Pidilite

1st September, 2017

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P. J. Tower,
Dalal Street, Fort
Mumbai - 400 001
Stock Code – 500331

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code – PIDILITIND

Dear Sir,

Sub: Annual Report for the financial year 2016-17

Please find enclosed herewith Annual Report for the financial year 2016-17 as required under Regulation 34 of the Listing Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

You are requested to kindly take the same on your record.

Thanking You,

Yours faithfully,
for **Pidilite Industries Limited**

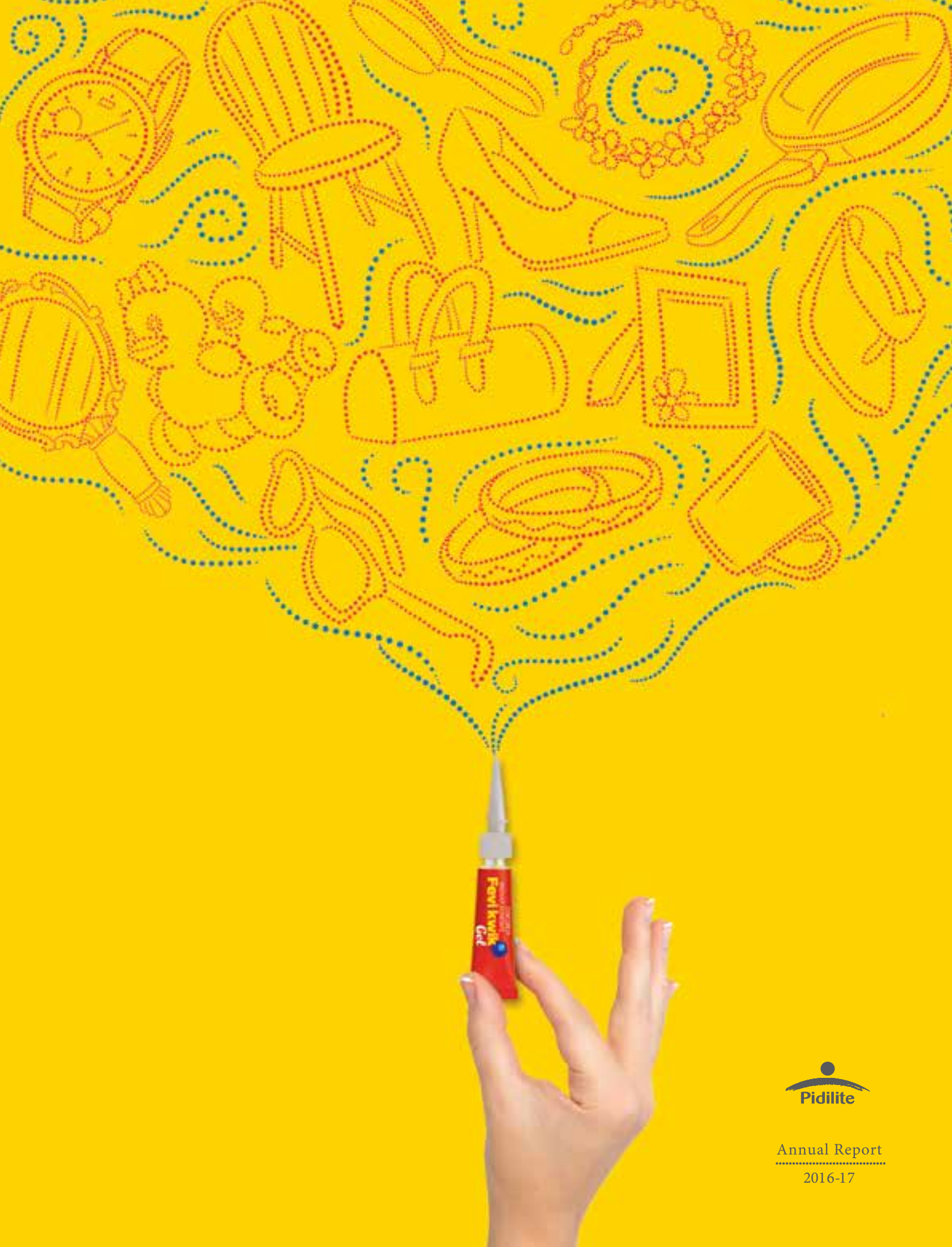
Savithri Parekh
Secretary

Pidilite Industries Limited

Corporate Office
Ramkrishna Mandir Road
Andheri - E, Mumbai 400059, India

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www.pidilite.com
CIN:L24100MH1969PLC014336

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



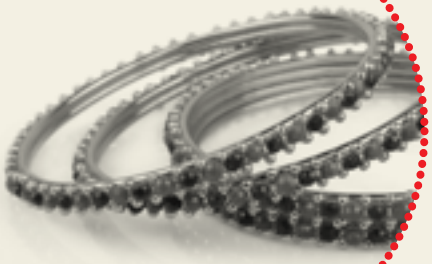
Pidilite

Annual Report

2016-17





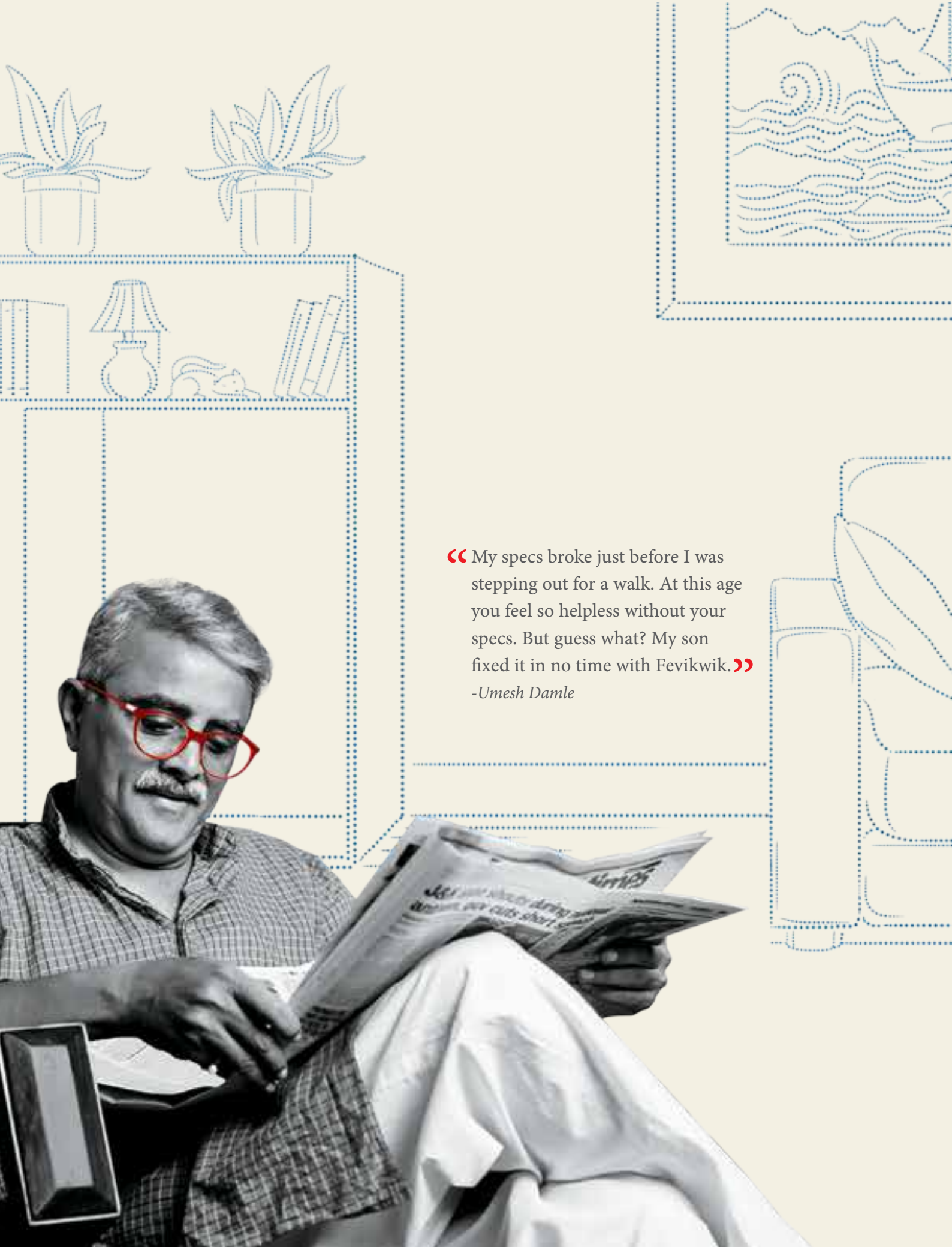








one drop can bring
back your happiness



“My specs broke just before I was stepping out for a walk. At this age you feel so helpless without your specs. But guess what? My son fixed it in no time with Fevikwik.”

-Umesh Damle

“Diyaan couldn’t stop crying when his favourite toy broke. I brought the smile back on his face instantly by repairing his toy car with Fevikwik.”

-Hemali and Diyaan Shah





“Last week, the tail light of my two-wheeler broke. I was so happy that I was saved from the expense of buying a new one, all thanks to Fevikwik that fixed it perfectly.”

-Heramb Sawant



“Nothing’s scarier than breaking a heel just before a big interview. But I was prepared... and not just for the interview! One drop of Fevikwik helped me just in time.”

