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT as required under the provisions of Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, the Declaration of Solvency along with annexures thereof be and is hereby approved for filing with the ROC and SEBI after having it verified by an affidavit and signed by Shri Bharat Puri, Managing Director and any one of Shri A. B. Parekh or Shri A. N. Parekh, Whole Time Directors of the Company, who are hereby authorized to sign the same.

RESOLVED FURTHER THAT Shri Bharat Puri (Managing Director) and any one of Shri A. B. Parekh or Shri A. N. Parekh, Whole Time Directors of the Company be and are hereby authorized to make changes in the Declaration of Solvency as may be necessary, to sign and to file the same with the ROC and with SEBI.

RESOLVED FURTHER THAT a Buyback Committee comprising of Shri Bharat Puri, Managing Director, Shri Sabyaschi Patnaik, Whole Time Director, Shri P. Ganesh, Chief Financial Officer, Shri Sunil Burde – Vice President - Domestic Accounts and Smt. Savithri Parekh, Secretary of the Company be and is hereby constituted and the powers of the Board in respect of Buyback be delegated to the Committee (“Buyback Committee”) and the Buyback Committee be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buyback, including, but not limited to, the following:

1. The initiating of all necessary actions for preparation, finalization and dispatch of Postal Ballot Notice along with explanatory statement and seek shareholder approval for the Buyback.
2. The initiating of all necessary actions for preparation and issue of Public Announcement, Letter of Offer and related documents;
3. The preparation, finalization and filing of Public Announcement, draft Letter of Offer, Letter of Offer, related documents and also the certificates for Declaration of Solvency and other filings with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any.
4. Finalizing the terms of Buyback such as the entitlement ratio, fixing the Record Date, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback.
5. The appointment of Merchant Banker, Registrars, Broker, e-voting Agency, Scrutinizer, Depository Participant, Printers, Advertisement Agency, Legal Advisors and other Advisors, Escrow Agents, Consultants or Representatives and settlement of the remuneration for all such intermediaries/ agencies/ persons, including the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof.
6. The making of all applications to the appropriate authorities for their requisite approvals.
7. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback.
8. Arranging for bank guarantees as may be necessary for the Buyback in accordance with applicable law.
9. . The opening, operation and closure of cash Escrow Account and Special Account in accordance with the escrow agreement to be executed by the Company in this regard.
- 10.. The opening, operation and closure of demat Escrow Account in accordance with the escrow agreement to be executed by the Company with the depository participant.

11. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback.
12. To make all applications to the appropriate authority(ies) for their requisite approvals including for approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.
13. To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company (if required) on relevant documents required to be executed for the Buyback of shares and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities.
14. To deal with stock exchanges (including their clearing corporations), where the Equity Shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof.
15. Extinguishment of share certificates and Certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board.
16. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper.
17. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback.

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, including but not limited to carrying out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, letter of offer, extinguishment of share certificates and 'Certificate of Extinguishment' required to be filed in connection with the Buyback on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, ROC, Depositories and/or other authorities.

RESOLVED FURTHER THAT the quorum for a meeting of the Buyback Committee shall be presence of any two members and the Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT the Buyback Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation / sub-delegation of authority from time to time.

RESOLVED FURTHER THAT the Buyback Committee do report from time to time to the Board at the meeting of the Board, status/progress of actions taken by the Buyback Committee concerning Buyback and the minutes of meeting(s) of the Buyback Committee held in the intervening period of two successive meetings of the Board be put up at the subsequent meeting of the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations 1998, Kotak Mahindra Capital Company Limited be appointed as the Merchant Banker for the proposed buyback transaction at such remuneration as may be finalized by any one of Shri M B Parekh or Shri Bharat Puri or Shri Apurva Parekh, directors of the Company as mutually agreed with Kotak Mahindra Capital Company Limited.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

1. That immediately following the date of Board Meeting held on 26th December, 2017 and the date on which the results of the shareholders' resolution with regard to the proposed Buyback are declared, there will be no grounds on which the Company can be found unable to pay its debts.
2. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on 26th December, 2017 as well as for the year immediately following the date on which the results of the shareholders' resolution with regard to the proposed Buyback are declared and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date on which the results of the shareholders' resolution with regard to the proposed Buyback are declared.
3. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016."

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) All the equity shares for Buyback are fully paid-up;
- b) That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, from the date of shareholders' resolution for the Buyback till the date of closure of this Buyback;
- c) The Company shall not make a further issue of the same kind of shares or other securities including allotment of new shares under clause (a) of sub-section (1) of section 62 of the Companies Act, 2013 or other specified securities within a period of six months from the date of closure of Buyback offer except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- d) That the Company, as per provisions of 19(1)(f) of Buyback Regulations, shall not raise further capital for a period of one year from the closure of Buyback offer, except in discharge of its subsisting obligations;
- e) the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- f) that the Company shall not Buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- g) that there are no defaults subsisting in the repayment of Deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institutions or banking company;
- h) that funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
- i) that the aggregate amount of the Buyback i.e. Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as per latest standalone audited balance sheet as on March 31, 2017;
- j) that the maximum number of shares proposed to be purchased under the Buyback shall not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2017;
- k) the Company shall not make any offer of Buyback within a period of one year reckoned from the date of closure of the Buyback;
- l) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
- m) that the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback."

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Smt. Savithri Parekh, Secretary, be and is hereby appointed as the Compliance Officer for the Buyback.

5. **DETAILS OF PUBLIC ANNOUNCEMENT**

The Public Announcement dated February 1, 2018, was published on February 2, 2018 in the following newspapers, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of declaration of results of the postal ballot approving the Buyback, on January 31, 2018:

Publication	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Navshakti	Marathi	Mumbai

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

The Public Announcement is available on the SEBI website at www.sebi.gov.in, and on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com.

6. DETAILS OF THE BUYBACK OFFER

1. The Board of Directors of Pidilite Industries Limited at its meeting held on December 26, 2017 has subject to receipt of approval of Members, approved the Buyback of up to 50,00,000 Equity Shares at a price of Rs. 1,000/- (Rupees one thousand only) per Equity Share up to an aggregate amount not exceeding Rs. 500,00,00,000/- (Rupees five hundred crores only) excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction taxes, goods and service tax, stamp duty, filing fees etc, which works out to be less than 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited standalone accounts of the Company for the financial year ended March 31, 2017, through the "Tender Offer" route as prescribed under the Buyback Regulations on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date. The Buyback is being undertaken in terms of Chapter III of the Buyback Regulations under the Tender Offer route, as prescribed by the Buyback Regulations and in accordance with other provisions of the Buyback Regulations, the SEBI Circular, LODR Regulations and Section 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant rules framed thereunder, including the Share Capital Rules, to the extent applicable. The Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including SEBI, RBI and the Stock Exchanges.
2. With the Buyback Price of Rs. 1,000/- and Buyback Size of Rs. 500,00,00,000/-, the maximum number of shares to be bought back in the Buyback shall be 50,00,000 Equity Shares, representing 0.975% of the total issued and paid-up equity capital of the Company.
3. The Buyback shall be undertaken on a proportionate basis from the Shareholders as of the Record Date being February 12, 2018 through the Tender Offer prescribed under Regulation 4(1)(a) of the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circular. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, as prescribed in the SEBI Circular.
4. In terms of the Buyback Regulations, under Tender Offer, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoters and Promoter Group have informed the Company vide their letters each dated December 26, 2017 regarding their intention to participate in the Buyback. The maximum extent of their participation in the Buyback has been detailed in paragraph 11 of this Letter of Offer.
5. The Buyback Price represents a premium of 20.8% and 21.4% over the volume weighted average market price of the Equity Shares on BSE and on NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 15.4% and 14.1% over the volume weighted market average price of the Equity Shares on the BSE and on the NSE, respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
6. The aggregate paid-up share capital and free reserves as at March 31, 2017 (the audited financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback) on standalone basis is Rs. 3,318.76 crores and on consolidated basis is Rs. 3380.73 crores. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the total paid-up share capital and free reserves of the Company. The maximum amount proposed to be utilized for the Buyback, is Rs. 500,00,00,000/- (Rupees five hundred crores only), which is 15.07% of the total paid-up share capital and free reserves (on a standalone basis) and 14.79% of the total paid-up share capital and free reserves (on a consolidated basis) of the Company and is therefore not exceeding the limit of 25% of the Company's total paid-up share capital and free reserves as per the audited Balance Sheet as at March 31, 2017.

7. Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of equity shares that can be bought back in the current financial year is 12,81,70,682 Equity Shares. Since the Company proposes to buyback up to 50,00,000 Equity Shares, the same is within the aforesaid 25% limit.
8. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters and Promoter Group in the Company may increase from the existing 69.59% holding in the total equity capital and voting rights of the Company. The Promoters and Promoter Group of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters and Promoter Group will not result in any change in control over the Company. For details regarding the shareholding of the Promoters and Promoter Group's pre-Buyback and post-Buyback please refer to paragraph 11 of this Letter of Offer.
9. Pursuant to the completion of the Buyback, the non-promoter shareholding of the Company shall not fall below the minimum level required as per listing conditions/ agreement or the LODR Regulations.

7. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken by the Company in accordance with Article 14 of the Articles, the provisions of section 68, 69, 70 and other applicable provisions of the Companies Act, the Rules thereunder and the Buyback Regulations. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under applicable laws.

The Board at its meeting held on December 26, 2017, passed a resolution approving the Buyback of Equity Shares of the Company and sought approval of its Members, by a special resolution, through a Postal Ballot Notice dated December 26, 2017. The Shareholders of the Company have approved the Buyback by way of a special resolution, through the postal ballot, the results of which were declared on January 31, 2018.

8. NECESSITY FOR BUYBACK

The Board of the Company, at its meeting held on December 26, 2017, considered all relevant factors, and considered it appropriate to allocate a sum not exceeding Rs. 500,00,00,000/- (Rupees five hundred crores only) for distributing to the members holding equity shares of the Company, through a Buyback.

Thus, after considering several factors as well as benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback not exceeding 50,00,000 equity shares (representing 0.975% of the total issued and paid-up equity capital of the Company) at a price of Rs. 1,000/- (Rupees one thousand only) per equity share for an aggregate consideration not exceeding Rs. 500,00,00,000/- (Rupees five hundred crores only).

The Buyback is proposed to enable the Company to reduce its treasury assets by putting an equivalent amount of liquid resources in the hands of those shareholders who respond to the offer for Buyback. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of equity shares to be accepted under the Buyback offer or they may choose not to participate.

9. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK

The Company proposes to Buyback a maximum of 50,00,000 Equity Shares of the Company.

10. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required under the Buyback would not exceed Rs. 500,00,00,000/- (Rupees five hundred crores only), which is not more than 25% of the total paid-up capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 (excluding brokerage, applicable taxes such as securities transaction taxes, goods and service tax, stamp duty, filing fees etc).

