



Pidilite Industries Limited

Investor Update

Quarter and year ended March 2015

Coverage

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Investor Communication

This investor update covers the Company's performance for quarter and year ended 31st March 2015.

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Financial Highlights

Quarter ended 31st March 2015

Consolidated Performance

- Net sales at Rs 10,374 M grew by 5.3% over the same quarter last year.
- Material cost, as a % to sale, is lower than last year by 382 Bps, mainly on account of lower prices of key raw materials.
- Total expenses, during the quarter, were higher by 9.8% largely due to a 15.7% increase in other expenses on account of higher A & SP spends.
- EBIDTA, before non-operating income & exceptional items at Rs 1,339 M grew by 30.0%.
- Profit before tax in current quarter is Rs 1,029 M, a growth of 6.8%.

Standalone Performance

- Net sales at Rs 9,624 M grew by 6.7% over same quarter last year. This was driven by a 9.7% growth in sales of Consumer & Bazaar products. Industrial Products sale declined by 1.6%.
- Material cost, as a % to sales, is lower than same quarter last year by 508 Bps due to lower prices of key raw materials & price increases taken during the year.
- Other expenses during the quarter were higher than last year by 27.1% mainly due to higher A & SP spends.
- EBITDA, before non-operating income & exceptional items at Rs 1,393 M is higher by 19.2% over the same quarter last year.
- Other income is lower by 57.4% due to lower investment income.
- As per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the "Act"), the Management has decided to adopt the useful lives as suggested in Part C of Schedule II of the Act with effect from 1st April, 2014 for all its fixed assets. Accordingly, depreciation for the quarter is higher by Rs. 8.7 Million.
- During the quarter the company has provided for diminution in value of investment in a wholly owned subsidiary company of Rs 127 M. This has no impact on the consolidated results.
- Profit before Tax at Rs 1,003 is lower than last year by 10.2% and Profit after Tax is lower by 12.9% due to lower non operating income and the provision for diminution in value of investments in a wholly owned subsidiary company.
- Subject to the approval of the shareholders at the Annual General Meeting, The Board has recommended a dividend of Rs. 2.90 per Equity share of Re 1 /- each for the financial year 2014-15 as compared to Rs 2.70 per equity share declared last year. The payout ratio will be 35.7% compared to 34.5% last year.

Year ended 31st March 2015

Consolidated Performance

- Net sales at Rs 48,204 M grew by 13.1% over the same period last year.
- Material cost to sales % is higher than last year by 20 bps.
- EBIDTA, before non-operating income & exceptional items at Rs 7,766 M grew by 14.7%.
- EBIT (before exceptional items) at Rs 7,043 M posted a growth of 9.9%.

- Profit before Tax (before exceptional items) grew by 10.3% over last year.
- Profit before tax at Rs 6,779 M grew by 10.7%.

Standalone Performance

- Net sales at Rs 43,748 M grew by 13.5% over the same period last year.
- Material cost to sales % at 55.5% is same as last year.
- EBIDTA, before non-operating income & exceptional items at Rs 7,631 M grew by 12.5%.
- As per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the "Act"), the Management has decided to adopt the useful lives as suggested in Part C of Schedule II of the Act with effect from 1st April, 2014 for all its fixed assets. Accordingly, depreciation for the year is higher by Rs. 200 Million.
- Profit before Tax (before exceptional items) grew by 7.2% over last year.
- Profit before tax at Rs 6,685 M grew by 5.9%.

Business segment wise performance

(Values in Rs Millions)