-Disha Pillai

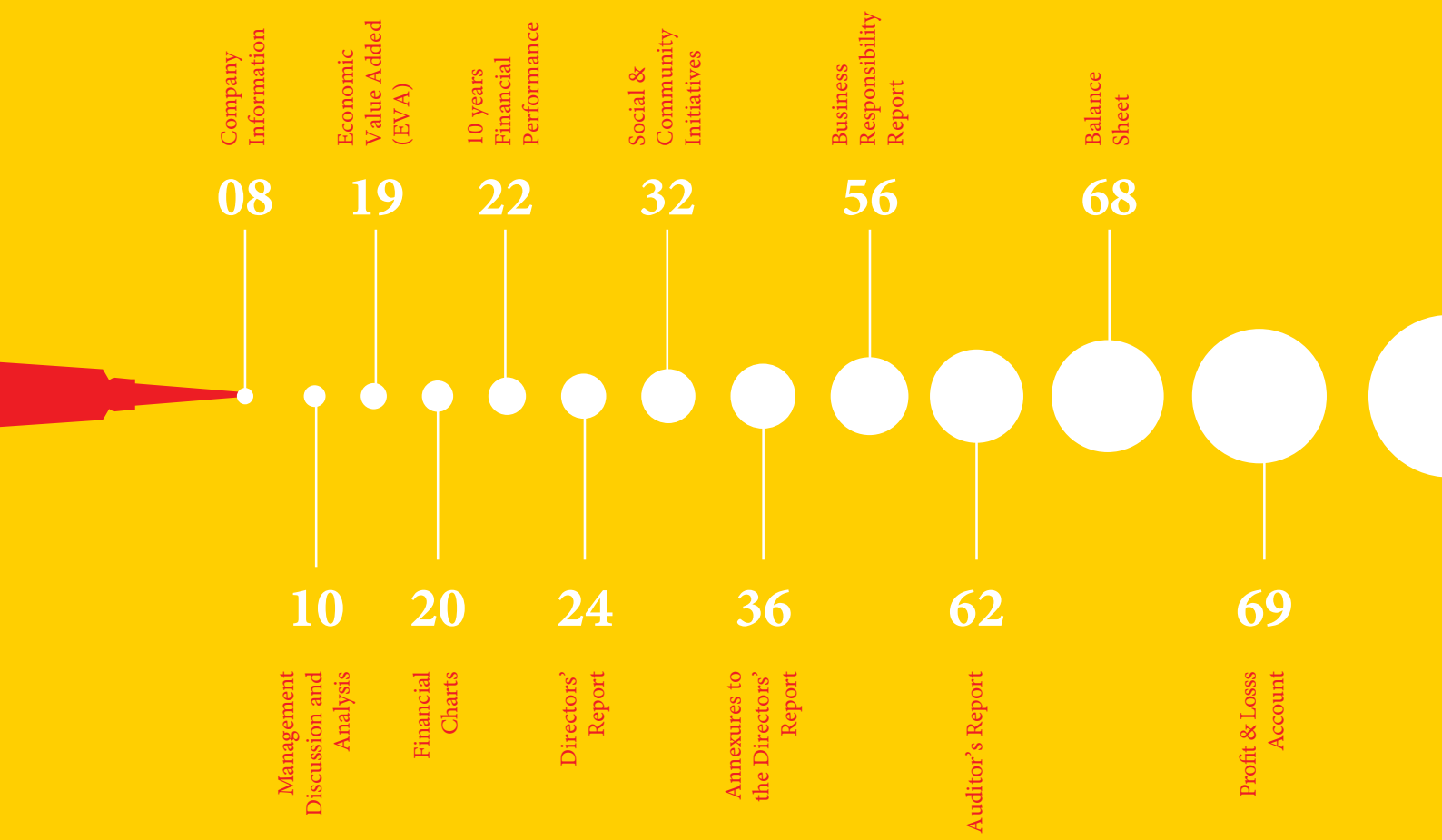


"While I was getting ready for my friend's wedding, a stone from my earring fell off. Normally I would panic but we always keep Fevikwik at home. Within minutes my earring was good as new."
-Dhwani Gandhi

“Sundays mean a hearty breakfast with the family. I was cooking and imagine, the handle of the dosa pan broke. I was in a fix. With just one drop of Fevikwik, I could start cooking again, instantly.”

-Hema Suhanda





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Company Information

Board of Directors

M B Parekh
Executive Chairman

N K Parekh
Vice Chairman

Bharat Puri
Managing Director

B S Mehta
Director

Ranjan Kapur
Director

Sanjeev Aga
Director

A B Parekh
Whole Time Director

A N Parekh
Whole Time Director

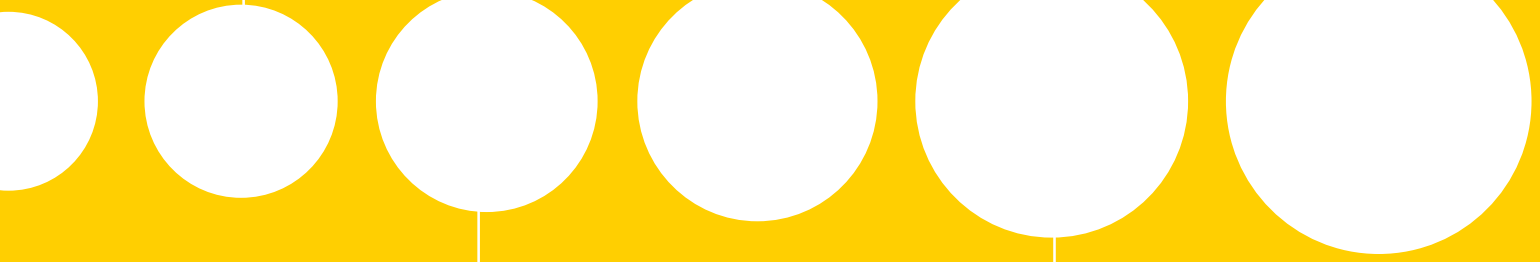
Uday Khanna
Director

Meera Shankar
Director

Sabyaschi Patnaik
Whole Time Director

Vinod Dasari
Director

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Corporate Office

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

Registered Office

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

Registrar & Transfer Agent

TSR Darashaw Limited
6-10, Haji Moosa Patrawala
Ind. Estate 20, Dr. E Moses Road
Mahalaxmi, Mumbai 400 011

Company Secretary

Savithri Parekh

Chief Financial Officer

Pradeep Jain
(upto 24.03.2017)

Solicitors & Advocates

Wadia Ghandy & Co

Internal Auditors

Mahajan & Aibara

Bankers

Indian Overseas Bank
Corporation Bank
ICICI Bank
HDFC Bank
Citibank N A
Standard Chartered Bank PLC.

Auditors

Deloitte Haskins & Sells

Management Discussion & Analysis

Standalone Financials

Gross sales of the Company grew by **4.7%**

"EBIDTA" (earnings before interest, taxes, depreciation, exceptional items and foreign exchange differences) excluding non-operating income grew by **9.6%.**

Non-operating income was higher than last year mainly due to mark to market gains on investments.

Based on independent valuation, the Company made an impairment provision of ₹ **55.5** crores towards its investment in Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda, the Brazilian subsidiary and ₹ **38** crores towards investment in Pidilite Middle East Limited.

Consequently, profit before tax grew by **7%** and profit after tax grew by **3.6%**. Excluding exceptional items, profit before tax grew by **13%** and profit after tax grew by **12.2%**.

Consolidated Financials

On a consolidated basis, Gross sales grew by **6.3%**.

The sales of overseas subsidiaries grew by **3.9%** over last year.

On an overall basis, the overseas subsidiaries reported loss of ₹ **7.7** crores as compared to profit before tax of ₹ **22.7** crores last year. On a constant currency basis, excluding the impact of a product recall in USA, the profit before tax was ₹ **23.1** crores as compared to ₹ **21.5** crores last year.

New Initiative

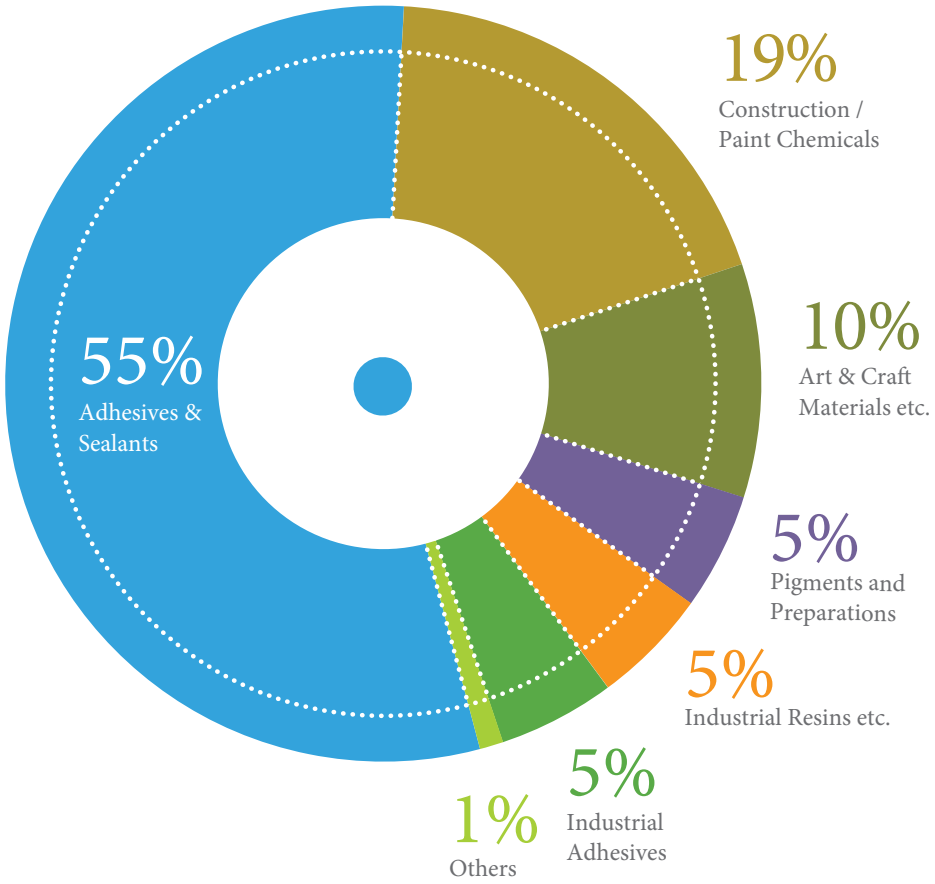
The Company has embarked on a comprehensive cost excellence program "Project Parivartan", with a leading global management consultancy firm. The aim is to review entire supply chain cost structure from manufacturing to distribution and warehousing.