The Buyback would be financed out of free reserves of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

The Company confirms that as required under Section 68(2)(d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

11. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

1. The Buyback is not likely to cause any impact on the profitability or earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. In the event that there is 100% acceptance of the Equity Shares tendered in the Buyback from Shareholders on a proportionate basis, the funds deployed by the Company towards the Buyback would be Rs. 500,00,00,000/- (Rupees five hundred crores only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
2. The Buyback is not expected to impact growth opportunities for the Company.
3. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
4. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoters and Promoter Group of the Company have expressed their intention vide their letters, each dated December 26, 2017, to participate in the Buyback in the following manner:
 - a. The Promoters and Promoter Group have expressed their intention to offer up to an aggregate maximum of 3,56,61,162 Equity Shares as detailed below or any such lower number of Equity Shares in accordance with the Buyback Regulations in the following manner:

Sr. No.	Name	Maximum number of shares intended to tender
1.	Madhukar Balvantray Parekh	53,32,756
2.	Mala Madhukar Parekh	9,70,159
3.	Jasna Raoul Thackersey	3,61,512
4.	Devkalyan Sales Private Limited	26,22,428
5.	Harton Private Limited	12,35,763
6.	Trivenikalyan Trading Private Limited	46,304
7.	Ajay Balvantray Parekh	47,92,284
8.	Ami Ajay Parekh	5,60,816
9.	Amrita Ajay Parekh	1,96,800
10.	The Vacuum Forming Company Private Limited	11,46,218
11.	Darshana Bimal Mody	5,79,000
12.	Himatlal Kalyanji Parekh*	4,86,163
13.	Rashmikant Himatlal Parekh*	2,33,238
14.	Harish Himatlal Parekh	2,07,659
15.	Parul Harish Parekh	1,21,421
16.	Kamalini Rashmikant Parekh	82,193
17.	Gulabben Himatlal Parekh	Nil
18.	Malay Rashmikant Parekh	16,160
19.	Anuja Ankur Shah	18,760
20.	Panna Deepak Sanghavi	8,016
21.	Pareet D Sanghavi	9,560
22.	Jimeet D Sanghavi	9,190
23.	Harshada Harvadan Vakil	5,190
24.	Harvadan	4,230
25.	Urvi Malay Parekh	4,000
26.	Kalpana Apurva Parekh	6,66,433
27.	Kanta Balvantray Parekh	3,38,541

Sr. No.	Name	Maximum number of shares intended to tender
28.	Ishijas Chemicals Private Limited	24,73,003
29.	Prakash Shah Trustee of SANMP Private Beneficiary Trust	8,20,000
30.	Prakash Dharshibhai Shah Trustee of I M Family Trust	2,90,000
31.	Parekh Marketing Limited	79,670
32.	Kalva Marketing & Services Limited	1,38,262
33.	Sushilkumar Kalyanji Parekh	42,23,363
34.	Mrudula Sushilkumar Parekh	1,56,412
35.	Pidichem Private Limited	8,36,391
36.	Narendrakumar Kalyanji Parekh	54,73,217
37.	Bharati Narendrakumar Parekh	5,82,108
38.	Apurva Narendrakumar Parekh	3,10,291
39.	Purvee Apurva Parekh	80,000
40.	Parkem Dyes & Chemicals Private Limited	1,43,651
	Total	3,56,61,162

*Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018. In continuation of the intention expressed by Mr. Himatlal Kalyanji Parekh in his letter dated December 26, 2017, Mr. Rashmikant Himatlal Parekh vide a letter dated February 22, 2018, has expressed his intention to tender upto 4,86,163 Equity Shares out of the 48,61,464 Equity Shares transmitted to him. It is clarified that the aforementioned is in addition to the original intention of Mr. Rashmikant Himatlal Parekh to tender upto 2,33,238 Equity Shares as indicated by him vide his letter dated December 26, 2017.

- b. Details of the date and price of acquisition of the Equity Shares that Promoters and Promoter Group intend to tender are set-out below:

Madhukar Balvantray Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	53,32,756	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					53,32,756

Narendrakumar Kalyanji Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	54,73,217	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					54,73,217

Ajay Balvantray Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	47,92,284	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					47,92,284

Sushil Kumar Kalyanji Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	42,23,363	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					42,23,363

Mrudula Sushilkumar Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	1,56,412	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					1,56,412

Mala Madhukar Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	9,70,159	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					9,70,159

Bharati Narendrakumar Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	5,82,108	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					5,82,108

Kalpana Apurva Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
14-6-2013	6,66,433	1/-	nil	nil	Transmission
Maximum Number of Equity Shares intended to be tendered					6,66,433

Darshana Bimal Mody

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	5,79,000	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					5,79,000

Ami Ajay Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	5,60,816	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					5,60,816

Himatlal Kalyanji Parekh*

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	4,86,163	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					4,86,163

*Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018. In continuation of the intention expressed by Mr. Himatlal Kalyanji Parekh in his letter dated December 26, 2017, Mr. Rashmikant Himatlal Parekh vide a letter dated February 22, 2018, has expressed his intention to tender upto 4,86,163 Equity Shares out of the 48,61,464 Equity Shares transmitted to him.

Jasna Raoul Thackersey

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	3,61,512	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					3,61,512

Apurva Narendrakumar Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	3,10,291	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					3,10,291

Kanta Balvantray Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	3,38,541	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					3,38,541

Rashmikant Himatlal Parekh*

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	2,33,238	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					2,33,238

*Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018. In continuation of the intention expressed by Mr. Himatlal Kalyanji Parekh in his letter dated December 26, 2017, Mr. Rashmikant Himatlal Parekh vide a letter dated February 22, 2018, has expressed his intention to tender upto 4,86,163 Equity Shares out of the 48,61,464 Equity Shares transmitted to him. It is clarified that the aforementioned is in addition to the original intention of Mr. Rashmikant Himatlal Parekh to tender upto 2,33,238 Equity Shares as indicated by him vide his letter dated December 26, 2017.

Harish Himatlal Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	2,07,659	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					2,07,659

Amrita Ajay Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	1,96,800	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					1,96,800

Parul Harish Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	1,21,421	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					1,21,421

Kamalini Rashmikant Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	82,193	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					82,193

Purvee Apurva Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	80,000	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					80,000

Anuja Ankur Shah

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	18,760	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					18,760

Malay Rashmikant Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	16,160	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					16,160

Pareet D Sanghavi

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	9,560	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					9,560

Jimeet D Sanghavi

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	9,190	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					9,190

Panna Deepak Sanghavi

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	8,016	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					8,016

Harshada Harvadan Vakil

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	5,190	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					5,190

Harvadan

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	4,230	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					4,230

Urvi Malay Parekh

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	4,000	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					4,000

Devkalyan Sales Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	26,22,428	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					26,22,428

Ishijas Chemicals Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	24,73,003	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					24,73,003

Harton Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	12,35,763	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					12,35,763

The Vacuum Forming Company Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	11,46,218	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					11,46,218

Pidichem Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	8,36,391	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					8,36,391

Kalva Marketing and Services Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	1,38,262	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					1,38,262

Parkem Dyes & Chemicals Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	1,43,651	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					1,43,651

Parekh Marketing Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	79,670	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					79,670

Trivenikalyan Trading Private Limited

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
18-3-2010	46,304	1/-	nil	nil	Bonus
Maximum Number of Equity Shares intended to be tendered					46,304

Prakash Shah Trustee of SANMP Private Beneficiary Trust

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
28-6-2016	8,20,000	1/-	nil	nil	Gift Received
Maximum Number of Equity Shares intended to be tendered					8,20,000

Prakash Dharshibhai Shah Trustee of I M Family Trust

Date	No. of Shares	Nominal Value (Rs.)	Issue Price / Transfer Price (Rs.)	Consideration (Rs.)	Nature of Transaction
30-3-2017	2,90,000	1/-	nil	nil	Gift Received
Maximum Number of Equity Shares intended to be tendered					2,90,000

- c. Consequent to the Buyback and based on the number of shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a change.
- d. The aggregate shareholding of the Promoters and Promoter Group of the Company who are in control of the Company as on the date of the postal ballot notice and on the date of Public Announcement is as follows:

Sr. No.	Name	No. of Shares held	Percentage (%)
1.	Madhukar Balvantray Parekh	5,33,27,568	10.40
2.	Narendrakumar Kalyanji Parekh	5,47,32,178	10.67
3.	Ajay Balvantray Parekh	4,79,22,844	9.35
4.	Sushil Kumar Kalyanji Parekh	4,22,33,636	8.24
5.	Mala Madhukar Parekh	97,01,598	1.89
6.	Bharati Narendrakumar Parekh	58,21,086	1.14
7.	Kalpana Apurva Parekh	66,64,334	1.30
8.	Darshana Bimal Mody	57,90,000	1.13
9.	Ami Ajay Parekh	56,08,166	1.09
10.	Himatlal Kalyanji Parekh*	48,61,630	0.95
11.	Jasna Raoul Thackersey	36,15,126	0.70
12.	Apurva Narendrakumar Parekh	31,02,910	0.61

Sr. No.	Name	No. of Shares held	Percentage (%)
13.	Kanta Balvantray Parekh	33,85,410	0.66
14.	Mrudula Sushilkumar Parekh	15,64,120	0.31
15.	Rashmikant Himatlal Parekh*	23,32,378	0.45
16.	Harish Himatlal Parekh	20,76,592	0.40
17.	Amrita Ajay Parekh	19,68,000	0.38
18.	Parul Harish Parekh	12,14,208	0.24
19.	Kamalini Rashmikant Parekh^	8,21,934	0.16
20.	Purvee Apurva Parekh	8,00,000	0.16
21.	Gulabben Himatlal Parekh^	2,61,716	0.05
22.	Anuja Ankur Shah	1,87,670	0.04
23.	Malay Rashmikant Parekh	1,61,600	0.03
24.	Pareet D Sanghavi	95,600	0.02
25.	Jimeet D Sanghavi	91,900	0.02
26.	Panna Deepak Sanghavi	80,166	0.02
27.	Harshada Harvadan Vakil	51,900	0.01
28.	Harvadan	42,300	0.01
29.	Urvi Malay Parekh	40,000	0.01
30.	Devkalyan Sales Private Limited	2,62,24,280	5.11
31.	Ishijas Chemicals Private Limited	2,47,30,038	4.82
32.	Harton Private Limited	1,23,57,634	2.41
33.	The Vacuum Forming Company Private Limited	1,14,62,186	2.24
34.	Pidichem Private Limited	83,63,916	1.63
35.	Kalva Marketing and Services Limited	13,82,628	0.27
36.	Parkem Dyes & Chemicals Private Limited	14,36,510	0.28
37.	Parekh Marketing Limited	7,96,700	0.16
38.	Trivenikalyan Trading Private Limited	4,63,040	0.09
39.	Prakash Shah Trustee of SANMP Private Beneficiary Trust	82,00,000	1.60
40.	Prakash Dharshibhai Shah Trustee of I M Family Trust	29,00,000	0.57
	Total	35,68,73,502	69.59

* Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018.

^ Pursuant to the demise of Mrs. Gulabben Himatlal Parekh, the 2,61,716 Equity Shares held by her have been transmitted to her nominee, Mrs. Kamalini Rashmikant Parekh, on February 10, 2018.

- e. As on the date of the postal ballot notice and on the date of Public Announcement, the aggregate shareholding of the directors of companies, which are part of the Promoters and Promoter Group is as follows:

Sr. No.	Name	No. of Shares held	Percentage (%)
1.	Narendrakumar Kalyanji Parekh	5,47,32,178	10.67
2.	Ajay Balvantray Parekh	4,79,22,844	9.35
3.	Ami Ajay Parekh	56,08,166	1.09
4.	Kalpana Apurva Parekh	66,64,334	1.30
5.	Madhukar Balvantray Parekh	5,33,27,568	10.40
6.	Mala Madhukar Parekh	97,01,598	1.89

Sr. No.	Name	No. of Shares held	Percentage (%)
7.	Jasna Raoul Thackersey	36,15,126	0.70
8.	Ishita Rajiv Amersey	0	0.00
9.	Bharati Narendrakumar Parekh	58,21,086	1.14
10.	Apurva Narendrakumar Parekh	31,02,910	0.61
11.	Himatlal Kalyanji Parekh*	48,61,630	0.95
12.	Sushil Kumar Kalyanji Parekh	4,22,33,636	8.24
13.	Kanta Balvantray Parekh	33,85,410	0.66
14.	Mukund P. Mody	44,252	0.00
15.	Bharat O. Mehta	1,02,766	0.02
16.	Rashmikant Himatlal Parekh*	23,32,378	0.45
17.	Mrudula Sushilkumar Parekh	15,64,120	0.31
18.	Sanket Sushilkumar Parekh	0	0.00
	Total	24,49,17,236	47.78

* Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018.