Particulars	Quarter ended			Year ended		
	Mar-15	Mar-14	% Change	Mar-15	Mar-14	% Change
Segment Revenue						
a) Consumer & Bazaar Products	7,668	6,988	9.7%	35,774	31,109	15.0%
b) Industrial Products	2,157	2,193	-1.6%	8,692	8,157	6.6%
c) Others	98	105	-6.9%	451	341	32.3%
Total	9,924	9,286	6.9%	44,918	39,607	13.4%
Less : Inter Segment Revenue	299	263	13.7%	1,170	1,046	11.8%
Total Revenue	9,624	9,023	6.7%	43,748	38,561	13.5%
Segment Results						
a) Consumer & Bazaar Products	1,373	1,228	11.8%	7,676	7,132	7.6%
b) Industrial Products	288	184	56.9%	967	803	20.5%
c) Others	-35	-31	13.4%	-107	-72	49.7%
Total	1,626	1,380	17.8%	8,535	7,863	8.5%
Less:						
Interest	33	12	168.5%	95	97	-1.9%
Other Unallocable Expenditure Net Of Unallocable Income	590	251	134.5%	1,755	1,456	20.5%
Total Profit Before Tax	1,003	1,117	-10.2%	6,685	6,310	5.9%

Quarter ended 31st March 2015

CONSUMER AND BAZAAR PRODUCTS

- Segment revenue grew by 9.7%.
- Segment Profit Before Tax and Interest (PBIT) grew by 11.8%.

INDUSTRIAL PRODUCTS

- Segment revenue declined by 1.6%.
- Segment PBIT for the quarter grew by 56.9% due to lower input costs.

Year ended 31st March 2015

CONSUMER AND BAZAAR PRODUCTS

- Segment revenue grew by 15.0% & Segment Profit Before Tax and Interest (PBIT) grew by 7.6%

INDUSTRIAL PRODUCTS

- Segment revenue grew by 6.6% & Segment PBIT grew by 20.5%.

Overseas subsidiaries performance

- The Company has 14 Overseas subsidiaries (4 direct and 10 step-down) including those having manufacturing and selling operations in USA, Brazil, Thailand, Dubai, Egypt and Bangladesh.
- The performance of the following geographies, **in constant currency terms**, is detailed below.

Sales - Rs mn	Q4 2013-14	Q4 2013-14	FY 2013-14	FY 2014-15
North America	386.5	396.9	1,853.6	2,060.5
South America	246.6	312.9	1,236.2	1,274.9
Middle East & Africa	106.7	223.0	345.8	626.6
South & South East Asia	198.8	216.6	815.7	932.8
Total	938.6	1,149.4	4,251.2	4,894.8

EBITDA- Rs mn	Q4 2013-14	Q4 2013-14	FY 2013-14	FY 2014-15
North America	(8.0)	(11.2)	99.4	99.4
South America	(96.6)	(23.0)	(140.7)	(86.1)
Middle East & Africa	(4.2)	(27.6)	(51.4)	(48.5)
South & South East Asia	16.9	25.4	136.9	163.0
Total	(91.8)	(36.3)	44.2	127.8

- Comparable sales, in constant currency terms, grew by 10.1% during the quarter. However, due to translation impact and the sales from the Trading business in Dubai, the reported sales growth is 22.5%

North America:

- **For the Quarter:** Overall sales grew by 2.7% led by good growth in Art Materials whereas sales of car-care chemicals was impacted by adverse weather conditions in Jan and Feb. Loss at EBITDA level was higher at Rs 11.2 M mainly due to lower sales growth.
- **For the year ended 31st March 2015:** Sales grew by 11.1% led by good growth in Art Materials. EBITDA at Rs 99.4 M is same as last year.

South America:

- **For the Quarter:** Sales increased by 26.9%. Margins improved by 340 Bps over LY due to price increase. Loss at EBITDA level declined by 76% to Rs. 23.0 M largely due to higher sales growth & margins and lower legal expenses & provisions.
- **For the year ended 31st March 2015:** Sales increased by 3.1%. Loss at EBITDA level declined by 38.8%.

Middle East & Africa:

- **For the Quarter:** Sales grew by 291.4% in Dubai largely due to commencement of distribution of Pidilite Industries products in the region, which hitherto was being done by a third party distributor. Adjusting for this revenue, sales were marginally lower than last year. Egypt sales grew by 6.2%. Loss at EBITDA level increased to Rs 27.6 M due to higher SG&A expenses.
- **For the year ended 31st March 2015:** Sales grew by 81.2%, with Egypt growing at 18.6% and Dubai sales grew by 234.8%. Loss at EBITDA level declined by 5.7% to Rs 48.5 M mainly due to high sales growth.