The Company entered into a sales and distribution tie-up with WD-40 Company, a global marketing organization, to distribute and sell in India WD-40 Multi-Use product. WD-40 is a multi-purpose product for maintenance and repair with usage across homes, industries, construction, automotive, etc. WD-40 has strong distribution and end-user synergy with the Company.



Performance by industry segment

(Business segments %)



Consumer & Bazaar Products (Standalone)

Branded Consumer & Bazaar Products Segment contributed **84%** of the sales of the Company and grew by **4.8%**. Overall sales growth was impacted down by macro-economic conditions.

Adhesives & Sealants category includes adhesives (including joinery business), sealants and tapes and contributes to **55%** of the sales of the Company. Category sales grew by **7%**.

Construction (including project business) and Paint Chemicals contributed to **19%** of the sales of the Company and grew by **2.7%**. Construction Chemicals sales grew by **7%**. Paint Chemicals sales declined during the year due to Company's plan to reduce focus on lower margin products.

Art & Craft Materials etc. declined by **5.4%** due to slowdown and competitive pressure in the handicraft segment.

Industrial Products (Standalone)

Industrial Products contributed **15%** of the sales of the Company and grew by **1.8%**. Industrial Adhesives includes adhesives used in packaging, footwear, cigarette and automotive industry. This category contributed **5%** of sales and grew by **5%.**

Industrial Resins etc. grew by **9.7%.**

Pigments and Preparations contributed to **5%** of the sales of the Company and grew by **3.2%.**

Others

The "Others" segment largely comprises manufacture and sale of Speciality Acetates. The VAM plant has been modified to make a range of Speciality Acetates and plans are underway to manufacture Isopropyl Alcohol in the same plant. Import of VAM continues to remain more viable as opposed to in-house manufacture.

(All figures on this page are before discount/credit note and after inter segment revenue)

Advertising Campaigns & Communications



Dr. Fixit's new TV advertisement with superstar Amitabh Bachchan as brand ambassador was a multimedia national marketing campaign across TV, digital, radio, retail activations and innovative outdoor. The films featured Mr. Bachchan talking about proactively doing waterproofing of homes with Dr. Fixit.

The digital campaign across various mediums like FaceBook, Twitter etc. was successful. Regional languages were used for the first time in digital messaging.

The end-users, influencers and dealers were made aware about waterproofing solutions using celebrity message AVs using mobile digital. Overall, the campaign got a good response.

Digital





In the digital medium, the objective for **Fevikwik Gel** variant was to focus on a 'precise controlled sticking' proposition. The digital innovation played on the familiar 'Skip' button while playing video ads in digital medium and just when users thought they could skip the video, The Fevikwik stick figure took control and played the Fevikwik Gel stick film portraying the precise controlled sticking.

Fevicryl Hobby Ideas Facebook group crossed a base of 5 lakh members. Fevicryl Hobby Ideas is an active group with over 250 Do-It-Yourself ideas uploaded every day by hobbyists and professionals, with around 5000 comments per day.
Fevicryl Hobby Ideas also has a social media presence on YouTube and Instagram.



Fevikwik launched its product variant Fevikwik Gel with a new TV advertisement. The film emphasized the Total Control characteristic of the Gel variant in a playful manner reinforcing the enhanced user experience. Fevikwik Gel digital programs on YouTube and Twitter were successful in achieving the reach and engagement objectives.





The company launched **Workplace by Facebook** for its employees with the objective of enhancing internal communication, encouraging collaboration, communicating important changes and leveraging ideation across its employees across the globe. It is being actively used by over 3500 employees with 650 posts per week. Live video feature is also used by the leadership team to hold regular town halls.

Activations & Events





Construction Chemicals brands Dr. Fixit and Roff participated in The Economic Times-Acetech Exhibition across Mumbai and Bangalore showcasing the latest trends in waterproofing and tile fixing solutions. An attractive photo-booth with Amitabh Bachchan cut-out was created. The stall won 'Silver' for the Grand Stand Award.



Panel Discussion on 'Building Healthy Societies' by Dr. Fixit was aimed at bringing office bearers of societies, structural consultants and other influencers on the same platform so that all queries regarding health and repair of society building could be addressed by the right experts. The discussion was supported by influencer activity on Twitter.



Fevicol participated in the festival 'Nakashima' organized by the National Institute of Design (NID) to celebrate its association with one of the unique personalities of design - George Nakashima, who makes furniture without nails. The highlight of the event was the woodworking workshop where Fevicol team demonstrated the products to the students followed by participation in the exhibition and panel discussion.



Fevicol conducted the first of its kind craftsmanship competition, 'Fevicol Master Craftsman', to project carpentry from a mere job work to an art form. The competition involved a blend of creativity from NID and other design students from across the country to partner with the skill and craftsmanship of carpenters from Fevicol Champions Club (FCC).



Fevicol MR conducted a large scale activation on Kargil Vijay Diwas (26th July) where 1.5 lakh students from 1000 schools created handmade rakhis for army jawans. Fevicol MR team delivered these rakhis to various Army Cantonments on the eve of Rakshabandhan.



Dr. Fixit participated in Myan Build 2016 - the biggest international trade exhibition for the building and construction industry in Yangon, Myanmar as part of market development initiatives.

New Product Launches



Fevicol MR launched Elephant shape pack (fondly known as 'Fevicol MR Ele') for young kids with a proposition of 'Your True Glue Buddy' aimed at making craft fun and interesting.



Fevikwik Gel is a gel based thicker variant of Fevikwik and is easy to use due to its non-drip formulation.
It also extends the usage of instant adhesives to porous surfaces like wood and cardboard and allows usage on vertical applications too.



A-Kwik is a two component adhesive that bonds to multiple substrates instantly.



Marinekoat is a polymer coating to protect bare plywood from moisture and seepage from wall.

Awards



Dun & Bradstreet Corporate Awards 2016 felicitated the best performing companies in India across **50+ sectors;** the company was selected as the winner in the **Chemical sector.**



Hobby Ideas launched Coloring Books for Adults- a new age concept for wellness. Coloring the intricate designs of the book has a soothing and calming effect. The Coloring Books by Hobby Ideas offer a range of editions to choose from – Traditional Indian Art forms, Marine Art forms, Indian Safari and come with a set of glitter gel pens to colour with. The books are presently available in the metro cities of Mumbai, Pune, Delhi, Bangalore, Hyderabad, Jaipur and Ahmedabad.



Roff Fargo Marble Adhesive is meant for bonding marble to marble as well as for filling the cracks or gaps in the marble for horizontal & vertical application.



Pidilite ventured into the space of flooring adhesives in the key Middle East countries like UAE, Qatar and successfully launched three new products in this segment.



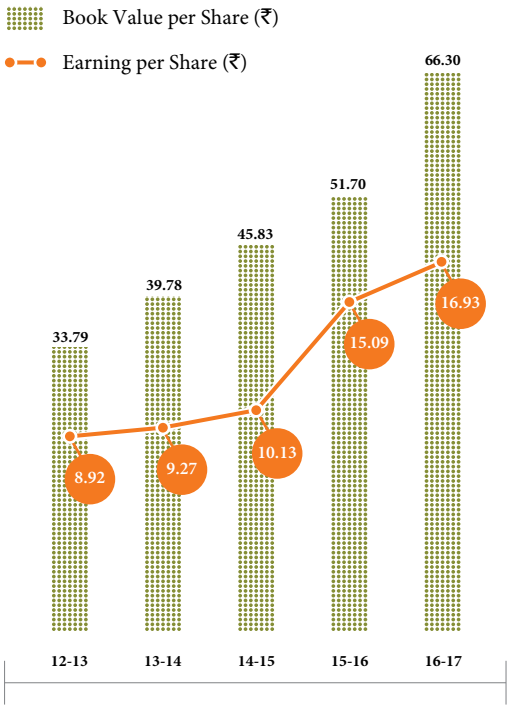
At **PRAXIS** awards organized by Fulcrum, Fevicol Champions Club-Shramdaan Divas won **three awards** in the Technique Awards Category- **Best Use of Creativity, Best Integrated Campaign** and **Best Use of Community Engagement.**

IPRCCA-Exchange4Media.com, Fevicol Champions Club –Shramdaan Divas won a **Bronze** for **Best Use of PR by a Corporate**- Bringing dignity into the lives of carpenters.



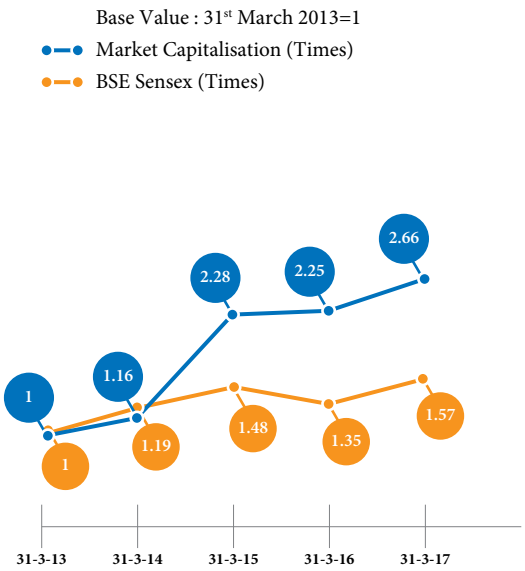
Fevicol Champions Club- Shramdaan Divas won **Gold at the Sabre Awards South Asia 2016** for **Public Relation in Corporate Social Responsibility** and also won a **Certificate of Excellence for Corporate Image.**

Book Value Per Share & EPS



EPS excludes exceptional items

Growth in Market Capitalisation of Company and BSE sensex since 31st March 2013



Miscellaneous

The company's net worth (Equity capital + Reserves) has grown from ₹ 1733 crores as on 31st March 2013 to ₹ 3399 crores as on 31st March 2017, giving a Compounded Annual Growth Rate (CAGR) of 25.17%.

The market capitalization of the Company on 31st March 2017 was ₹ 35826 crores and has grown at a CAGR of 31.12 % since the IPO in 1993.

Other Matters

The following matters are elaborated in the Directors' Report

- Financial Performance
- Industry Structure and Development
- Outlook on Opportunities, Threats, Risks and Concerns
- Risk and Adequacy of Internal Controls
- Human Resources

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ.