- f. As on the date of the postal ballot notice and on the date of Public Announcement, the shareholding in the Company of the Directors and Key Managerial Personnel of the Company is as follows:

Sr. No.	Name of Directors & Key Managerial Personnel	Designation	No. of Shares held	Percentage (%)
1.	M. B. Parekh	Executive Chairman	5,33,27,568	10.40
2.	Bharat Puri*	Managing Director	1,00,000	0.02
3.	N. K. Parekh	Vice Chairman	5,47,32,178	10.67
4.	A.B. Parekh	Whole Time Director	4,79,22,844	9.35
5.	A.N. Parekh	Whole Time Director	31,02,910	0.61
6.	Sabyaschi Patnaik	Director	1,800	0
7.	B. S. Mehta	Director	24,716	0
8.	Uday Khanna	Director	5,000	0
9.	Ranjan Kapur^	Director	0	0
10.	Sanjeev Aga	Director	798	0
11.	Meera Shankar	Director	0	0
12.	Vinod Dasari	Director	0	0
13.	Savithri Parekh	Company Secretary	0	0
14.	P. Ganesh	Chief Financial Officer	50	0

*Mr. Bharat Puri is a partner of two Limited Liability partnership firms which in aggregate hold 2,00,000 Equity Shares in the Company

^ Ceased to be a director due to demise on January 27, 2018

- g. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters and Promoter Group in the Company may increase / decrease from the existing 69.59% holding in the total equity capital and voting rights of the Company. The Promoters and Promoter Group of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters and Promoter Group will not result in any change in control over the Company.
- h. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Shareholders upto their entitlement, the aggregate shareholding of the Promoters and Promoter Group, may increase to 69.69% post Buyback from the current pre Buyback shareholding of 69.59%, and the aggregate shareholding of the public in the Company shall decrease to 30.31% post Buyback from the current pre Buyback shareholding of 30.41%.

5. Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of the Promoters and Promoter Group would undergo a change.
6. The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their Buyback Entitlement.
7. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
8. The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.
9. The Promoters and Promoter Group shall not deal in the Equity Shares of the Company, including any *inter se* transfer of shares amongst the Promoters and Promoter Group for the period between the date of passing of the Special Resolution and the date of the closure of the Buyback in accordance with the Buyback Regulations.
10. Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2017 are as under:

Particulars	Pre Buyback*	Post Buyback*
Net Worth (in Rs. cr) ^a	3318.76	2818.26
Return on Net Worth/ Return on Equity (%) ^b	23.32%	27.46%
Basic Earnings per Share - Basic (Rs.) ^c	15.09	15.24
Book value per Equity Share/ NAV per Share (Rs.) ^d	64.73	55.51
P/E as per the latest audited financial result ^e	46.33	45.87
Total Debt/Equity Ratio ^f	0.00	0.00

Notes:

a. Net Worth = Paid-up share capital plus free reserves as reduced by unrealized gains on mark-to-market investments

b. Return on Networth = Profit after Tax for the period divided by Networth for the period

c. Earnings per share = Profit after Tax for the period divided by total number of shares outstanding

d. Book Value per Equity Share = Networth divided by total number of shares outstanding

e. Price / Earnings (P/E) = Closing market price of the Equity Shares on NSE on March 31, 2017 divided by Earnings per Equity Share

f. Total debt / equity Ratio = Total debt divided by Networth

*Pre and Post Buyback calculations are based on audited financials as of March 31, 2017

12. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 1,000/- (Rupees one thousand only) per equity share (the “**Buyback Price**”). The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) where the Equity Shares are listed, the networth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Share.

- i. The Buyback Price represents a premium of 20.8% and 21.4% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- ii. The Buyback Price represents a premium of 15.4% and 14.1% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

For trends in the market price of the Equity Shares, please refer to paragraph 18 of this Letter of Offer.

The closing market price of the Equity Shares as on the date of intimation to the BSE and the NSE for the Board Meeting for considering the Buyback, was Rs. 889.15 on the BSE and Rs. 889.90 on the NSE.

The earning per share of the Company on pre-Buyback as on 31st March, 2017 was Rs. 15.09 which would work out to Rs. 15.24 on a reduced share capital post Buyback assuming full acceptance of the Buyback.

The return on net-worth of the Company (as described in paragraph 11(10) above) on pre Buyback as on 31st March, 2017 was 23.32% which would work out to 27.46% on a reduced share capital post Buyback assuming full

acceptance of the Buyback.

13. SOURCES OF FUNDS

1. Assuming full acceptance, the funds that would be deployed by the Company for the purposes of the Buyback, would be Rs. 500,00,00,000/- (Rupees five hundred crores only) excluding brokerage, applicable taxes such as securities transaction taxes, goods and service tax, stamp duty, filing fees etc.
2. The funds for the Buyback will be sourced from internal accruals. The Company has confirmed that funds for Buyback will be available from cash balances and /or liquidation of financial instruments and/or other sources available with the Company as permitted by the Buyback Regulations. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback. The cost of financing the Buyback would be notional loss in other income, if any. However, if required, the Company may borrow funds in the ordinary course of its business.

14. DETAILS OF ESCROW ACCOUNT AND AMOUNT DEPOSITED THEREIN

1. In accordance with Regulation 10 of the Buyback Regulations, on January 31, 2018, an Escrow Agreement has been entered into amongst the Company, Manager to the Buyback and the Escrow Agent having its registered office at 27 BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.
2. In terms of the Escrow Agreement, the Company has (a) opened an escrow account in the name and style "Pidilite Industries Buyback – Escrow Account" bearing the account number 6011876306; (b) has deposited in the Escrow Account, cash aggregating to a sum of Rs. 65,00,00,000/- (Rupees sixty five crores only) i.e. equivalent to 25% upto Rs. 100 crores and 10% thereafter of the Buyback Size, by way of security for the fulfillment of its obligations under the Buyback. The Manager to the Buyback is empowered to operate the Escrow Account in accordance with the Buyback Regulations
3. The amount of cash deposited in the Escrow Account is in accordance to the amount required to be deposited in terms of the Buyback Regulations.
4. The Company, duly authorized by its Buyback Committee, has identified and earmarked specific investments for the purpose of fulfillment of the obligations of the Company under the Buyback. Such investments are in excess of the Buyback Size.
5. Based on the resolution of the Buyback Committee dated January 31, 2018 in this regard, and other facts/documents, Khanna & Panchmia, Chartered Accountants, (Firm Registration number 136041W), having its office at 303/304, Shyam Kamal "D", Tejpal Road, Vile Parle (E), Mumbai 400 057, Tel: 022 2616 0149 have certified, vide their letter dated January 31, 2018, that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback.
6. The Manager to the Buyback, having regard to the above, confirms that firm arrangements for fulfilling the obligations under the Buyback are in place.

15. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

1. The present capital structure of the Company as on date of the issue of the this Letter of Offer is as follows:

Particulars	Pre Buyback (in Rs. crores)
Authorised Share Capital	
70,00,00,000 Equity Shares of Re. 1/- each	70.00
Issued, Subscribed and Paid-Up Share Capital	
51,28,10,330 fully paid-up Equity Shares of Re. 1/- each	51.28

2. Assuming full acceptance in the Buyback, the capital structure post Buyback would be as follows:

Particulars	Post Buyback (in Rs. crores)
Authorised Share Capital	
70,00,00,000 Equity Shares of Re. 1/- each	70.00
Issued, Subscribed and Paid-Up Share Capital	
50,78,10,330 fully paid-up Equity Shares of Re. 1/- each	50.78

3. As on the date of the Letter of Offer, there are no outstanding preference shares, partly paid up Equity Shares or calls in arrears.
4. As on the date of the Letter of Offer, there are no outstanding instruments convertible into Shares except 2,01,200 outstanding employee stock options granted by the Company.
5. The Company shall not issue and allot any Shares including by way of bonus or convert any employee stock options into Shares, from the date of Public Announcement till the date of closure of this Buyback.
6. There have been no other Buyback programmes of the Company over the last 3 years from the date of the Letter of Offer.
7. The shareholding pattern of the Company before the Buyback, i.e., as on February 12, 2018, and after the Buyback (assuming full subscription of the Buyback), is as follows:

Particulars	Number of Shares	% to existing share capital	No. of Shares post Buyback*	% holding post Buyback*
Promoters and persons acting in concert	35,68,73,502	69.59	35,38,83,999	69.69
Foreign Investors (OCBs/FIIs/NRIs/Non-residents/Non-domestic companies)	561,19,669	10.94	15,39,26,331	30.31
Indian Financial Institutions/Banks/Mutual Funds/Govt. Companies	4,45,56,590	8.69		
Public including other Bodies Corporate	5,52,60,569	10.78		
Total	51,28,10,330	100.00	50,78,10,330	100.00

* Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement

8. No Equity Shares of the Company have been purchased/ sold by any of the Promoters and Promoter Group, directors of the Promoters and Promoter Group Companies and the Directors and Key Managerial Personnel of the Company during the period from twelve months preceding the date of the Board Meeting at which the Buyback was approved and the date of the Public Announcement, except for the following transactions:

Name	Date of Transfer	No. of Shares Purchased	Details of Transfer	Maximum Price (Rs.)*	Date of Maximum Price	Minimum Price (Rs.)*	Date of Minimum Price	Average Price (Rs.)*
P Ganesh	23-12-16	50	Market Purchase	587.20	23-12-16	585	23-12-16	585.88
Bijal Viral Thakker	27-12-16	20,00,000	Gift Received	Nil	27-12-16	Nil	27-12-16	Nil
Bharat O Mehta	03-03-17	400	ESOPs	1.00	03-03-17	1.00	03-03-17	1.00
Sabyaschi Patnaik	03-03-17	200	ESOPs	1.00	03-03-17	1.00	03-03-17	1.00
Prakash Shah Trustee of SANMP Private Beneficiary Trust	30-3-17	42,00,000	Gift Received	Nil	30-3-17	Nil	30-3-17	Nil
Prakash Dharshibhai Shah Trustee of I M Family Trust	30-3-17	29,00,000	Gift Received	Nil	30-3-17	Nil	30-3-17	Nil
Sanjeev Aga	26-05-17	164	Purchase under PMS	764.34	26-05-17	764.34	26-05-17	764.34
Sanjeev Aga	05-06-17	49	Purchase under PMS	796.45	05-06-17	796.45	05-06-17	796.45
Sanjeev Aga	09-06-17	152	Purchase under PMS	806.65	09-06-17	806.65	09-06-17	806.65

Name	Date of Transfer	No. of Shares Purchased	Details of Transfer	Maximum Price (Rs.)*	Date of Maximum Price	Minimum Price (Rs.)*	Date of Minimum Price	Average Price (Rs.)*
Ishijas Chemicals Pvt.Ltd.	28-6-17	1,00,000	Market Purchase	807.40	28-6-17	807.40	28-6-17	807.40
Bharat O Mehta	31-08-17	900	ESOPs	1.00	31-08-17	1.00	31-08-17	1.00
Sabyaschi Patnaik	31-08-17	1,600	ESOPs	1.00	31-08-17	1.00	31-08-17	1.00
Narendrakumar Kalyanji Parekh	2-9-17	30,00,000	Gift Received	Nil	2-9-17	Nil	2-9-17	Nil
Sanjeev Aga	19-09-17	91	Purchase under PMS	839.70	19-09-17	839.70	19-09-17	839.70
Bharat Puri	28-09-17	1,00,000	ESOPs	1.00	28-09-17	1.00	28-09-17	1.00
Pidichem Pvt Ltd	8-12-17	1,25,000	Inter-se transfer amongst the promoter group through Stock market	856.00	8-12-17	856.00	8-12-17	856.00
Himatlal Kalyanji Parekh	8-12-17	50,000	Inter-se transfer amongst the promoter group through Stock market	858.60	8-12-17	857.65	8-12-17	858.12
Parkem Dyes & Chemicals Pvt Ltd	8-12-17	1,60,000	Inter-se transfer amongst the promoter group through Stock market	855.00	8-12-17	855.00	8-12-17	855.00