South & South East Asia:

- **For the Quarter:** Sales grew by 9.0% & EBITDA increased by 50.5% mainly due to improved product mix.
- **For the year ended 31st March 2015:** Sales grew by 14.4% and EBITDA increased by 19.1%.

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STATEMENT OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2015

(Rs. In Lakhs)

Sr. No.	Part I Particulars	Standalone					Consolidated				
		For the Quarter ended			For the Year ended		For the Quarter ended			For the Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited	
1	Income from Operations										
	a) Net sales / Income from Operations (Net of excise duty)	96244	107573	90231	437480	385607	103744	119634	98547	482044	426059
	b) Other Operating Income	569	585	500	2327	2217	609	585	513	2367	2261
	Total Income from Operations (net)	96813	108158	90731	439807	387824	104353	120219	99060	484411	428320
2	Expenses										
	a) Cost of materials consumed	49913	57854	54767	226881	200228	53780	64478	59849	247381	219026
	b) Purchases of stock-in-trade	4063	4405	3818	16611	18005	5531	5547	5209	21985	22965
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3308)	(2237)	(6497)	(678)	(4226)	(3755)	(2941)	(8519)	(1224)	(5860)
	d) Employee benefits expense	9759	10357	9288	40939	35826	11372	12756	11470	49725	44200
	e) Depreciation and amortisation expense	2833	2777	1841	10772	6863	3056	3070	1987	11776	8116
	f) Other expenses	22461	18960	17675	79748	70190	24039	21038	20751	88886	80289
	Total Expenses	85721	92116	80892	374273	326886	94023	103948	90747	418529	368736
3	Profit from operations before other income, finance costs and exceptional items (1-2)	11092	16042	9839	65534	60938	10330	16271	8313	65882	59584
4	Other Income	780	409	1833	4277	4294	898	614	1991	4549	4486
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	11872	16451	11672	69811	65232	11228	16885	10304	70431	64070
6	Finance Costs	332	349	124	950	969	464	560	273	1564	1633
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	11540	16102	11548	68861	64263	10764	16325	10031	68867	62437
8	Exceptional items	1270	-	13	1761	650	-	-	13	491	650
9	Profit from ordinary activities before Foreign Exchange Difference Expense/ (Income) (7-8)	10270	16102	11535	67100	63613	10764	16325	10018	68376	61787
10	Foreign Exchange Difference Expense / (Income)	240	35	369	246	513	470	142	375	583	555
11	Profit from ordinary activities before tax (9-10)	10030	16067	11166	66854	63100	10294	16183	9643	67793	61232
12	Tax Expense	2308	3695	2303	16668	16239	2344	3769	2460	16941	16527
13	Net Profit from ordinary activities after tax (11-12)	7722	12372	8863	50186	46861	7950	12414	7183	50852	44705
14	Extraordinary Items	-	-	-	-	-	-	-	-	-	-
15	Net Profit for the period (13-14)	7722	12372	8863	50186	46861	7950	12414	7183	50852	44705
16	Share of Profit of associate	-	-	-	-	-	142	65	124	502	304
17	Minority Interest	-	-	-	-	-	(28)	(43)	1	(98)	(29)
18	Net Profit after taxes, minority interest and share of profit of associate (15+16+17)	7722	12372	8863	50186	46861	8064	12436	7308	51256	44980
19	Paid-up Equity Share Capital (Face value of share : Re. 1/-)	5127	5127	5126	5127	5126	5127	5127	5126	5127	5126
20	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	229818	198826	-	-	-	221931	190136
21	Earnings per share (before and after extraordinary item)(of Re.1/- each) :										
	a) Basic	@ 1.51	@ 2.41	@ 1.73	9.79	9.14	@ 1.57	@ 2.43	@ 1.43	10.00	8.77
	b) Diluted	@ 1.51	@ 2.41	@ 1.73	9.78	9.14	@ 1.57	@ 2.42	@ 1.43	9.99	8.77
	PART II Select information for the Quarter and Year ended 31.03.2015										
A	PARTICULARS OF SHAREHOLDING										
1	Public Shareholding										
	- Number of Shares	155139030	154789030	153468784	155139030	153468784					
	- Percentage of Shareholding	30.26	30.19	29.94	30.26	29.94					
2	Promoters and Promoter Group Shareholding										
	a. Pledged / Encumbered										
	- Number of Shares	-	-	-	-	-					
	- Percentage of shares (as a % of the total shareholding of promoter and of promoter group)	-	-	-	-	-					
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-					
	b. Non-encumbered										
	- Number of Shares	357523800	357873800	359173546	357523800	359173546					
	- Percentage of Shares (as a % of the total shareholding of promoter and of promoter group)	100	100	100	100	100					
	- Percentage of Shares (as a % of the total share capital of the Company)	69.74	69.81	70.06	69.74	70.06					
	Particulars	3 months ended 31.03.2015									
B	INVESTOR COMPLAINTS										
	Pending at the beginning of the quarter		2								
	Received during the quarter		0								
	Disposed of during the quarter		2								
	Remaining unresolved at the end of the quarter		Nil								
	@ For the period only and not annualised.										