Economic Value Added (EVA)

Computation of EVA

EVA	=	Net operating profit after tax (NOPAT) - Weighted average cost of capital employed.
NOPAT	=	Net profit after tax + post tax interest cost at actual.
Weighted average cost of capital employed	=	(Cost of equity x average shareholder funds) + (cost of debt x average debt).
Cost of equity	=	Risk-free return equivalent to yield on long term Government of India (GOI) securities (taken @ 6.5%) + market risk premium (assumed @ 3.2%) x beta variant for the Company (taken at 0.84), where the beta is a relative measure of risk associated with the Compnay's shares as against the stock market as a whole.
Cost of debt	=	Effective interest applicable to Pidilite based on an appropriate mix of short, medium and long term debt, net of taxes.

Economic Value Added Analysis

Item		2012-13	2013-14	2014-15	2015-16	2016-17
1.	Risk Free Return on Long Term GOI Securities	7.5%	8.0%	7.8%	7.5%	6.5%
2.	Cost of Equity	13.5%	12.4%	12.2%	12.9%	9.2%
3.	Cost of Debt (Post Tax)	8.0%	0.0%	0.0%	0.0%	0.0%
4.	Effective Weighted Average Cost of Capital	13.0%	12.2%	12.2%	12.8%	9.2%
Economic Value Added (₹ in crores)						
5.	Average Debt	162	34	7	3	1
6.	Average Equity (Shareholder Funds)	1552	1886	2194	2500	3025
7.	Average Capital Employed (Debt + Equity)	1714	1920	2201	2503	3026
8.	Profit After Tax (as per P&L account)	455 #	475 #	519 #	774 #$	868 #$
9.	Interest (as per P&L account, net of Income Tax)	5	6	6	4	4
10.	Net Operating Profit After Tax (NOPAT)	460	481	525	778	872
11.	Weighted Average Cost of Capital (4x7)	223	234	267	322	278
12.	**Economic Value Added (10-11)**	**237**	**247**	**258**	**456**	**594**
13.	**EVA as a % of Average Capital Employed (12 ÷ 7)**	**13.9%**	**12.9%**	**11.7%**	**18.2%**	**19.6%**

Profit after tax excludes exceptional items.
$ Profit is after tax but before other comprehensive income.

Notes

1 Profit After Tax includes Prior Years' Tax Provision written back.

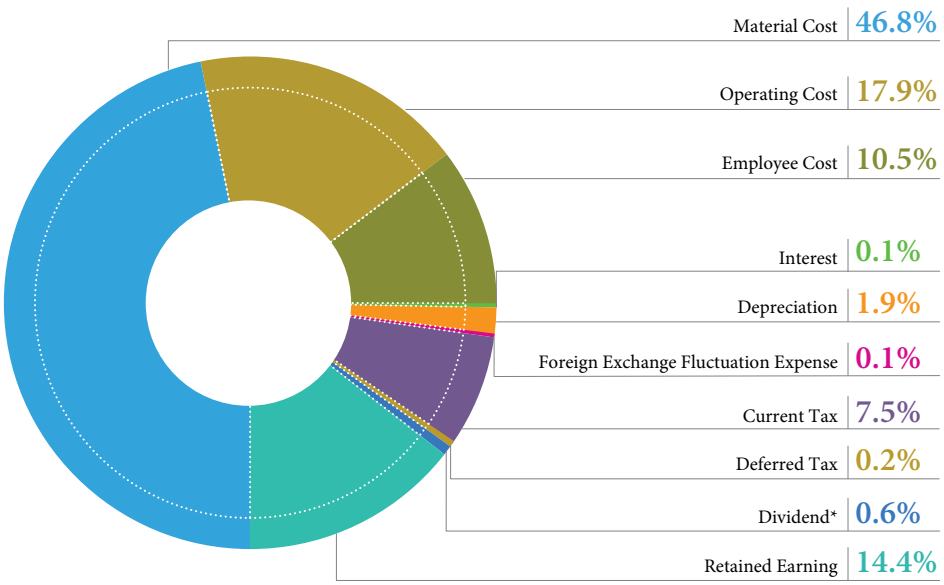
2 Effects have been given in 10 Years' Financial Performance for above note.

3 Figures in Financial Charts, 10 Years' Financial Performance and EVA are as per the Annual Report of respective years, except where stated otherwise.

4 The company transitioned into Ind As from 1st April 2015.

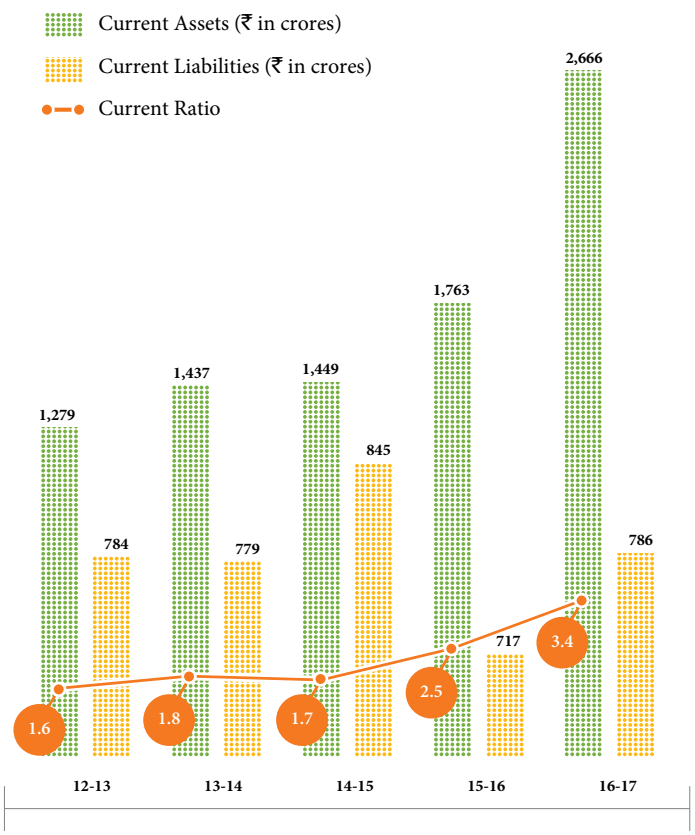
Financial Charts

Distribution of Revenue (2016-17)

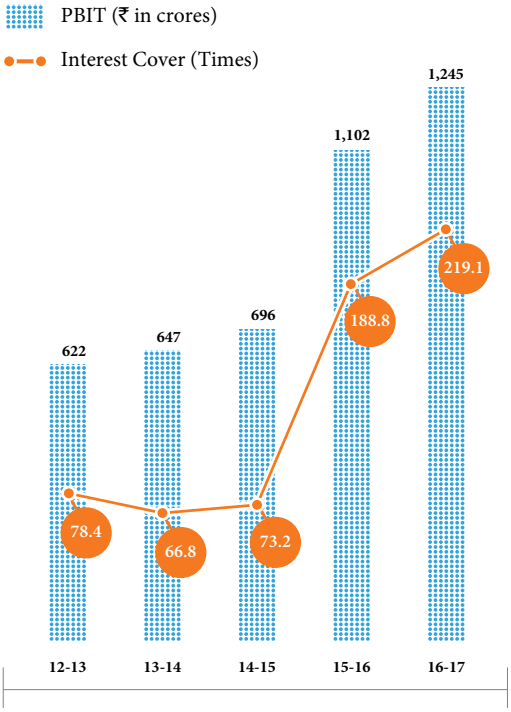


*Dividend paid during the year

Current Ratio

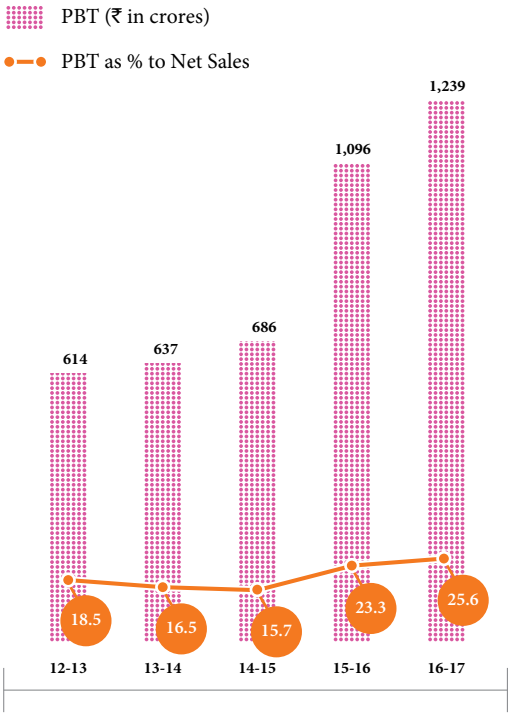


PBIT & Interest Cover



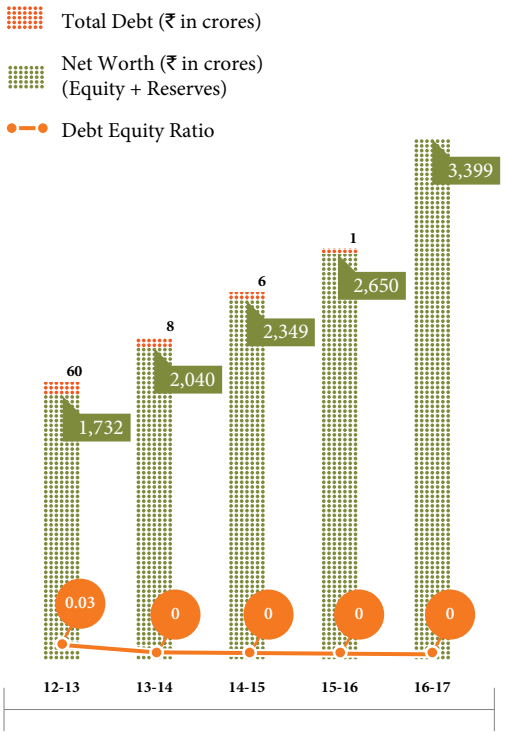
* PBIT excludes exceptional items.