Name	Date of Transfer	No. of Shares Sold	Details of Transfer	Maximum Price (Rs.)*	Date of Maximum Price	Minimum Price (Rs.)*	Date of Minimum Price	Average Price (Rs.)*
Narendrakumar Kalyanji Parekh	27-12-16	10,00,000	Gift Given	Nil	27-12-16	Nil	27-12-16	Nil
Bharati Narendrakumar Parekh	27-12-16	10,00,000	Gift Given	Nil	27-12-16	Nil	27-12-16	Nil
Madhukar Balvantray Parekh	30-3-17	29,00,000	Gift given	Nil	30-3-17	Nil	30-3-17	Nil
Mala Madhukar Parekh	30-3-17	15,42,000	Gift given	Nil	30-3-17	Nil	30-3-17	Nil
Ajay Balvantray Parekh	30-3-17	5,51,000	Gift given	Nil	30-3-17	Nil	30-3-17	Nil
Ami Ajay Parekh	30-3-17	3,75,000	Gift given	Nil	30-3-17	Nil	30-3-17	Nil
Mrudula Sushilkumar Parekh	30-3-17	8,06,000	Gift given	Nil	30-3-17	Nil	30-3-17	Nil
Narendrakumar Kalyanji Parekh	30-3-17	3,00,000	Gift Given	Nil	30-3-17	Nil	30-3-17	Nil
Bharati Narendrakumar Parekh	30-3-17	4,60,000	Gift Given	Nil	30-3-17	Nil	30-3-17	Nil
Apurva Narendrakumar Parekh	30-3-17	1,66,000	Gift Given	Nil	30-3-17	Nil	30-3-17	Nil
Bijal Viral Thakker	2-9-17	30,00,000	Gift Given	Nil	2-9-17	Nil	2-9-17	Nil
Rashmikant Himatlal Parekh	8-12-17	25,000	Inter-se transfer amongst the promoter group through Stock market	858.60	8-12-17	858.60	8-12-17	858.60
Parul Harish Parekh	8-12-17	25,000	Inter-se transfer amongst the promoter group through Stock market	857.65	8-12-17	857.65	8-12-17	857.65
Sushil Kumar Kalyanji Parekh	8-12-17	1,25,000	Inter-se transfer amongst the promoter group through Stock market	856.00	8-12-17	856.00	8-12-17	856.00
Apurva Narendrakumar Parekh	8-12-17	1,60,000	Inter-se transfer amongst the promoter group through Stock market	855.00	8-12-17	855.00	8-12-17	855.00

*Excluding Brokerage and other transaction costs

Note:

1. Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018.

2. Pursuant to the demise of Mrs. Gulabben Himatlal Parekh, the 2,61,716 Equity Shares held by her have been transmitted to her nominee, Mrs. Kamalini Rashmikant Parekh, on February 10, 2018.

9. Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be Rs. 50,78,10,330 /- comprising 50,78,10,330 Equity Shares of Re. 1/- each as more fully set out in paragraph 15 (2) of this Letter of Offer.
10. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Shareholders upto their entitlement, the aggregate shareholding of the Promoters and Promoter Group, post Buyback may increase to 69.69% from 69.59%.
11. There is no pending scheme of amalgamation or compromise or arrangement of the Company pursuant to any provisions of the Act.

16. BRIEF INFORMATION ABOUT THE COMPANY

1. Parekh Dyechem Industries Private Limited was incorporated on July 28, 1969 under the Companies Act, 1956. The name of the Company was changed to PDI Chemicals Private Limited with effect from July 1, 1986. Thereafter on October 28, 1988, the name of the Company was changed to PDI Chemicals Limited consequent to the Company becoming a deemed Public Company. Pidilite Industries Private Limited was incorporated on May 18, 1965 under the Companies Act, 1956. With effect from April 1, 1989, Pidilite Industries Private Limited amalgamated with PDI Chemicals Limited and the name of the Company was changed from "PDI Chemicals Limited" to "Pidilite Industries Limited" on February 21, 1990. The registered office of the Company is located at Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai – 400021 and the corporate headquarters of the Company is located at Ramkrishna Mandir Road, Off Sir Mathuradas Vasanji Road, Andheri (East), Mumbai - 400059.
2. The paid up equity share capital of the Company for the year ended March 31, 2017 was Rs. 51.27 crore and the total free reserves for the year ended March 31, 2017 were Rs. 3267.49 crores.
3. History and Growth of Business
 - a. The Company is primarily engaged in manufacturing and marketing of branded Consumer & Bazaar Products and Industrial Products. Adhesives and Sealants, construction / paint chemicals, art and craft materials mainly constitute the Consumer & Bazaar Products. Industrial products are pigments and preparations, industrial adhesives and industrial resins etc. The Company has a diverse product range which caters to demands of various segments of end users.
 - b. The Company has extensive customer base in India and is currently a market leader in adhesives and sealants. It also has sizeable presence in other categories.
 - c. The Company has a well recognized brand presence in India. Over the years, the Company has developed/ acquired many well known brands in India including Fevicol, Fevikwik, M- Seal and Steelgrip in the adhesives and sealants segment; and Dr. Fixit and Roff in the construction chemicals segment. Most of these brands are market leaders in their respective segments in India.
 - d. The equity shares of the Company were listed at BSE Limited (Script Code 500331) on January 20, 1994 and National Stock Exchange of India Limited (Script Name PIDILITIND) on March 29, 1995.
 - e. For the financial years ended March 31, 2017, 2016 and 2015, the Company recorded Revenue from Operation after excise duty (on standalone basis) of Rs. 4865.37 cr, Rs 4731.03 cr, Rs 4398.08 cr respectively, and profit after tax (on standalone basis) of Rs. 773.79 cr, Rs 746.72 cr, Rs 501.86 cr respectively. The financial statements for the financial years ended March 31, 2017 and 2016 were prepared on the basis of Indian Accounting Standards and the financial statements for the financial year ended March 31, 2015 were prepared on the basis of Indian Generally Accepted Accounting Principles.

f. Following is the equity share capital history of the Company since inception:

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price per share (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative	
						No. of shares	Paid up share capital (Rs.)
28-07-69	7	10	10	Cash	Subscribers to Memorandum	7	70
11-10-69	5,993	10	10	Cash	Allotment	6,000	60,000
29-11-73	20,000	10	10	Cash	Allotment	26,000	2,60,000
23-10-80	26,000	10	10	Cash	Allotment	52,000	5,20,000
06-04-81	52,000	10	Nil	NA	Bonus (1981) ⁽¹⁾	1,04,000	10,40,000
01-11-85	19,500	10	NA	Other than Cash	Allotment pursuant to amalgamation of Kondivita Private Limited with the Company	1,23,500	12,35,000
18-09-90	1,93,500	10	NA	Other than Cash	Allotment pursuant to amalgamation of ertswihle Pidilite Industries Limited with the Company. The Company's name was changed to Pidilite Industries Ltd. post amalgamation	3,17,000	31,70,000
12-11-92	90,588	10	NA	Other than Cash	Allotment pursuant to amalgamation of Triveni Chemicals Limited with the Company	4,07,588	40,75,880
05-01-93	50,948	10	10	Cash	Allotment	4,58,536	45,85,360
13-01-93	76,052	10	10	Cash	Allotment	5,34,588	53,45,880
29-01-93	38,49,034	10	Nil	NA	Bonus (1993) ⁽²⁾	45,18,622	4,51,86,220
06-03-93	1,35,000	10	10	Cash	Allotment	6,69,588	66,95,880
22-12-93	15,36,378	10	100	Cash	Public allotment ⁽³⁾	60,55,000	6,05,50,000
18-07-95	66,000	10	NA	Consideration other than Cash	Allotment pursuant to amalgamation of Apuraj Chemicals Limited with the Company	61,21,000	6,12,10,000
26-11-96	61,17,200	10	Nil	NA	Bonus(1996) ⁽⁴⁾	1,22,38,200	12,23,82,000
02-09-97	500	10	Nil	NA	Shares allotted out of Bonus issue Suspense Account	1,22,38,700	12,23,87,000
09-01-98	100	10	Nil	NA	Shares allotted out of Bonus issue Suspense Account	1,22,38,800	12,23,88,000
22-04-98	2,700	10	Nil	NA	Shares allotted out of Bonus issue Suspense Account	1,22,41,500	12,24,15,000
23-02-99	100	10	Nil	NA	Shares allotted out of Bonus issue Suspense Account	1,22,41,600	12,24,16,000
22-11-99	100	10	Nil	NA	Shares allotted out of Bonus issue Suspense Account	1,22,41,700	12,24,17,000
14-03-00	3,78,000	10	NA	Other than Cash	Allotment pursuant to amalgamation of Nebula Chemicals Limited with the Company	1,26,19,700	12,61,97,000
20-07-00	1,26,19,400	10	Nil	NA	Bonus (2000) ⁽⁵⁾	2,52,39,100	25,23,91,000
19-02-02	300	10	Nil	NA	Shares allotted out of Bonus issue Suspense Account	2,52,39,400	25,23,94,000
09-08-05	25,23,94,000	1	NA	NA	Sub division of shares from Rs.10/- each to Re.1/- each ⁽⁶⁾	25,23,94,000	25,23,94,000
31-03-08	6,67,306	1	NA	Other than Cash	Shares issued pursuant to Demerger of VAM Manufacturing unit of Vinyl Chemicals (I) Limited with the Company	25,30,61,306	25,30,61,306
26-05-09	3,000	1	Nil	NA	Shares allotted out of Bonus issue Suspense	25,30,64,306	25,30,64,306

Date of Allotment	No. of equity shares	Face value (Rs.)	Issue Price per share (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative	
						No. of shares	Paid up share capital (Rs.)
					Account		
28-10-09	3,000	1	Nil	NA	Shares allotted out of Bonus issue Suspense Account	25,30,67,306	25,30,67,306
18-03-10	25,30,67,306	1	Nil	NA	Bonus (2010) ⁽⁷⁾	50,61,34,612	50,61,34,612
04-06-11	1,16,462	1	101.42	Cash	Allotment pursuant to conversion of FCCBs	50,62,51,074	50,62,51,074
28-06-11	2,32,926	1	101.41	Cash	Allotment pursuant to conversion of FCCBs	50,64,84,000	50,64,84,000
27-07-11	8,92,880	1	101.41	Cash	Allotment pursuant to conversion of FCCBs	50,73,76,880	50,73,76,880
04-08-11	1,94,104	1	101.41	Cash	Allotment pursuant to conversion of FCCBs	50,75,70,984	50,75,70,984
22-09-11	77,642	1	101.41	Cash	Allotment pursuant to conversion of FCCBs	50,76,48,626	50,76,48,626
13-09-12	78,026	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	50,77,26,652	50,77,26,652
14-09-12	7,80,268	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	50,85,06,920	50,85,06,920
25-09-12	78,026	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	50,85,84,946	50,85,84,946
01-10-12	3,90,134	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	50,89,75,080	50,89,75,080
04-10-12	2,34,080	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	50,92,09,160	50,92,09,160
11-10-12	3,90,134	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	50,95,99,294	50,95,99,294
17-10-12	7,41,254	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	51,03,40,548	51,03,40,548
25-10-12	2,73,092	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	51,06,13,640	51,06,13,640
23-11-12	3,12,106	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	51,09,25,746	51,09,25,746
03-12-12	17,16,584	1	100.91	Cash	Allotment pursuant to conversion of FCCBs	51,26,42,330	51,26,42,330
15-11-14	20,500	1	1	Cash	Allotment to employees under Stock options	51,26,62,830	51,26,62,830
25-11-15	12,500	1	1	Cash	Allotment to employees under Stock options	51,26,75,330	51,26,75,330
03-03-17	7,400	1	1	Cash	Allotment to employees under Stock options	51,26,82,730	51,26,82,730
31-08-17	21,600	1	1	Cash	Allotment to employees under Stock options	51,27,04,330	51,27,04,330
19-09-17	6,000	1	1	Cash	Allotment to employees under Stock options	51,27,10,330	51,27,10,330
28-09-17	1,00,000	1	1	Cash	Allotment to employees under Stock options	51,28,10,330	51,28,10,330