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone					Consolidated			
		For the Quarter ended			For the year ended		For the Quarter ended			For the ye
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.12.2014	31.03.2014	31.03.2015
	Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	
1	Segment Revenue									
	a) Consumer & Bazaar Products	76682	88025	69878	357744	311089	84182	100086	78194	402308
	b) Industrial Products	21573	20389	21933	86921	81567	21573	20389	21933	86921
	c) Others	980	1233	1051	4514	3411	980	1233	1051	4514
	Total	99235	109647	92862	449179	396067	106735	121708	101178	493743
	Less : Inter Segment Revenue	2991	2074	2631	11699	10460	2991	2074	2631	11699
	Net Sales / Income From Operations	96244	107573	90231	437480	385607	103744	119634	98547	482044
2	Segment Results									
	a) Consumer & Bazaar Products	13726	18928	12275	76754	71323	12694	19050	10729	76725
	b) Industrial Products	2880	2507	1836	9667	8025	2880	2507	1836	9667
	c) Others	(348)	(277)	(307)	(1072)	(716)	(348)	(277)	(307)	(1072)
	Total	16258	21158	13804	85349	78632	15226	21280	12258	85320
	Less : i) Interest	332	349	124	950	969	464	560	273	1564
	ii) Other Unallocable Expenditure - Net Of Unallocable Income	5896	4742	2514	17545	14563	4468	4537	2342	15963
	Total Profit Before Tax	10030	16067	11166	66854	63100	10294	16183	9643	67793
3	Capital Employed									
	a) Consumer & Bazaar Products	91257	98694	61328	91257	61328	120018	128008	85013	120018
	b) Industrial Products	24735	25400	24911	24735	24911	24735	25400	24911	24735
	c) Others	3935	3780	4082	3935	4082	3935	3780	4082	3935
	d) Unallocated	115018	117241	113631	115018	113631	78370	80711	81256	78370
	Total Capital Employed	234945	245115	203952	234945	203952	227058	237899	195262	227058

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2015

(Rs. In Lakhs)