PBT & PBT as % to Net Sales

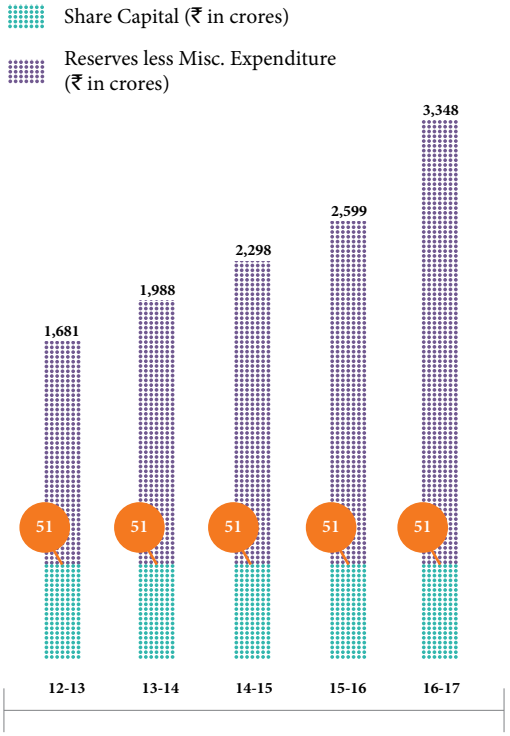


* PBT excludes exceptional items.

Debt Equity Ratio



Value Addition to Business through Reserves



10 Years Financial Performance

(₹ in crores)

	I GAAP								IND AS		
Highlights	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**CAGR %**
Operating Results											
Sales and Other Income	1725	1931	2051	2530	3017	3615	4169	4724	5134	5409	13.54%
Manufacturing & Other Expenses	1449	1673	1638	2036	2483	2939	3448	3918	3942	4070	12.16%
Operating Profit	276	258	413	494	534	676	721	806	1192	1339	19.18%
Interest (Net)	16	32	29	27	21	8	10	10	6	6	-10.91%
Depreciation	39	47	46	44	48	53	69	108	88	90	9.93%
Profit from Ordinary Activities	221	179	338	423	465	615	642	688	1098	1243	21.13%
Exceptional Item	-	-	-	25	13	(6)	6	18	27	94	-
Foreign Exchange Difference - Expense/(Income)	(3) !!	16	9	1	8	1	5	2	1	4	203.52%
Profit before Tax	224	163	329	397	444	620	631	668	1070	1145	19.86%
Current Tax	22	15	42	94	105	156	160	156	299	363	36.34%
Deferred Tax	14	2	(3)	(1)	4	3	2	11	24	8	-5.71%
Profit after Tax for the year	188	146	290	304	335	461	469	501	747	774	17.03%
Add: Prior Year's Tax Provision written back	- ~	-	4	-	-	-	-	-	-	-	-
Profit after Tax	188	146	294	304	335	461	469	501	747 $	774 $	17.03%
Dividend on Equity Shares	52 *	52 *	89 *	103 *	112 *	156 *	162 *	179 *	404 ****	31 ****	-5.60%
Dividend on Preference Shares	- ~	- !! ~	-	-	-	-	-	-	-	-	-
Retained Earning	**136**	**94**	**205**	**201**	**223**	**305**	**307**	**322**	**343**	**743**	**20.75%**
Financial Position											
Capital-Equity	25	25	51	51	51	51	51	51	51	51	8.16%
Capital-Preference	3	-	-	-	-	-	-	-	-	-	-
	28	25	51	51	51	51	51	51	51	51	6.87%
Reserve (Less Revaluation Reserve & Misc. Expenditure)	614	708	888	1088	1327	1682	1988	2298	2599	3348	20.73%
Net Worth	642	733	939	1139	1378	1733	2039	2349	2650	3399	20.34%
Borrowings	503	558	421	287	264	60	8	6	1	-	-
Deferred Tax Liability (Net)	42	44	42	41	45	48	51	55	75	84	7.87%
Funds Employed	**1187**	**1335**	**1402**	**1467**	**1687**	**1841**	**2098**	**2410**	**2726**	**3483**	**12.70%**
Fixed Assets **											
Gross Block	844	1016	1084	1205	1343	1469	1637	2005	1775	1856	9.14%
Depreciation	297	343	389	431	476	527	594	716	707	790	11.47%
Net Block	547	673	695	774	867	942	1043	1288	1068	1066	7.70%
Investments in - Overseas Subsidiaries	159 #	219 #	245 #	233 #	239 #	260 #	315 #	341 #	355 #	270 #	-
- Others	3	21	266	167	94	287	259	360 ***	748	1523	100.10%
Net Current Assets	478	422	196	293	487	352	481	421 ***	555	624	3.02%
Total Assets	**1187**	**1335**	**1402**	**1467**	**1687**	**1841**	**2098**	**2410**	**2726**	**3483**	**12.70%**

The company transitioned into Ind As from 1st April 2015

* Includes Tax on Dividend.

\# After deducting provision for diminution.

~ Less than ₹ 1 crore

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

** Excluding Revalued Assets and Depreciation thereon.

!! Included in Other Income/Expenses now reclassified/regrouped

*** Previous years' figures regrouped

$ Profit is after tax but before Other Comprehensive Income

(₹ in crores)

	I GAAP								IND AS	
Highlights	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Funds Flow										
Sources										
Internal Generation	234	195	337	373	400 <	511 <	546	638	886	967
Increase in Capital & Reserve on conversion of FCCB	20	-	-	-	15	50	-	-	-	-
Increase in Equity Share Capital	-	-	-	-	-	-	-	-	- ~	- ~
Increase in Loans	364 ^	55	-	-	-	-	8	-	-	-
Decrease in Investment-Others	11	-	-	99	73	-	35	-	-	-
Decrease in Working Capital	-	56	226	-	-	141	-	23 ***	329	-
Decrease in Miscellaneous Expenditure	- ~	-	-	-	-	-	-	-	-	-
Total	**629**	**306**	**563**	**472**	**488**	**702**	**589**	**661 *****	**1215**	**967**
Applications										
Decrease in Preference Capital on redemption	-	3	-	-	-	-	-	-	-	-
Repayment of Loans	-	-	136	135	23	204	60	2	5	1
Capital Expenditure (Net) >	249 >	173	68	124	141	128	169	353	134	88
Investments in										
- Overseas Subsidiaries	84	60	25	13	19	26	55	26	14	10
- Domestic Subsidiaries	-	-	-	-	-	-	7	- ~	68	80
- Others	-	18	245	-	-	188	-	101 ***	590	695
Dividend	52	52	89	103	112	156	162	179	404 ****	31 ****
Increase in Working Capital	244 @	-	-	97	193	-	136	-	-	62
Total	**629**	**306**	**563**	**472**	**488**	**702**	**589**	**661 *****	**1215**	**967**
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	33.4 *	21.3 *	34.6	31.7	27.6	29.3	25.2	23.7	31.0	28.7
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)##	27.1 *	16.0 *	27.0	32.3	31.2	36.2	33.7	31.6	44.0	41.1
Long Term Debt/Cash Flow	1.2	2.4	1.0	0.8	0.6	0.1	-	-	-	-
Gross Gearing % (Debt as a percentage of Debt plus Equity)	43.9	43.2	31.0	20.1	16.1	3.4	0.4	0.2	-	-
Current Ratio	3.1	2.5	1.5	1.6	1.8	1.6	1.8	1.7	2.5	3.4
Assets Turnover (times) (Gross Sales divided by Total Assets)	1.4	1.4	1.4	1.7	1.8	1.9	2.0	1.9	1.8	1.5

The company transitioned into Ind As from 1st April 2015

> Includes Cost of Brands,Patents Trademarks and Businesses Acquired

^ Includes proceeds of FCCB bonds ₹ 159.44 crores

* Excluding 6% Redeemable Preference Shares Capital of ₹ 2.875 crores issued on 31st March 2008 and redeemed on 5th September 2008

< Includes security premium received on FCCB conversion

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

** Excluding Deferred Tax Liability (Net)

@ Includes unutilised proceeds of FCCB bonds ₹ 110.24 crores.

PAT & PBIT are excluding exceptional items

~ Less than ₹ 1 crores

*** Previous years' figures regrouped

Directors' Report

To

The Members

Your Directors take pleasure in presenting the Forty Eighth Annual Report together with Audited Financial Statements for the year ended 31st March 2017.

Financial Results (Standalone)

	(₹ in crores)	
	2016-17	2015-16 *
Gross Turnover	**5270.30**	5034.99
Turnover, Net of Excise	**4837.02**	4702.96
Operating profit	**1338.94**	1191.55
Exceptional items	**94.34**	27.00
Profit Before Tax	**1144.72**	1069.50
Current Year's Tax	**362.66**	298.77
Profit After Current Year's Tax	**782.06**	770.73
Deferred Tax	**8.27**	24.01
Profit After Tax	**773.79**	746.72
Profit Brought Forward	**763.76**	421.41
Other comprehensive income (net of tax)	**(1.98)**	(0.22)
Profit available for appropriation	**1535.57**	1167.91
Appropriations		
Dividend paid	**25.63**	335.79
Tax on Dividend	**5.22**	68.36
Total	**30.85**	404.15
Closing balance of Retained Earnings	**1504.72**	763.76

* figures as per IND AS.

Financial Performance

The Operating Profit for the year at ₹ 1338.94 crores increased by 12.37% and Net Profit at ₹ 773.79 crores increased by 3.63%. Income tax for the current year at ₹ 362.66 crores is higher by 21.38%.

Gross margin for the year improved mainly on account of lower raw material prices.

The Indian Rupee was at ₹ 64.81 to a US $ as on 31st March 2017 as compared to ₹ 66.31 to a US $ as on 31st March 2016.

Dividend

Your Directors recommend a dividend of ₹ 4.75 per equity share of ₹ 1 each (previous year a total dividend of ₹ 4.15 per equity share of ₹ 1 each) , out of the current year's profit, on 51.27 crores equity shares of ₹ 1/- each amounting to ₹ 243.52 crores (previous year ₹ 212.76 crores).

Dividend for the current year will be free of tax in the hands of shareholders, upto an amount aggregating to ₹ 10 lacs. The dividend payout amount has grown at a CAGR of 17.09% during the last 5 years. During the financial year 2016-17, the Board of Directors approved a Dividend Distribution Policy as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which is available on the website of the Company.