Note:

- 1 In the Annual General Meeting of the Company held on December 4, 1980, the shareholders approved the issuance of bonus shares of ₹10 each in the ratio of 1:1 by way of capitalisation of accumulated profits.
- 2 In the Extraordinary General Meeting of the Company held on January 28, 1993, the shareholders approved the issuance of bonus shares of ₹10 each in the ratio of 72:10 by way of capitalisation of accumulated profits.
- 3 In the Extraordinary General Meeting of the Company held on July 20, 1993, the shareholders approved the issuance of equity shares of ₹10 each at a premium of Rs. 100/- per equity shares.
- 4 In the Annual General Meeting of the Company held on September 17, 1996, the shareholders approved the issuance of bonus shares of ₹10 each in the ratio of 1:1 by way of capitalisation of accumulated profits.
- 5 In the Extraordinary General Meeting of the Company held on March 14, 2000, the shareholders approved the issuance of bonus shares of ₹10 each in the ratio of 1:1 by way of capitalisation of accumulated profits.
- 6 In the Annual General Meeting of the Company held on August 9, 2005, the shareholders approved the sub-division of shares from ₹ 10/- each to ₹ 1/- each.
- 7 In the Extraordinary General Meeting of the Company held on March 4, 2010, the shareholders approved the issuance of bonus shares of ₹1 each in the ratio of 1:1 by way of capitalisation of accumulated profits.

g. The Board of Directors of the Company comprises the following:

Name, Occupation, Age and DIN	Designation	Qualifications	Date of Appointment / Reappointment	Directorships in Other Companies and Bodies Corporate
Shri Madhukar Balvantray Parekh Occupation: Business Age: 71 years Din: 00180955	Executive Chairman	M.S.Chem Engg (USA)	31-08-1972/ 10-04-2015	<ul style="list-style-type: none"> Vinyl Chemicals (India) Limited Kalva Marketing and Services Limited Fevicol Company Limited Harton Private Limited Devkalyan Sales Private Limited Trivenikalyan Trading Private Limited Pargro Investments Private Limited Excel Industries Limited Dr. Fixit Institute of Structural Protection & Rehabilitation (a company u/s 8) Parbro Trading LLP
Shri Narendrakumar Kalyanji Parekh Occupation: Business Age: 79 years Din: 00111518	Non-Executive Vice Chairman	B.Sc., B.Sc(Tech), M.S.Chem Engg (USA)	28-07-1969/ 01-04-2015	<ul style="list-style-type: none"> Vinyl Chemicals (India) Limited Fevicol Company Limited The Vacuum Forming Company Private Limited Parkem Dyes & Chemicals Private Limited (Executive Director wef 01.04.16) Kalpaj Sales & Agencies Private Limited Ishijas Chemicals Private Limited Pargro Investments Private Limited Dr. Fixit Institute of Structural Protection & Rehabilitation (a company u/s 8) Kalva Marketing and Services Limited Parekh Marketing Limited
Shri Bharat Tilakraj Puri Occupation: Service Age: 56 years Din: 02173566	Managing Director	MBA (IIM), Ahmedabad	28-05-2008/ 10-04-2015	<ul style="list-style-type: none"> ICA Pidilite Private Limited (formerly known as Wood Coat Private Limited) Pidilite International Pte. Limited Pidilite Innovation Centre Pte. Limited Tilarda Trading LLP Amba Trading LLP
Shri Bansidhar Sunderlal Mehta Occupation: Chartered Accountant Age: 82 years Din: 00035019	Independent Director	B.Com., FCA	25-07-2000/ 25-09-2014	<ul style="list-style-type: none"> Atul Limited Century Enka Limited Housing Development Finance Corporation Limited IL & FS Investment Managers Limited Procter & Gamble Hygiene & Healthcare Limited Sasken Technologies Limited (Formerly known as Sasken Communication Technologies Limited) Gillette India Limited ThyssenKrupp Industrial Solutions (India) Private Limited Jumbo World Holdings Limited (BVI)
Shri Ranjan Mohanlal Kapur Din: 00035113	Independent Director	Masters in English	17-10-2000/ 25-09-2014	Ceased to be a director due to demise on 27-01-2018

Name, Occupation,	Designation	Qualifications	Date of	Directorships in Other Companies and
Shri Ajay Balvantray Parekh Occupation: Business Age: 60 years Din: 00035317	Whole Time Director	B.Chem (Engg.),M.B.A. (U.S.A.)	26-06-1985/ 01-08-2013	<ul style="list-style-type: none"> • The Vacuum Forming Company Private Limited • Ishijas Chemicals Private Limited • Vapkon Finance & Investment Private Limited • Abhajay Trade & Commerce Private Limited • Pargro Investments Private Limited • Pidilite USA, Inc. • Dr. Fixit Institute of Structural Protection & Rehabilitation (a company u/s 8) • Pagel Concrete Technologies Private Limited • Pidilite Innovation Centre Pte. Limited • Modern Laboratories Private Limited • Pidilite Industries Trading (Shanghai) Company Limited • Building Envelope Systems India Limited • Fevicol Company Limited • Pidilite Chemical PLC • Parbro Trading LLP
Shri Apurva Narendrakumar Parekh Occupation: Business Age: 46 years Din: 00111366	Whole Time Director	B.S. Chem (Engg.) (U.S.A)	01-07-2005/ 01-07-2015	<ul style="list-style-type: none"> • Parkem Dyes & Chemicals Private Limited • Kalpaj Sales & Agencies Private Limited • Synapse Technologies Inc, USA • Pidilite MEA Chemicals LLC (formerly known as Jupiter Chemicals LLC., Dubai) • Pidilite Industries Egypt (SAE) • Pidilite Speciality Chemicals (Bangladesh) Private Limited • Pidilite Bamco Limited • Pidilite USA Inc. • Dr. Fixit Institute of Structural Protection & Rehabilitation (a company u/s 8) • Jess Trading Private Limited • Sarla Technologies Middle East LLC • Percept Waterproofing Services Limited • Nina Waterproofing Systems Private Limited • Pidilite Chemical PLC • Pidilite International Pte. Limited • Parbro Trading LLP • Sarla Advantech Private Limited
Shri Sanjeev Aga Occupation: Advisor Age: 65 years Din: 00022065	Independent Director	Post graduate from Indian Institute of Management, Kolkata	29-07-2011/ 01-09-2015	<ul style="list-style-type: none"> • Idea Cellular Limited • Larsen & Toubro Infotech Limited • Mahindra Holidays & Resorts India Limited • UFO Moviez India Limited • Manjushree Technopack Limited • Larsen & Toubro Limited • Vedant Fashions Private Limited

Name, Occupation,	Designation	Qualifications	Date of	Directorships in Other Companies and
Shri Uday Chander Khanna Occupation: Management Consultant Age: 68 years Din: 00079129	Independent Director	B.Com., FCA	03-04-2014	<ul style="list-style-type: none"> The Anglo Scottish Education Society Bata India Limited Castrol India Limited Pfizer Limited DSP BlackRock Investment Mangers Private Limited Kotak Mahindra Bank Limited
Smt. Meera Shankar Occupation: Retired Diplomat Age: 67 years Din: 06374957	Independent Director	Masters in English Literature	30-07-2014	<ul style="list-style-type: none"> ITC Limited Adani Transmission Limited Hexaware Technologies Limited
Shri Sabyaschi Patnaik Occupation: Service Age: 55 years Din: 07183784	Whole Time Director	B.Chem, Engg, MBA	19-05-2015	NIL
Shri Vinod Kumar Dasari Occupation: Business Age: 51 years Din: 00345657	Independent Director	MS, MBA	01-09-2015	<ul style="list-style-type: none"> Ashok Leyland Limited Global TVS Bus Body Builders Limited Vishay Engineering and Holdings Private Limited Lanka Ashok Leyland PLC WayCool Foods And Products Private Limited Association of Indian Automobiles Manufacturers

- h. The details of change in Board of Directors during the last 3 years from the date of this Letter of Offer are as under:

Name	Appointment/Resignation/Cessation	Effective Date	Reasons
Shri Narendrakumar Kalyanji Parekh	Appointment	01-04-2015	Ceased to be joint Managing Director of the Company and appointed as Non-Executive Vice Chairman of the Company
Shri Madhukar Balvantray Parekh	Appointment	10-04-2015	Ceased to be Managing Director of the Company and designated as Whole Time Director and Executive Chairman
Shri Bharat Puri	Appointment	10-04-2015	Appointed as Managing Director of the Company
Shri Sabyaschi Patnaik	Appointment	19-05-2015	Appointment as Whole Time Director designated as Director - Operations
Shri Vinod Kumar Dasari	Appointment	01-09-2015	Appointed as Independent Director
Shri N J Jhaveri	Cessation	06-06-2015	Ceased to be a director due to demise on 06-06-2015
Shri Ranjan Mohanlal Kapur	Cessation	27-01-2018	Ceased to be a director due to demise on 27-01-2018

- i. The Buyback will not result in any benefit to any directors of the Company / Promoters and Promoter Group / person in control of the Company / group companies except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital post Buyback.

17. FINANCIAL INFORMATION

The brief audited financial information of the Company for the last three financial years and the unaudited financial results for the period ended September 30, 2017 are provided below. It must be noted that the financial results for the period ended September 30, 2017 although unaudited have been subjected to a limited review by

the statutory auditors of the Company as is required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The results have been adopted by the Board of Directors of the Company at its meeting on November 8, 2017 and the statutory auditors have issued their limited review report dated November 8, 2017 on the same.

Standalone Financial Information

(Rs. Crore, except per share data)

Period Ending	Sep 30, 2017 [@]	Mar 31, 2017 [@]	Mar 31, 2016 [@]	Mar 31, 2016 [^]	Mar 31, 2015 [^]
Period	6 months	12 Months	12 Months	12 Months	12 Months
Revenue from Operations after excise duty	2705.00	4865.37	4731.03	4734.50	4398.08
Other Income	70.36	110.10	70.62	43.80	42.77
Total Income after excise duty	2775.36	4975.47	4801.65	4778.30	4440.85
Total Expenses including exceptional items and excluding Excise duty, Finance Costs, Depreciation & Amortisation, Tax & Extraordinary items	2025.84	3734.83	3638.49	3644.16	3655.08
Finance Costs	2.97	5.68	5.84	5.84	9.51
Depreciation & Amortization	45.94	90.24	87.82	115.01	107.72
Profit before Tax	700.61	1144.72	1069.50	1013.29	668.54
Provision for tax (incl. deferred tax)	222.58	370.93	322.78	310.25	166.68
Profit after tax	478.03	773.79	746.72	703.04	501.86
Other Comprehensive Income (Net of Tax)	-1.00	-1.98	-0.22	0.00	0.00
Total Comprehensive Income for the period	477.03	771.81	746.50	703.04	501.86
As on	Sep 30, 2017[@]	Mar 31, 2017[@]	Mar 31, 2016[@]	Mar 31, 2016[^]	Mar 31, 2015[^]
Equity Share Capital	51.28	51.27	51.27	51.27	51.27
Reserves & Surplus	3453.60	3267.49	2540.08	2743.92	2296.62
Net Worth	3504.88	3318.76	2591.35	2795.19	2347.89
Total Debt	0.00	0.00	1.12	1.12	5.78
Key Financial Ratios					
Basic Earnings per Share (Rs)	9.32	15.09	14.57	13.71	9.79
Book value per Share (Rs)	68.35	64.73	50.54	54.52	45.79
Debt-Equity Ratio	0.00	0.00	0.00	0.00	0.00
Return on Networth (%)	13.64%	23.32%	28.82%	25.15%	21.37%

Consolidated Financial Information

(Rs. Crore, except per share data)