		Standalone		Consolidated	
		Audited	Audited	Audited	Audited
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	a) Share capital	5127	5126	5127	5126
	b) Reserves and Surplus	229818	198826	221931	190136
	Sub-total-Shareholders' funds	234945	203952	227058	195262
2	Minority Interest	-	-	510	416
3	Non-current liabilities				
	a) Long-term borrowings	-	-	50	-
	b) Deferred tax liabilities (net)	5449	5083	5767	5373
	c) Long-term provisions	1868	1967	2392	3193
	Sub-total-Non-current liabilities	7317	7050	8209	8566
4	Current liabilities				
	a) Short-term borrowings	578	768	5792	4593
	b) Trade payables	29404	30114	33191	34741
	c) Other current liabilities	34097	28596	36134	30359
	d) Short-term provisions	20365	18442	20687	18899
	Sub-total-Current liabilities	84444	77920	95804	88592
	TOTAL - EQUITY AND LIABILITIES	326706	288922	331581	292836
B	ASSETS				
1	Non-current assets				
	a) Fixed Assets	128814	104239	141876	116420
	b) Goodwill on Consolidation	-	-	2155	2298
	c) Non-current investments	42132	33966	9074	2616
	d) Deferred tax assets (net)	-	-	104	-
	e) Long-term loans and advances	10153	6411	10622	6749
	f) Other non-current assets	678	594	681	593
	Sub- total- Non- current assets	181777	145210	164512	128676
2	Current assets				
	a) Current investments	26916	23413	26917	23413
	b) Inventories	53472	50820	64104	59968
	c) Trade receivables	51458	45360	58611	52440
	d) Cash and cash equivalents	5810	14518	8600	17717
	e) Short-term loans and advances	6754	8515	8231	9372
	f) Other current assets	519	1086	606	1250
	Sub- total-Current assets	144929	143712	167069	164160
	TOTAL- ASSETS	326706	288922	331581	292836

Notes:

- The above results have been reviewed by the Audit Committee on 18th May, 2015 and approved by the Board of Directors at their meeting held on 19th May, 2015.
- The Company has opted to publish Standalone as well as Consolidated financial statements. The Consolidated financial results prepared as per Accounting Standard (AS-21) and Accounting Standard (AS-23) comprise the result of Pidilite Industries Ltd. (Holding Company), 21 subsidiary companies, two partnership firms and one associate company.
- In standalone results, Unallocated Capital Employed as at 31st March, 2015 includes, a) Capital Work in Progress of Rs. 36570 lakhs (31st March, 2014 Rs. 36965 lakhs) of Synthetic Elastomer Project, b) Investments in units of mutual funds/ term deposit with banks Rs.35250 lakhs (31st March, 2014 Rs. 30505 lakhs).
- During the quarter, the Company invested Rs. 23.3 lakhs in Nina Waterproofing Systems Pvt. Ltd., "Nina" to acquire a 70% shareholding. Nina is engaged in the business of supply, installation and application of waterproofing systems.
- Subject to the approval of the shareholders at the Annual General Meeting, the Board recommended payment of Dividend of Rs. 2.90 per equity share of Re. 1 each for the financial year 2014-15.
- a) Exceptional items include:
 - Provision for diminution in value of investment in a subsidiary company Rs. 1270 lakhs for the quarter and year ended 31st March, 2015 which is only in the standalone results.
 - Voluntary Retirement Scheme Rs. 491 lakhs for the year ended 31st March 2015 in standalone and consolidated results.
 - Voluntary Retirement Scheme Rs. 13 lakhs and Rs. 650 lakhs for the quarter and year ended 31st March, 2014 respectively.
- As per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the "Act"), the Management has decided to adopt the useful lives as suggested in Part C of Schedule II of the Act with effect from 1st April, 2014 for all its fixed assets. Accordingly, depreciation for the quarter is higher by Rs. 87 lakhs and for the year ended 31st March, 2015 is higher by Rs. 1996 lakhs.
- During the year, management reassessed that the economic benefits derived from goodwill will be for atleast 10 years and accordingly has revised the amortisation of goodwill from 5 years to 10 years. Due to the revision, depreciation for the quarter is lower by and profit before tax is higher by Rs. 231 lakhs; and depreciation for the year ended 31st March, 2015 is lower by and profit before tax is higher by Rs. 493 lakhs.
- During the year, the company allotted 20,500 Equity Shares of face value of Re. 1 each on exercise of stock options to the eligible employees under Employee Stock Option Scheme-2012. Out of 49,000 options granted to the eligible employees, 20,500 options have been exercised, 14,500 options will vest in October, 2015 and 14,000 options which have lapsed are eligible to be reissued as per the Employee Stock Option Scheme - 2012.
- The figures for the quarter ended 31st March 2015 and 31st March 2014 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year.
- Previous period figures are regrouped, wherever necessary.

Mumbai
Dated : 19th May, 2015

M.B.PAREKH
Chairman