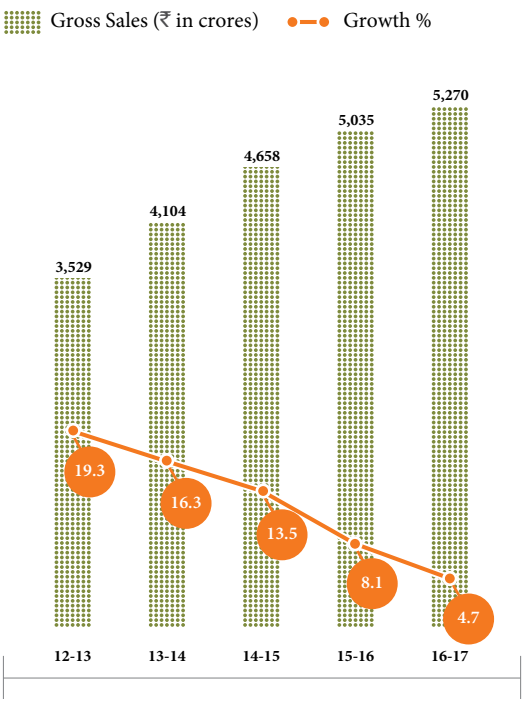
Transfer to Reserves

The Company does not propose to transfer amounts to the general reserve out of the amount available for appropriation and an amount of ₹ 1504.72 crores is proposed to be retained in the profit and loss account.

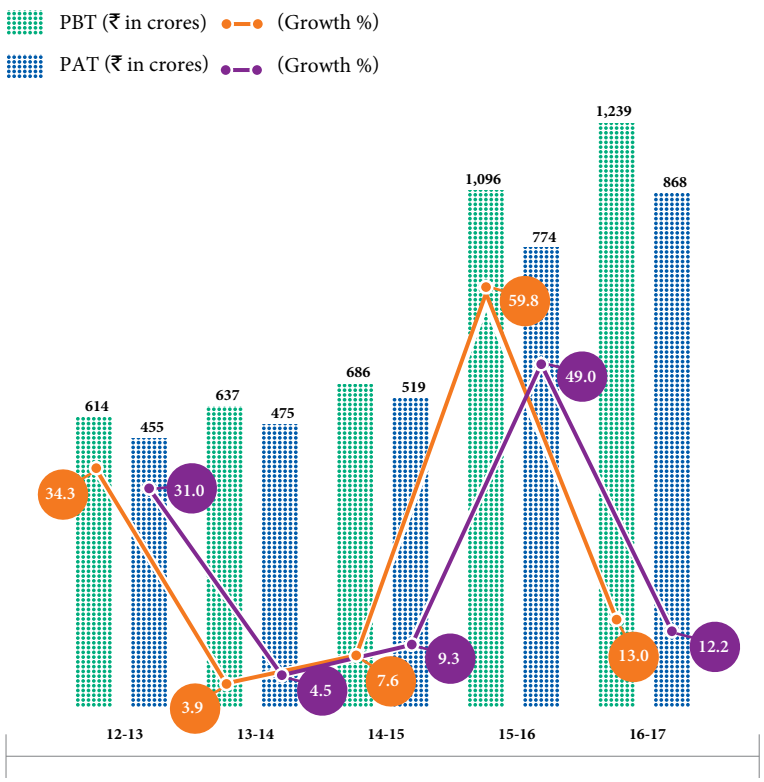
Term Finance

The Company has no outstanding term loans.

Gross Sales & Growth %



PBT, PAT & Growth (YOY)



Excludes exceptional items.

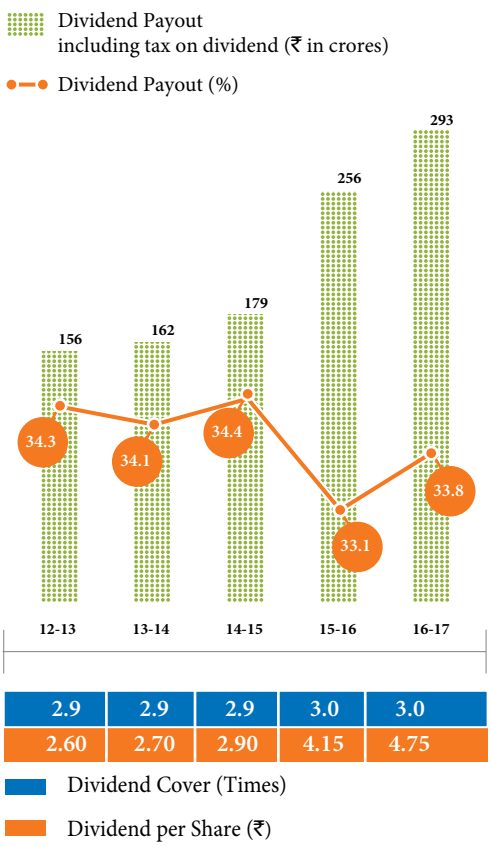
Capital Expenditure

The total capital expenditure during the year was ₹ 120.88 crores, spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology.

Synthetic Elastomer Project at Dahej

The Company has initiated manufacturing of adhesives for export market at Dahej site. The Company has made and is continuing to make attempts to find a strategic partner for Synthetic Elastomer project. In line with this strategy, the Company has fair valued items of plant and machinery alongwith the integrated patents, designs and drawings (currently included in Capital work in progress) and adjusted the difference between the carrying value and the fair value against the opening reserves of the Company as on 1st April 2015 as permitted by IND AS 101. The Capital work in progress of the project as on 31st March 2017 is ₹ 101 crores.

Equity Dividend Payout & % of Net Profit (excluding exceptional items)



Manufacturing

The new manufacturing facility at Nalagarh (Himachal Pradesh) to produce adhesives, was commissioned during the year.

Fixed Deposits

The Company has not accepted any fixed deposits during the year 2016-17.

Subsidiaries

Investment in Subsidiaries

During the year, investment of ₹ 89.23 crores was made in subsidiaries. Of these ₹ 8.75 crores was invested in overseas subsidiaries and ₹ 80.48 crores was invested in domestic subsidiaries.

The investments in overseas subsidiaries were in Pidilite Middle East Ltd. (₹ 8.00 crores) for onward investments in Pidilite MEA Chemicals LLC, Pidilite Industries Egypt SAE (₹ 0.09 crores) and Pidilite Chemical PLC (₹ 0.66 crores).

The investments in domestic subsidiaries were in Fevicol Company Ltd (₹ 1.63 crores) and ICA Pidilite Pvt Ltd (₹ 78.85 crores).

During the year

a) The name of the subsidiary Wood Coat Pvt Ltd. was changed to ICA Pidilite Pvt Ltd.

b) Pidilite International Pte. Ltd and Pidilite Middle East Ltd, wholly owned subsidiaries of the Company, acquired shares of Nebula East Africa Pvt Ltd (NEAPL), a Company incorporated in Kenya. With this acquisition, the wholly owned subsidiaries of the Company jointly hold 100% of the paid up share capital of NEAPL.

c) Nina Waterproofing Systems Pvt Ltd., a subsidiary of the Company incorporated a subsidiary in Srilanka in the name of Nina Lanka Construction Technologies (Pvt) Ltd.

During the year the following companies became subsidiaries of the Company

a) Nebula East Africa Pvt Ltd

b) Nina Lanka Construction Technologies (Pvt) Ltd.

Performance of Major Domestic and Overseas Subsidiaries

(₹ in crores)

Name of Subsidiary	Sales 16-17	Sales 15-16	% Growth	EBITDA 16-17	EBITDA 15-16	% Growth
Nina Waterproofing Systems Pvt Ltd	150.69	143.74	4.84%	11.07	16.99	(34.84)%
Percept Waterproofing Services Ltd	43.64	29.16	49.66%	4.76	2.02	135.64%
ICA Pidilite Pvt Ltd	101.08	NA	-	10.30	NA	-
Pidilite USA Inc.	235.96	248.36	(5.00)%	5.21	21.31	(75.50)%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	94.50	101.03	(6.50)%	5.18	1.22	325.60%
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	78.76	71.07	10.80%	14.04	15.48	(9.30)%
Pidilite Industries Egypt SAE includes PIL Trading (Egypt) Company	33.11	20.82	59.00%	(5.05)	(0.15)	(3371.80)%
Pidilite Bamco Ltd includes Bamco Supply and Services Ltd.	43.99	47.63	(7.60)%	4.60	7.91	(41.80)%
Pidilite MEA Chemicals LLC	75.32	70.51	6.80%	(18.19)	(12.89)	(41.10)%
Pidilite Lanka Pvt Ltd	27.64	10.80	155.90%	1.88	0.68	176.80%

Overseas subsidiaries figures are at constant currency.

Sales growth of Nina and Percept, domestic subsidiaries engaged in waterproofing services, was impacted by slowdown in real estate segment. ICA Pidilite, joint venture of the Company and ICA of Italy, commenced operations in 2016-17 and is in the process of setting up of a manufacturing facility for wood finishes at Jambusar, Gujarat.

Pidilite USA reported decline in sales & EBITDA due to slowdown in export of automotive care products to Middle East and Latin America and voluntary recall of tempra & finger paint products based on routine quality control inspections. Sales of Pulvitec do Brasil declined due to economic slowdown. However, EBITDA improved due to cost and margin improvement initiatives.

Pidilite Bangladesh reported decline in EBITDA due to increase in expenses to support future sales growth. Pidilite Lanka commenced operations in October 2015. Sales of Pidilite Bamco and Bamco Supply and Services, subsidiaries in Thailand, declined due to political and economic instability.

The subsidiaries in Egypt reported good sales growth but EBITDA declined due to sharp devaluation of Egyptian currency. Increase in selling, general and administrative expenses at Pidilite MEA, subsidiary in Middle East, did not result in commensurate increase in sales. Actions have been initiated to reduce these expenses.