Period Ending	Sep 30, 2017 [@]	Mar 31, 2017 [@]	Mar 31, 2016 [@]	Mar 31, 2016 [^]	Mar 31, 2015 [^]
Period	6 months	12 Months	12 Months	12 Months	12 Months
Revenue from Operations after excise duty	3050.20	5616.79	5361.17	5369.45	4844.10
Other Income	76.89	112.25	77.83	50.99	45.49
Total Income after excise duty	3127.09	5729.04	5439.00	5420.44	4889.59
Total Expenses including exceptional items and excluding Excise duty, Finance Costs, Depreciation & Amortisation, Tax & Extraordinary items	2353.16	4357.00	4187.69	4195.55	4078.26
Finance Costs	7.60	13.93	13.27	13.27	15.64
Depreciation & Amortization	60.87	115.14	100.47	133.13	117.76
Profit before Tax inclusive of share of profit of Associates & JV	707.13	1248.27	1140.77	1081.42	682.96
Provision for tax (incl. deferred tax)	227.70	385.05	333.54	322.11	169.41

Period Ending	Sep 30, 2017 [@]	Mar 31, 2017 [@]	Mar 31, 2016 [@]	Mar 31, 2016 [^]	Mar 31, 2015 [^]
Profit after tax	479.43	863.22	807.23	759.31	513.55
Other Comprehensive Income (Net of Tax)	-0.72	-2.17	-0.19	0.00	0.00
Total Comprehensive Income for the period	478.71	861.05	807.04	759.31	513.55
As on	Sep 30, 2017 [@]	Mar 31, 2017 [@]	Mar 31, 2016 [@]	Mar 31, 2016 [^]	Mar 31, 2015 [^]
Equity Share Capital	51.28	51.27	51.27	51.27	51.27
Reserves & Surplus	3515.62	3329.46	2516.22	2674.02	2174.22
Net Worth	3566.90	3380.73	2567.49	2725.29	2225.49
Total Debt	92.00	97.51	80.02	84.28	58.42
Key Financial Ratios					
Basic Earnings per Share (Rs)	9.33	16.77	15.66	14.74	10.00
Book value per Share (Rs)	69.56	65.94	50.08	53.16	43.41
Debt-Equity Ratio	0.03	0.03	0.03	0.03	0.03
Return on Networth (%)	13.44%	25.53%	31.44%	27.86%	23.08%

Notes:

1. Earnings per Share = Profit After Tax / No. of Shares at the end of the period
2. Net Worth = Paid-up share capital plus free reserves as reduced by unrealized gains on mark-to-market investments
3. Book value per Share = Net Worth / No. of Shares at the end of the period
4. Debt-Equity Ratio = Total Debt / Net Worth
5. Return on Net Worth = Profit after tax / Net Worth
6. Return on Net Worth and EPS for period ending September 2017 is not annualized

[@] Prepared in accordance with Ind AS

[^] Prepared in accordance with IGAAP

Company has adopted Ind AS from April 1, 2016 with a transition date of April 1, 2015 and accordingly, financial information for the period ending March 31, 2015 as mentioned above have been prepared in accordance with Companies Accounting Standards Rules as prescribed under Section 133 of the Act read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Hence the audited financial information for March 31, 2015 is not comparable with the audited financial information under Ind AS for the other periods as mentioned above.

The Company shall abide by the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company has complied with sections 68, 69 and 70 of the Companies Act, 2013.

18. STOCK MARKET DATA

1. The Shares of the Company are listed on BSE and NSE.
2. The high, low and average market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding the date of filing of Letter of Offer and the corresponding volumes on BSE are as follows:

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
3 Years								
FY17 (Apr 16 – Mar 17)	769.50	July 29, 2016	217795	568.75	December 26, 2016	35999	671.28	52530480
FY16 (Apr 15 - Mar 16)	647.55	February 22, 2016	93897	507.50	August 25, 2015	177574	565.14	11643593
FY15 (Apr 14 - Mar 15)	637.55	March 20, 2015	70525	286.40	June 16, 2014	57834	425.15	12285288
6 months								
1 st Aug- 31 st Aug 2017	843.00	August 28, 2017	54441	775.00	August 10, 2017	53482	813.27	611298
1 st Sep – 30 th Sep 2017	867.40	September 20, 2017	26775	775.00	September 27, 2017	20060	828.36	617112
1 st Oct – 31 st Oct 2017	815.00	October 11,	28728	780.00	October 31,	15295	798.56	381599

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
		2017			2017			
1 st Nov – 30 th Nov 2017	857.00	November 28, 2017	12914	748.75	November 8, 2017	33530	815.14	1556706
1 st Dec – 31 st Dec 2017	972.00	December 26, 2017	188483	825.35	December 05, 2017	12949	882.56	7095790
1 st Jan – 31 st Jan 2018	921.90	January 10, 2018	44293	871.00	January 24, 2018	82335	898.24	1489072

Source: www.bseindia.com

*Arithmetical average of closing prices

3. The high, low and average market prices for the last three years (April to March periods) and the monthly high, low and average market prices for the six months preceding date of filing of Letter of Offer and the corresponding volumes on NSE are as follows:

Period	High (Rs.)	Date of High	Number of Shares traded on that date	Low (Rs.)	Date of Low	Number of Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
3 Years								
FY17(Apr 16 – Mar 17)	769.30	July 29, 2016	1666542	567.75	December 26, 2016	387173	671.36	118415214
FY16 (Apr 15 - Mar 16)	648.00	February 22, 2016	870344	507.30	August 25, 2015	603460	565.21	89400663
FY15 (Apr 14 - Mar 15)	638.00	March 20, 2015	3325187	285.45	June 15, 2014	317338	425.27	77696712
6 months								
1 st Aug- 31 st Aug 2017	843.70	August 28, 2017	592779	775.30	August 11, 2017	326785	814.18	7871646
1 st Sep – 30 th Sep 2017	868.45	September 20, 2017	349889	775.00	September 28, 2017	387964	828.84	6751781
1 st Oct – 31 st Oct 2017	820.95	October 25, 2017	828216	780.00	October 31, 2017	331465	798.67	6853360
1 st Nov – 30 th Nov 2017	859.00	November 29, 2017	448278	751.30	November 08, 2017	628877	815.38	11286134
1 st Dec – 31 st Dec 2017	971.70	December 26, 2017	2422595	825.00	December 5, 2017	259832	883.15	15505938
1 st Jan – 31 st Jan 2018	922.90	January 09, 2018	542843	870.05	January 24, 2018	362815	898.31	10095187

Source: www.nseindia.com

*Arithmetical average of closing prices

4. Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on December 20, 2017. The closing price of the Company's equity share on December 20, 2017 on BSE was Rs. 889.15 and on NSE was Rs. 889.90. The Board, at its meeting held on December 26, 2017, approved the proposal for the Buyback at Rs. 1,000/- per share and the intimation was sent to BSE and NSE on the same day. The high, low and closing market prices on December 22, 2017 (being the trading day before the date on which the Board Meeting was held to approve the Buyback), on BSE were Rs. 950.90, Rs. 918.40 and Rs. 945.15, respectively and on NSE were Rs. 950.00, Rs. 917.10 and Rs. 944.55, respectively. The closing market price on December 26, 2017 (being the date of the resolution of the Board of directors approving the buy back) was Rs. 926.10 on BSE and Rs. 926.60 on NSE.

19. STATUTORY APPROVALS

1. The Buyback offer is subject to approvals, if any required, under the provisions of the Act, the Buyback Regulations, FEMA and/or such other acts in force for the time being.
2. The Board at its meeting held on December 26, 2017 and shareholders by passing a special resolution through postal ballot results of which were declared on January 31, 2018, approved the proposal for the Buyback.

3. The Buyback of Shares from non-residents (“NR”) and Non Resident Indian (“NRI”) shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI, as applicable. NRIs and erstwhile Overseas Corporate Bodies (“OCB”) must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such NR, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender equity shares in the buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
4. By agreeing to participate in the Buyback the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
5. As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

20. REGISTRAR TO THE BUYBACK

The Company has appointed the following as the Registrar to the Buyback:



Name : Link Intime India Private Limited
 Address : C-101, 247 Park, L.B.S. Marg,
 Vikhroli (West) Mumbai 400 083
 Contact Person : Mr. Sumeet Deshpande
 Phone : +91 22 49186200
 Fax : +91 22 49186195
 Email : pidilite.buyback@linkintime.co.in

In case of any query, the Shareholders may contact the Registrar, from Monday to Friday between 10 am to 4 pm on all working days except public holidays at the above mentioned address.

21. COLLECTION CENTRE

Eligible Shareholders are requested to submit their Form(s) and requisite documents either by registered post/ courier to the Registrar to the Buyback, superscribing the envelope as “Pidilite Industries Buyback Offer 2018”, or hand deliver the same to the Registrar at the address mentioned in paragraph 20.

22. PROCESS AND METHODOLOGY FOR THE BUYBACK

1. The Company proposes to Buyback not exceeding 50,00,000 Equity Shares from the existing Shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of Rs. 1,000/- (Rupees one thousand only) per Equity Share, payable in cash for an aggregate amount not exceeding Rs. 5,00,00,00,000/- (Rupees five hundred crores only), (being not more than 25% of the total paid-up equity capital and free reserves of the Company as per latest audited standalone balance sheet as on March 31, 2017). The maximum number of Equity Shares proposed to be bought back represents 0.975% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 14 of the Articles of Association of the Company and subject to the provisions of Section 68 and all other applicable provisions, if any, of the Companies Act and in compliance with Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc.
2. The aggregate shareholding of the Promoters and Promoter Group is 35,68,73,502 Equity Shares, which represents 69.59% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters and Promoter Group of a company have the

option to participate in the Buyback. In this regard, the Promoters and Promoter Group entities as listed in paragraph 11 of this Letter of Offer have expressed their intention, vide their letters, each dated December 26, 2017 to participate in the Buyback in the following manner:

Sr. No.	Name	Maximum number of shares intended to tender
1.	Madhukar Balvantray Parekh	53,32,756
2.	Mala Madhukar Parekh	9,70,159
3.	Jasna Raoul Thackersey	3,61,512
4.	Devkalyan Sales Private Limited	26,22,428
5.	Harton Private Limited	12,35,763
6.	Trivenikalyan Trading Private Limited	46,304
7.	Ajay Balvantray Parekh	47,92,284
8.	Ami Ajay Parekh	5,60,816
9.	Amrita Ajay Parekh	1,96,800
10.	The Vacuum Forming Company Private Limited	11,46,218
11.	Darshana Bimal Mody	5,79,000
12.	Himatlal Kalyanji Parekh*	4,86,163
13.	Rashmikant Himatlal Parekh*	2,33,238
14.	Harish Himatlal Parekh	2,07,659
15.	Parul Harish Parekh	1,21,421
16.	Kamalini Rashmikant Parekh	82,193
17.	Gulabben Himatlal Parekh	Nil
18.	Malay Rashmikant Parekh	16,160
19.	Anuja Ankur Shah	18,760
20.	Panna Deepak Sanghavi	8,016
21.	Pareet D Sanghavi	9,560
22.	Jimeet D Sanghavi	9,190
23.	Harshada Harvadan Vakil	5,190
24.	Harvadan	4,230
25.	Urvi Malay Parekh	4,000
26.	Kalpana Apurva Parekh	6,66,433
27.	Kanta Balvantray Parekh	3,38,541
28.	Ishijas Chemicals Private Limited	24,73,003
29.	Prakash Shah Trustee of SANMP Private Beneficiary Trust	8,20,000
30.	Prakash Dharshibhai Shah Trustee of I M Family Trust	2,90,000
31.	Parekh Marketing Limited	79,670
32.	Kalva Marketing & Services Limited	1,38,262
33.	Sushilkumar Kalyanji Parekh	42,23,363
34.	Mrudula Sushilkumar Parekh	1,56,412
35.	Pidichem Private Limited	8,36,391
36.	Narendrakumar Kalyanji Parekh	54,73,217
37.	Bharati Narendrakumar Parekh	5,82,108
38.	Apurva Narendrakumar Parekh	3,10,291
39.	Purvee Apurva Parekh	80,000
40.	Parkem Dyes & Chemicals Private Limited	1,43,651
Total		3,56,61,162

* Pursuant to the demise of Mr. Himatlal Kalyanji Parekh, 48,61,464 Equity Shares of the 48,61,630 Equity Shares held by him have been transmitted to his nominee, Mr. Rashmikant Himatlal Parekh, on February 10, 2018. In continuation of the intention expressed by Mr. Himatlal Kalyanji Parekh in his letter dated December 26, 2017, Mr. Rashmikant Himatlal Parekh vide a letter dated February 22, 2018, has expressed his intention to tender upto 4,86,163 Equity Shares out of the 48,61,464 Equity Shares transmitted to him. It is clarified that the aforementioned is in addition to the original intention of Mr. Rashmikant Himatlal Parekh to tender upto 2,33,238 Equity Shares as indicated by him vide his letter dated December 26, 2017.

- Assuming response to the Buyback Offer is to the extent of 100% from all the Shareholders upto their entitlement (full acceptance), post Buyback the aggregate shareholding of the Promoters and Promoter Group will be 35,38,83,999 Equity Shares, representing 69.69% of the post Buyback equity share capital of the Company i.e an increase of 0.10% (rounded-off) from their present holding of 69.59% of the pre Buyback equity share capital of the Company.

4. Record Date, ratio of Buyback and entitlement of each Shareholder

- a. The Buyback Committee on 31st January, 2018 has fixed Monday, the February 12, 2018 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
- b. The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders ("**Reserved Category**"); and
 - General category for all Shareholders other than Small Shareholders ("**General Category**")
- c. As defined in the Buyback Regulations, a "Small Shareholder" is a Shareholder who holds Equity Shares having market value, on the basis of closing price on February 12, 2018 as on Record Date, of not more than Rs. 200,000/- (Rupees two lakh). As on the Record Date, the closing price on NSE, having the highest trading volume was Rs. 894.50 per Equity Share, accordingly all Shareholders holding not more than 223 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback Offer.
- d. Based on the above definition, there are 86,045 Small Shareholders with aggregate shareholding of 54,68,949 Shares, as on the Record Date, which constitutes 1.07% of the outstanding paid up equity share capital of the Company and 109% of the number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- e. In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 7,50,000 Equity Shares which is higher of:
 - i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 50,00,000 Equity Shares which works out to 750,000 Equity Shares; or
 - ii. The number of Equity Shares to which the Small Shareholders are entitled, as per their shareholding as on Record Date i.e. $[(50,00,000/51,28,10,330) \times 54,68,949]$ which works out to 53,323 Equity Shares. All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters and Promoter Group also intend to offer Equity Shares held by them in the Buyback.
- f. Accordingly, General Category shall consist of 42,50,000 Equity Shares.
- g. Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

Category Entitlement Ratio of Buyback

Category	Entitlement Ratio of Buyback*
Reserved Category	137 Equity Shares out of every 999 fully paid-up Equity Shares held on the Record Date
General Category	8 Equity Shares out of every 955 fully paid-up Equity Shares held on the Record Date

**The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 13.7137866892% and General category for all other Eligible Shareholders is 0.8377002467%.*

5. Fractional Entitlements

If the entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 7 or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given

preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

6. **Basis of Acceptance of Equity Shares validly tendered in the Reserved Category**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a. Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 22.6.(a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered additional Shares, shall be given preference and one Equity Share each from the additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c. Post the acceptance as described in paragraph 22.6 (a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 22.6 (b), shall be reduced by one.
- d. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 22.6(c), will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

7. **Basis of Acceptance of Equity Shares validly tendered in the General Category**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a. Full acceptance of Shares from Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 22.7 (a), in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c. Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 22.7 (b), will be made as follows:
 - For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

8. **Basis of Acceptance of Equity Shares between the two categories**

- After acceptances of tenders, as mentioned in paragraph 22.6 and 22.7 in case, there are any Shares left to be bought back in one category (“**Partially Filled Category**”) and there are additional unaccepted validly tendered Shares (“**Further Additional Shares**”) in the second category (“**Over Tendered Category**”), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 22.8(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 22.6.
- Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 22.8(a):
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in paragraph 22.

9. **For avoidance of doubt, it is clarified that, in accordance with the clauses above:**

- Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:
 - the number of Shares tendered by the respective Shareholder and
 - the number of Shares held by the respective Shareholder, as on the Record Date.
- Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of acceptance.

10. **Clubbing of Entitlement**

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, etc. with a common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature

based on information prepared by the Registrar as per the shareholder records received from the Depositories.

23. PROCEDURE FOR TENDERING SHARES AND SETTLEMENT

1. The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date.
2. The Company proposes to effect the Buyback through the Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to Eligible Shareholders
3. The Eligible Shareholders who have registered their email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholders who have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in paragraph 23.25 below. The Company shall accept all the Equity Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
4. The Company will not Accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such shares The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till such Equity Shares become transferable. The Company shall accept all the Equity Shares validly tendered in the Buyback by the Eligible Shareholders, on the basis of the Buyback entitlement as on the Record Date.
5. Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be Accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
6. Eligible Shareholders' participation in Buyback is voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be Accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares of the Company also have the option of tendering Additional Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buyback entitlement for any Eligible Shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender EquityShares in the Buyback. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of the procedure outlined herein.
7. The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
8. The Company shall Accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
9. As elaborated under paragraph 22.4 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for all other Eligible Shareholders. The Buyback Entitlement of Eligible Shareholders in each category shall be calculated accordingly.
10. Post acceptance of the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be Accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.

11. The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular and following the procedure prescribed in the Companies Act, the Share Capital Rules and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
12. For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the “**Company's Broker**”) to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in this paragraph 23. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders. The contact details of the Company’s Broker are as follows



Kotak Securities Limited

27 BKC, C 27, G Block,

Bandra Kurla Complex, Bandra (E), Mumbai 400051

Contact Person: Ms. Naaz Khan, Tel: +91 4285 8468, Email: Naaz.Khan@kotak.com

Website: www.kotaksecurities.com

SEBI Registration No. NSE Capital Market: INB230808130; BSE Equity: INB010808153

CIN: U99999MH1994PLC134051

13. The Company will request BSE to provide the separate acquisition window to facilitate placing of sell orders by shareholders who wish to tender Equity Shares in the Buyback. The BSE would be the designated stock exchange for the Buyback (“**Designated Stock Exchange**”). The details of the platform will be specified by Designated Stock Exchanges from time to time.
14. All Eligible Sellers may place orders in the Acquisition Window, through their respective stock brokers (“**Seller Member(s)**”).
15. In the event Seller Member(s) are not registered with the Designated Stock Exchange or if the Eligible Shareholders do not have any stock broker then that Eligible Shareholders can approach any stock broker registered with the Designated Stock Exchange and can make a bid by using quick unique client code (UCC) facility through that stock broker registered with the Designated Stock Exchange after submitting the details as may be required by the stock broker to be in compliance with the Buyback Regulations. In case Eligible Shareholders is not able to bid using quick UCC facility through any other stock broker registered with the Designated Stock Exchange, then the Eligible Shareholders may approach Company's Broker viz. Kotak Securities Limited, to bid by using quick UCC facility. The Eligible Shareholders approaching a stock broker registered with the Designated Stock Exchange (with whom he does not have an account) may have to submit following details:

In case of Eligible Seller being an individual

If Eligible Seller is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Seller is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Seller is HUF:

If Eligible Seller is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Seller is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & KARTA
 - Address proof of HUF & KARTA
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Seller other than Individual and HUF:

If Eligible Seller is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Seller is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in Paragraph 23(23)(a).

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.”

16. All Eligible Shareholders, through their respective Stock Broker(s) will be eligible and responsible to place orders in the acquisition window. All Eligible Shareholders can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
17. During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective Stock Brokers during normal trading hours of the secondary market.
18. Stock Brokers can enter orders for Equity Shares in demat form as well as Equity Shares in physical form.
19. Modification/ cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of acceptance.
20. The cumulative quantity tendered shall be made available on websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, throughout the trading session and will be updated at specific intervals during the Tendering Period.
21. All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
22. **Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form**
 - a) Eligible Shareholders who desire to tender their Equity Shares in the electronic form under Buyback would have to do so through their respective Stock Broker by indicating to their Stock Broker the details of Equity Shares they intend to tender under the Buyback.
 - b) The Stock Broker would be required to place an order/ bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Designated Stock Exchange. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited (“**Clearing Corporation**”), by using the early pay in mechanism of the Depository prior to placing the order/ bid on the platform of the Stock Exchanges by the Stock Broker. For further details, Eligible Shareholders may refer to the circulars issued by the Stock Exchange/ Clearing Corporation.
 - c) The details of the settlement number of the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by the Clearing Corporation.
 - d) For custodian participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order/bid by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours (i.e., 3:30 p.m.) on the last day of the Tendering Period (i.e., the Buyback Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
 - e) Upon placing the bid, the Stock Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.
 - f) Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
 - i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - ii. Duly attested death certificate and succession certificate/ legal heirship certificate/court

approved scheme of merger/amalgamation for a company, in case any Eligible Shareholder has expired; and

- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- g) in case of demat equity shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Eligible Shareholders holding Equity Shares in demat form have successfully tendered the Equity Shares in the Buyback.
- h) The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- i) The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company

23. Procedure to be followed by Registered Equity Shareholders holding Equity Shares in Physical form

- a) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Stock Brokers along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) (i.e., form SH-4) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, such Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- b) Based on the documents mentioned in paragraph 23.23(a) above, the concerned Stock Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Upon placing the bid, the Stock Broker shall provide a TRS generated by the Stock Exchanges' bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- c) After placing the Bid, the Stock Broker of the Eligible Shareholder has to deliver the original share certificate(s) and documents (as mentioned in paragraph 23.23(a) above along with TRS either by registered post or courier or hand delivery to the Registrar (at the address mentioned at paragraph 20 above or the collection centres of the Registrar details of which will be included in the Letter of Offer) not later than 2 (two) days from the Buyback Closing Date, by Monday, March 19, 2018 (by 5 PM). The envelope should be super scribed as "Pidilite Industries Buyback Offer 2018". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Stock Broker/ Eligible Shareholder.
- d) Eligible Shareholder holding physical Equity Shares should note that physical Equity Shares will not be Accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- e) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the

Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share certificate(s); (iv) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/Registrar and Transfer Agent of the Company.

- f) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

24. **For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with paragraph 19 “DETAILS OF THE STATUTORY APPROVALS”):**

- a) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- b) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholder shall obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Seller shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity shares accepted under the Buyback.
- c) If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

THE NON RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.

25. **In case of non-receipt of this Letter of Offer:**

- a) **In case the Equity Shares are in dematerialised form:** If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. www.pidilite.com or the website of the registrar, www.linkintime.co.in, or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.pidilite.com. After placing the Bid through Stock Broker, the Stock Broker of the Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 23.23(a) above), reach the Registrar not later than 2 (two) days from the Buyback Closing Date, by Monday, March 19, 2018 (by 5 PM). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar and Transfer Agent of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller

Member or broker in the electronic platform to be made available by the Designated Stock Exchange before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

- c) The participation of the Eligible Shareholders in the Buyback is entirely at the discretion of the Equity Shareholders. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

26. **Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations:

- 1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 2 The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For demat Equity Shares Accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, such funds will be transferred to the concerned Stock Brokers settlement bank account for onward transfer to such Eligible Shareholders holding Equity Shares in dematerialized form.
- 3 In case of certain client types viz. NRI and foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Stock Broker's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchanges and the Clearing Corporation from time to time.
- 4 For the Eligible Shareholders holding Equity Shares in physical form, the funds payout would be given to their respective Stock Broker's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 5 The Equity Shares bought back in demat form would be transferred directly to the Company Demat Account provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- 6 The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- 7 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The Seller Members / custodian participants would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the

Equity Shares tendered in the Buyback by Equity Shareholders holding Equity Shares in the physical form.