Consolidated Financial Statements

In accordance with the requirements of Indian Accounting Standards AS 110 (read with IND AS 28), issued by, Central Government under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, the Consolidated Financial Statements of the Company and its subsidiaries, associate and joint venture company are annexed to this Annual Report. A statement containing the salient features of the Company's subsidiaries, associate and joint venture company in the prescribed form is attached.

The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate company and joint venture, as approved by their respective Board of Directors except Plus Call Technical Services LLC for which the financial statements have been approved by the management of the Joint Venture.

The Consolidated Financial Statements of the Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards and presented in compliance with Listing Regulations. The accounts of the subsidiaries are also uploaded on the website of the Company.

Directors and Key Managerial Personnel

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

Shri Pradeep Jain, resigned with effect from 24th March 2017, as the Chief Financial Officer (Key Managerial Personnel) of the Company.

Adoption of new Articles of Association

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956. In order to make the Articles of Association of the Company in tandem with the relevant sections/ provisions under the Companies Act, 2013 and rules made thereunder, it is proposed to replace the existing Articles of Association of the Company by a new set of Articles. Accordingly, in lieu of amendments to various articles in the existing Articles of Association, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company, in substitution for, and to the exclusion of the existing Articles of Association of the Company. Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, this matter has been placed before the Members for approval.

Directors' Responsibility Statement

Your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2017 and of the profit of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Annual Evaluation by the Board of its Own Performance, its Committees and Individual Directors

The Board of Directors of the Company has put in place a mechanism for evaluation of its own performance, its Committees and Individual Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, participation at meetings, domain knowledge, cohesion in the Board's meeting, awareness and observance of governance, etc. The Board carried out annual performance evaluation of the Board, Board Committees and Individual Directors and Chairperson. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

Familiarisation Programme

The Company has put in place an induction and familiarisation programme for all its Directors including the Independent Directors.

The familiarisation programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of Listing Regulations, is uploaded on the website of the Company.

Number of Meetings of Board of Directors

Six meetings of the Board of Directors of the Company were held during the year. For further details, please refer to Corporate Governance section of this Annual Report.

Statement of Declaration on Independence given by Independent Directors

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

Corporate Governance

Reports on Corporate Governance and Management Discussion and Analysis, in accordance with Listing Regulations, along with a certificate from M/s M M Sheth & Co., Practising Company Secretaries, are given separately in this Annual Report.

Statutory Auditors

In accordance with the provisions of Companies Act, 2013, at the Annual General Meeting held on 25th September 2014, the shareholders had appointed M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company, for a period of 4 years i.e. upto the conclusion of 49th Annual General Meeting to be held for the adoption of accounts for the financial year ending 31st March 2018. M/s Deloitte Haskins & Sells, Chartered Accountants, have consented to be the Auditors

of the Company, if their appointment is ratified by the members at the Annual General Meeting and have also confirmed that their appointment is as per the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

There is no qualification or adverse remark in Auditors' report. There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Companies Act, 2013.

Corporate Social Responsibility Committee

The details of Corporate Social Responsibility Committee has been provided under Corporate Governance section of this Annual Report.

The report as per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure 1.

Audit Committee

The Audit Committee comprises of Directors namely Shri B S Mehta (Chairman), Shri Ranjan Kapur, Shri M B Parekh and Shri Uday Khanna as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil mechanism for Directors and employees and the same has been communicated to the Directors and employees of the Company and the same is also posted on the website of the Company.

Policy relating to Prevention of Sexual Harassment

The Company has formulated a Prevention of Sexual Harassment Policy and has formed an Internal Complaints Committee. No complaints have been received during the year.

Cost Auditor and Cost Audit Report

M/s. V J Talati & Co., Cost Accountants, were appointed as the Cost Auditor for the financial year 2016-17 to conduct the audit of the cost records of the Company. M/s V J Talati & Co., Cost Accountants, have been reappointed as the Cost Auditor for the financial year 2017-18. In terms of the provisions of Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing AGM of the remuneration payable to the Cost Auditors for the financial year 2017-18.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s M M Sheth & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is attached as Annexure 2. There is no qualification or adverse remark in their report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are attached to this Report as Annexure 3.

Risk Management

In compliance with Regulation 21 of Listing Regulations, a Risk Management Committee has been constituted by the Board. Risk Management Committee also known as Risk Management Oversight Committee has been entrusted with roles and powers which include a) Review and approval of risk management plan b) Review progress on the risk management plan c) Propose methodology on risk classification and measurement.

The Company has laid out a risk management plan for identification and mitigation of risks. The Company also has a Management Risk Committee which is chaired by an Executive Director and has functional heads as members of the Committee. Business heads are invited as and when required. Risks (Business / Reputation) and mitigation plans are considered by this committee. The Risk Management Committee provides reasonable oversight of the risks.

The other details are provided in the Corporate Governance Report.

Contracts and Arrangements with Related Parties

All contracts/arrangements entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract/ arrangement/transaction with related parties which could be considered as material.

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

Your Directors draw attention of the members to Note No. 44 to the financial statement which sets out related party disclosures.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Employees Stock Option Scheme

The Employees Stock Option Scheme is in line with SEBI (Share Based Employee Benefits) Regulations, 2014 [SBEB Regulations]. The certificate of auditors regarding implementation of the Scheme being in accordance with SBEB Regulations would be placed at the Annual General Meeting for inspection by Members.

The applicable disclosure, as stipulated under the SBEB Regulations, as on 31st March 2017 with regard to Employee Stock Option Scheme is provided in Annexure 4 to this Report.

Extract of Annual Return

Extract of Annual Return of the Company is attached as Annexure 5 to this Report.

Particulars of Employees and Related Disclosures

Disclosure pertaining to remuneration as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 6 to this Report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours and shall be made available to any shareholder on request.

Disclosure Relating to Remuneration of Directors and Key Managerial Personnel

The remuneration paid to the Directors is in accordance with the Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013.

Business Responsibility Report

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report.

Industry Structure and Development

There is no material change in the industry structure as was reported last year.

The Company operates under two major business segments i.e. Branded Consumer & Bazaar products and Industrial products.

Products such as Adhesives, Sealants, Art & Craft Materials and Others, Construction and Paint Chemicals are covered under Branded Consumer & Bazaar Products segment.

These products are widely used by carpenters, painters, plumbers, mechanics, households, students, offices etc.

Industrial Products segment covers products such as industrial adhesives, synthetic resins, organic pigments, pigment preparations, surfactants etc and caters to various industries like packaging, textiles, paints, printing inks, paper, leather etc.

In both the above business segments, there are a few medium to large companies with national presence and a large number of small companies which are active regionally. There is a growing presence of multinationals in many of the product categories in which the Company operates.

The VAM plant has been modified to make a range of Speciality Acetates as import of VAM continues to remain more viable as opposed to in-house manufacture. Plans are underway to manufacture Isopropyl Alcohol which is a widely used solvent having good domestic market.

Current Year Outlook

During the year 2017-18, it is expected that Goods and Service Tax (GST) will be implemented.

The prices of raw materials and packing materials have firmed up.

One manufacturing unit in Himachal Pradesh will be completing its income tax holiday period in the financial year 2017-18. One manufacturing unit in Assam enjoys exemption from excise duty and income tax. The newly set up unit at Himachal Pradesh will continue to enjoy excise benefit.

Domestic subsidiaries are largely represented by Nina Waterproofing Systems Pvt Ltd., Percept Waterproofing Services Limited and ICA Pidilite Pvt Ltd (ICA). During the financial year 2016-17, ICA commenced operations in the wood finish business. The major subsidiaries in India are in the nascent stages of operation. These companies are taking initiatives to increase their presence in the market.

The Company's major international subsidiaries are in USA, Brazil, Thailand, Egypt, Dubai and Bangladesh. The business environment in some of these countries remain subdued. However, the management is taking various steps to improve the performance of these subsidiaries.

Outlook on Opportunities, Threats, Risks and Concerns

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

growth in select global economies could provide a boost to exports.

Slower growth of the Indian economy could impact the performance of the Company.

The domestic subsidiaries are dependent on the construction activity.

Overseas subsidiaries by virtue of their relatively smaller size remain vulnerable to the political and economic uncertainties of their respective countries.

Internal Control Systems and their Adequacy

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

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

The Audit Committee of the Board of Directors approves the annual internal audit plan, periodically reviews the progress of audits as per approved audit plans, critical internal audit findings presented by internal auditors, status of implementation of audit recommendations, if any, and adequacy of internal controls.

Significant/Material orders passed by the Regulators

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

Human Resources

Several initiatives were undertaken to strengthen the Employee Connect and Talent Development Process.

'My Pidilite', an employee helpline, was launched across all locations to facilitate timely redressal of employee queries. An internal communication and collaboration tool – 'Workplace by Facebook' was also launched for internal communication, sharing of ideas and employee recognition.

This year the Founder's Day was celebrated on 14th March 2017 in a grand manner. The spirit of the event embodied the beliefs of our beloved founder late Shri B K Parekh. Employees who personified the values of the organisation were recognised during the event and were awarded the "Late Shri B K Parekh Excellence Awards". The event also provided a platform to showcase home-grown talent, with finalists performing and competing for the title of "Pidilite's Got Talent." The celebrations were streamed live on Workplace @ FB to enable employees across locations to witness the event and cheer their colleagues.

Opportunities for career growth to the in-house talent, was enhanced by strengthening the Internal Job Posting process and talent development interventions. The Young Talent Programme was further enhanced through the internship programs and facilitation of career path movements for Young Managers, thus creating the talent pipeline.

The total number of employees as on 31st March 2017 was 5247.

General

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

The details of constitution of Nomination and Remuneration Committee and Stakeholders Relationship Committee are given in the Corporate Governance Report.

Appreciation

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation to the shareholders, dealers, distributors, consumers, banks and other financial institutions for their continued support.

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date : 18th May 2017

M B Parekh
Executive Chairman

Social & Community Initiatives

The Company has continued to support social and community initiatives through Trivenikalyan Foundation (TKF), Gram Nirman Samaj (GNS), Hanumant Hospital (managed by Shree Hanumant Seva Medicare Trust), Shree Mahuva Education Trust, The Balvant Parekh Centre for General Semantics and other Human Sciences, B K Parekh Parkinson's Disease and Movement Disorder Society (BKPPDMDS), Shri N N Mehta Memorial Education Trust, Lokbharti Gram Vidyapeeth Trust, Shri Balvant Parekh Science City (Science City).