- 8 The Company's Broker would also issue a contract note to the Company for the Equity Shares Accepted under the Buyback. If Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Stock Broker for onward transfer to the Eligible Shareholder.
- 9 Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders
- 10 The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Regulations.

27. **Rejection Criteria**

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a) the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b) If there is a name mismatch in the dematerialised account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours Monday, March 19, 2018 by 5:00 p.m.;
- b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar and Transfer Agent.

24. **NOTE ON TAXATION**

THE FOLLOWING SUMMARY OF THE TAX CONSIDERATIONS IS BASED ON THE READING OF THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT IMPLICATIONS ON THESE TAX CONSIDERATIONS. THE SUMMARY OF TAX IMPLICATIONS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING

OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 (**Income Tax Act**) relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

a) Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

- i. Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
- ii. Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)

b) Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a) Resident Shareholders being:

- i. Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- ii. Others

b) Non Resident Shareholders being:

- i. Non Resident Indians (NRIs)
- ii. Foreign Portfolio Investors (FPIs)
- iii. Others:
 - Company
 - Other than Company

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to Note 5 for rate of surcharge and cess).

2. SHARES HELD AS INVESTMENT

a) For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“**DTAA**”) subject to their procurement of Tax Residency Certificate (“**TRC**”).

b) The taxability as per the provisions of the Income Tax Act is discussed below.

c) To determine the nature of capital gains as to whether the capital gains are short-term or long-term in nature, as per the provisions of the Income Tax Act:

- i. Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
- ii. Similarly, where listed equity shares are held for a period of more than 12 months prior

to the date of transfer, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

- d) Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

Buyback of shares through a recognized stock exchange

- e) Where transaction for transfer of such equity shares (ie buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):
- i. LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act, provided the shareholder had paid securities transaction tax on acquisition of the shares. However, the Finance Act, 2017 has amended section 10(38) of the Income Tax Act to provide that the exemption under section 10(38) shall not apply to any income arising from the transfer of a long-term capital asset, being an equity share in a company, if the transaction of acquisition, other than acquisitions as notified by the Central Government, has been entered on or after Oct 1, 2004 and such transaction has not been charged to securities transaction tax ('STT') under Chapter VII of the Finance (No. 2) Act, 2004 and in this regard the Central Government has issued a Notification no. F.No.43/2017/F.No.370142/09/2017-TPL dated June 5,2017. Please note that the Finance Bill, 2018 which was presented on February 1, 2018 proposes to levy a 10% long term capital gains tax on transactions which are undertaken on or after April 1, 2018. However, this proposal would be effective only after approval of the same by the Indian Parliament.
 - ii. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act, without any restriction on the mode of acquisition.

In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.

Further, resident corporate shareholders would also be subject to Minimum Alternate Tax under section 115JB of the Income Tax Act at the rate of 18.50%. This would however be available for offset against taxes payable by such corporate shareholders under normal tax provisions (subject to conditions).

In addition to the above Surcharge, Education Cess and Secondary and Higher Education Cess are leviable Please refer to note 5 for rate of surcharge and cess.

3. SHARES HELD AS STOCK-IN-TRADE

- a) If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- b) Resident Shareholders
- i. For individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
 - ii. For persons other than individuals, HUF, AOP, BOI profits would be taxable @ 30%.

No benefit of indexation by virtue of period of holding would be available in any case.

- c) Non Resident Shareholders

- i. For Non Residents, taxability of profits as business income would be subject to beneficial

provisions of applicable DTAA, subject to their procurement of TRC

ii. Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates
- For foreign companies, profits would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

Please refer to note 5 for rate of surcharge and cess.

4. TAX DEDUCTION AT SOURCE

a) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

b) In the case of Non Resident Shareholders

Since the Buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

c) Under the tax laws, any gains paid to a non-resident is subject to deduction of tax at source, unless capital gains are realized by the FPIs or such gains are exempt from tax (like long-term capital gains exempt under section 10(38) as discussed above). However, since the buyback is through the stock exchange, the Company will not be able to withhold any taxes, and thus, the Company believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) is solely on the custodians/ authorized dealers/ non-resident shareholder – with no recourse to the Company. It is therefore important that the non-resident shareholder consult their custodians/ authorized dealers/ tax advisors appropriately and immediately pay taxes in India (either through deduction at source or otherwise). In the event the Company is held liable for the tax liability of the Shareholder, the same shall be to the account of the Shareholder and to that extent the Company is entitled to be indemnified.

5. RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

a) Surcharge

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crores and @ 7% where the total income exceeds Rs. 1 crore.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs.10 crores and @ 2% where the total income exceeds Rs. 1 crore.
- In case of Individuals, Hindu Undivided family, Association of Persons, and Body of Individuals: Surcharge @15% is leviable where the total income exceeds Rs. 1 crore and @ 10% where the total income exceeds Rs. 50 Lakhs.
- In case of Firms, Co-operative Societies, or Local Authorities: Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore.

- b) Cess Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases. Please note that the Finance Bill, 2018 which was presented on February 1, 2018, proposes to increase the rate of this cess to 4%. However, this proposal would be effective only after approval of the same by the Indian Parliament.

25. **DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Buyback Regulations:

The Board made the aforementioned declaration as on the date of passing the board resolution approving the Buyback i.e. December 26, 2017.

1. The Board of Directors confirms that there are no defaults subsisting in the repayment of deposits, or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of term loans or interest payable thereon to any financial institutions or banking company.
2. The Board of Directors confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
 - i. That immediately following the date of the Board Meeting held on December 26, 2017 and the date on which the results of the shareholders' resolution with regard to the proposed Buyback are declared (the "**Postal Ballot Resolution**"), there will be no grounds on which the Company can be found unable to pay its debts;
 - ii. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on December 26, 2017 as well as the year immediately following the date on which the results of the shareholders' resolution with regard to the proposed Buyback are declared, approving the Buyback and having regards to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting approving the Buyback within a period of one year from the date on which the results of the shareholders' resolution with regard to the proposed Buyback are declared, as the case may be;
 - iii. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on December 26, 2017.

For and on behalf of the Board of Directors of the Company,

Sd/-

Sd/-

Bharat Puri
[Managing Director]

A N Parekh
[Executive Director]

DIN : 02173566

DIN :00111366

In addition, the Company has also confirmed that it is in compliance with section 92, 123, 127 and 129 of the Act.

26. **AUDITOR'S CERTIFICATE**

The text of the report dated December 26, 2017, received from Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors is reproduced below:

To,
The Board of Directors
Pidilite Industries Limited
Regent Chambers, 7th Floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai - 400021.

Dear Sirs /Madam,

Subject: Statutory Auditor's Report in respect of proposed buyback of equity shares by Pidilite Industries Limited ('the Company') in terms of clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("Buyback Regulations").

1. This Report is issued in accordance with the terms of our engagement letter dated December 22, 2017.
2. The Board of Directors of the Company have approved a proposal for buy-back of Equity Shares by the Company at its meeting held on December 26, 2017 in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and the Buyback Regulations.
3. We have been requested by the Management of the Company to provide a report on the accompanying Statement of permissible capital payment (including premium) ("Annexure A") as at March 31, 2017 (hereinafter referred together as the "Statement") This Statement has been prepared by the Management of the Company, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

4. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors Responsibility

5. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide a reasonable assurance:
 - i. whether we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements as at and for the year ended March 31, 2017.
 - ii. if the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited standalone financial statements as at March 31, 2017 in accordance with Section 68(2) of the Companies Act, 2013; and
 - iii. if the Board of Directors of the Company, in their meeting held on December 26, 2017 have formed the opinion as specified in Clause (x) of Part A of Schedule II to the Buy-Back Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date and from the date on which the results of the shareholders' resolution with regards to the proposed buyback are declared.

6. The standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 18, 2017. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance note on Audit Reports and Certificates for Special Purposes issued by the ICAI ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

Opinion

9. Based on enquiries conducted and our examination as above, we report that:
 - i) We have enquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended March 31, 2017 which has been approved by the Board of Directors of the Company on May 18, 2017.
 - ii) The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2017.
 - iii) The Board of Directors of the Company, in their meeting held on December 26, 2017 have formed their opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated December 26, 2017, and from the date on which the results of the shareholders' resolution with regards to the proposed buyback are declared.

Restriction on Use

This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117364W)

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

Place: Mumbai

Date: December 26, 2017

Annexure A - Statement of permissible capital payment

Pidilite Industries Limited

Computation of amount of permissible capital payment towards buy back of equity shares in accordance with section 68(2)(c) of the Companies Act, 2013 (“the Act”) based on audited standalone financial statements as at and for the year ended March 31, 2017:

Particulars	Amount (Rs. in Crores)
Paid-up Equity Share Capital as at March 31, 2017 (A)	51.27
Free Reserves as at March 31, 2017	
– Retained earnings*	1436.43
– General Reserve	1764.70
– Share Premium Account	66.36
Total Free Reserves (B)	3267.49
Total (A + B)	3318.76
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 i.e. 25% of total paid-up equity capital and free reserves	829.69

* Net off re-measurement profits on fair valuation of assets Rs. 68.29 Crores.

27. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Buyback at 27BKC, Plot no. C-27, 1st floor, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm up to the date of closure of the Buyback.

- a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Pidilite Industries Limited
- b) Copy of the annual reports of Pidilite Industries Limited for the years ended March 31, 2015, March 31, 2016 and March 31, 2017;
- c) Copy of the resolution passed by the Board of Directors at the meeting held on December 26, 2017 approving proposal for Buyback;
- d) Copy of Certificate dated December 26, 2017 received from Deloitte Haskins & Sells, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- e) Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- f) Copy of special resolution passed by shareholders of the Company approving the Buyback, the results of which were declared on January 31, 2018;
- g) Copy of Escrow Agreement dated January 31, 2018 between Pidilite Industries Limited, the Escrow Agent and Kotak Mahindra Capital Company;
- h) Copy of the certificate from Khanna & Panchmia, Chartered Accountants, dated January 31, 2018 certifying firm financing arrangements by the Company for the Buyback;
- i) Copy of Public Announcement published in the newspapers on February 2, 2018 regarding Buyback of Equity Shares; and
- j) Copy of SEBI observation letter no. SEBI/HO/CFD/DCR1/OW/P/2018/5623/1 dated February 22, 2018.

28. INVESTOR SERVICE CENTER AND COMPLIANCE OFFICER

In case of any query, the Shareholders may contact the Registrar to the Buyback, from Monday to Friday between 10 am to 4 pm on all working days except public holidays at the above mentioned address. The contact information of the Registrar to the Buyback is provided at paragraph 20.

The Company has designated the following as the Compliance Officer for the Buyback:

Name	Smt Savithri Parekh
Designation	Secretary of the Company
Address	Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai - 400021
Tel	+91-22-28357000
Email id	investor.relations@pidilite.co.in

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am to 4 pm on all working days except public holidays, at the above mentioned address.

29. REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit etc.) the investor can approach the Compliance Officer for redressal.

If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of subsection (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.

The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies, Mumbai
100, Everest, Marine Drive, Mumbai- 400002
Phone: 022-22812627/22020295/22846954

30. MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:



Name	: Kotak Mahindra Capital Company Limited
Address	: 27BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Phone	: +91 22 4336 0128
Fax	: +91 22 6713 2447
Email	: project.pidilitebuyback@kotak.com
Contact Person	: Mr. Ganesh Rane
SEBI Registration Number	: INM000008704

31. **DIRECTORS' RESPONSIBILITY STATEMENT**

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accepts full responsibility for all the information contained in this Letter of Offer. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on December 26, 2017.

For and on behalf of all members of the Board of Directors

of Pidilite Industries Limited

Sd/-

Sd/-

Sd/-

Bharat Puri
Managing Director

A N Parekh
Executive Director

Savithri Parekh
Company Secretary

DIN : 02173566

DIN :00111366

Membership No. FCS5986

Date: February 23, 2018

Place: Mumbai

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