Agriculture & Horticulture

The Company has been promoting good agriculture, horticulture and animal husbandry practices, through collaboration with experts and institutions. The Company has assisted in the formation of over 200 Farmers Club (covering about 5,000 farmers) in the Mahuva region (for Cotton, Groundnut, Onion and other relevant crops).

The Farmers Resource Centre and Animal Husbandry units, with dedicated staff, help in addressing issues of the farmers.

The Company has signed an MOU for setting up of Agri & Horti Development Centre at Manar, in Talaja, with the objective of increasing the productivity and income level of the farmers with focus on fruit and vegetable crops, ready-to-adopt techniques, promotion of organic farming, knowledge transfer through agri extension activities, crop diversification etc.

During the Vibrant Gujarat Summit held in January 2017, the Company signed MOUs for establishing Farmers Service Centre on pilot basis at Mahuva, revamping of the Soil Health Card system and further development of i-Khedut portal with the Government of Gujarat.

Training and technological intervention provided to the groundnut farmers in Mahuva has resulted in an increase in yield by 22%.

Development of coconut plantation with Agriculture Research Station at Mahuva has also been undertaken. Horti Demonstrations and trials conducted at Agriculture Research Station and other demo plots have resulted in better germination. Sprouting of various varieties of medicinal, aromatic crops, spices etc. has also been encouraging.

1200 farmers participated in the "Agriculture Karyashala" organised at Mahuva with The Agriculture Department, Government of Gujarat and the event witnessed display of agricultural products, sharing of practices in organic farming, sanitation, animal husbandry etc.



Khedut shibir



Exposure visit

Water Resources Management

The Company has continued its efforts in water shed management in the Mahuva region. A total of 871 hectares of farm land have been converted into drip irrigation and more than 300 wells spanning over 45 villages have been recharged improving the quality of ground water. Restoration of Vav at Valavav has also been undertaken.

The Company has signed an MOU for water management (check dams, farm ponds etc.) with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of Govt. of Gujarat, in the PPP mode. Water shed management work has been initiated at 16 locations.



Drip irrigation system

Model Village Development
Kushal Gram: Kaushalya Kalsar

The Company continues to build on its unique initiative "Kushal Gram:Kaushalya Kalsar". Villagers have been provided the requisite skill sets such as digital learning and awareness, advanced agriculture, animal husbandry, organic farming, training in carpentry, art and crafts, sewing and embroidery, technology & home appliances, cosmetology, medical skills, fast food etc. During the year, over 2,000 villagers have been skilled in these areas.

As a part of the cleanliness drive, more than 900 households were helped to create sanitation facilities within their dwelling units. The villagers have been trained to paint their houses (Project Rangeen Kalsar) and 750 such houses have now been painted in the same colour.

Women Initiatives

The Company has helped in forming, nurturing and developing over 100 Self Help Groups (SHGs) – Mahila Mandals in the Mahuva region, with more than 1,400 mahilas as members. These groups have been formed with the intention of giving the women of the village a platform for sharing knowledge, encouraging savings and primarily getting initiated into a mini-income generating activity of their own.

These SHGs have been provided training on bead work, food items, coir products, garment cutting etc. The Kaushalya Kalsar women have started assuming enterprising roles like undertaking contracts for construction of toilets, stone works, garment making, jute bags etc. About 5,000 jute bags have been produced by the women of the village.

The Siddhi Vinayak sanitary napkin unit, supported by the Company, has been operational since July 2016. This unit has sold more than 85,000 pads till date.



Embroidery workshop



Former Chief Minister of Gujarat - Shrimati Anandiben Patel felicitating the women working in the sanitary pad unit



Initiative in sanitation



SHG members engaged in jewellery making



Opthalmic check-up camp at Victor village



Leadership training - farmers club

Healthcare

During the year, Hanumant Hospital treated over 60,000 outpatients, performed over 2,000 surgeries and handled 4,720 cases of emergency. 58 speciality medical camps were conducted in-house and around the surrounding area under the Doctor Connect Program.

Free eye checkup camps using mobile ophthalmic van covered 2,850 patients.

B K Parekh Parkinson's Disease and Movement Disorder Society (BKPPDMDS) is functioning in 8 centres across the state of Gujarat and also has 1 centre in Pune. BKPPDMDS conducts various activities in each of these centres which include topics such as Parkinson's information, Physiotherapy, Speech Therapy, Occupational Therapy, Psychological Services, Caregiver Intervention etc.

Sangath, a bi-annual newsletter in Gujarati devoted to the activities of BKPPDMDS, was launched during the year. The 2nd issue of the newsletter was released to mark the birth anniversary of Shri Balvant K Parekh on 12th March 2017.

Education

The Company has continued to make efforts in improving the basic learning abilities of the rural children. Development of the concept of 'WAGALE' (Wanchan-Ganan-Lekhan) has helped students with lesser learning abilities by providing them with training sessions through practical methods, visual representations and interactions with the academically better students. Around 18 schools were selected in the pilot phase under this concept.

The Company has provided infrastructure support like multiple LEDs for imparting training on digitisation in 50 schools of Mahuva region. To improve the level of education, the Company has supported the installation of over 150 software licenses for primary education. The Company in collaboration with National Geographic Channel has covered more than 50 topics on nature, cosmos, wildlife, human anatomy in Gujarati for enhancing the knowledge of children.

A modern science museum is being developed in Bhavnagar to ensure development of analytical learning. Preparation of the students for various scholarship programs and national Olympiad competitions have also been undertaken.

The Company supported the construction of a modern secondary school for girls and boys in Kalsar and a new campus for Parekh College, Mahuva.

Shri N N Mehta Memorial Education Trust continued to provide assistance to deserving and qualified students through scholarships for pursuing higher education such as medical, dental, paramedical, engineering, BBA, BCA, MCA and various other disciplines. Scholarship amounting to ₹ 25,63,000 was given to 121 deserving students for higher education during the year. Prizes amounting to ₹ 1,15,000 were given to 52 students for sports and cultural activities.



School program in Gujarada village under the Cotton Crop Inititatives project

Skill Development Initiatives

As a part of the overall vision to work on skill building, the Company continued its association with the Department of Employment & Training (Govt. of Gujarat) as its Knowledge Partner. The work on restructuring of 500 Kaushalya Vardhan Kendras of Gujarat has been initiated to ensure job-oriented development of students and villagers across the state of Gujarat.

Skill development in areas like bedside assistant, dialysis assistant, basic of anatomy and physiology, nursing aid etc. as well as videography, photography, accounting software, video editing, hardware and networking etc. were provided which benefitted over 300 trainees.

For the Knowledge Partnership with Industrial Training Institutes (ITIs) of Gujarat, the Company is contributing towards the effective functioning of a total of 101 trades in 69 ITIs in carpentry, plumbing and construction. The Company has devised "Recognition of Prior Learning" of plumbers in Gujarat for which an assessment paper has been developed and implemented for both theoretical and practical exams for plumbers. A total of more than 5,000 plumbers have been covered under this initiative.

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



Carpentry workshop in ITI

General Semantics

Mr. Simon Gikandi and Mr. Robert Schirmer delivered the (Vth) Balvant Parekh Memorial Lecture on the theme "Theorizing Africa: The Necessity of Philosophy", which was followed by a two day symposium. The Balvant Parekh Centre for General Semantics and Other Human Sciences organized a national workshop at Doon University, Dehardun on "Radical General Semantics" conducted by Prof. Gad Horowitz and Prof. Shannon Bell. The Centre also collaborated with the Forum on Contemporary Theory for a panel discussion on the book - Debating India: Essays on Indian Political Discourse by Bhikhu Parekh. Prof. Hans Ulrich Gumbrecht, Prof. Faisal Devji and Prof. Nikolas Kompridis spoke at the Centre during the Balvant Parekh Distinguished Lecture Series.



Gad and Shannon with participants of the National Workshop

Cancer Patients Aid Association (CPAA)

The Company continued its association with the CPAA and presented the 12th edition of the Fevicol 'Caring with Style' Fashion Show. This year Amitabh Bachchan, Varun Dhawan, Alia Bhatt, Sonali Bendre, Suzanne Khan, Disha Patani etc. participated in the show which also funded the treatment of 79 children suffering from blood cancer.





Fevicol 'Caring with Style'

Annexure 1 to the Directors' Report

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

(a) Focus areas:

The Company supports various bodies in carrying out activities in the areas of rural development, education, health care, general semantics etc.

(b) CSR Objectives:

To attain its CSR objectives in a professional manner and integrated manner, the main objectives are:

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

(2) To conduct and support studies & research; publish and support literature, publications & promotion material; conduct and support discussions, lectures, workshops & seminars in any of the areas covered above.

(3) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

In the financial year 2016-17, the Company has undertaken activities relating to Promoting Education, Healthcare, Rural development and Sanitation.

(c) Web-Link to the CSR Policy:

http://www.pidilite.com/images/csr-policy.pdf

2. The Composition of the CSR Committee as on 31st March 2017 is as follows:

(a) Shri Sanjeev Aga

(b) Shri N K Parekh

(c) Shri A B Parekh

(d) Smt. Meera Shankar

(e) Shri Sabyaschi Patnaik

3. Average net profit of the Company for last three financial years:

(₹ in crores)

		Profit
1)	2015-16	**1,039.3**
2)	2014-15	**684.1**
3)	2013-14	**629.7**
	Average Net profit	**784.4**

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

₹ 15.69 crores

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year-₹ 15.69 crores

(b) Amount unspent, if any – Nil

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

(₹ in crores)

Sr. No.	CSR project or activities identified	Sector in which the projects are covered	Location where projects are undertaken (state/ district)	Amount outlay (budget) projects or program wise	Amount spent on the projects or programs: (Direct and Overhead expenditure on projects or programs)	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agencies*
1.	Access to higher education; programmes for high school and secondary school teacher; providing professional, vocational courses for rural students; school & college with hostel only for girls and women; supporting poor students for higher education etc.	Promoting education	Gujarat/ Maharashtra	11.29	11.29	11.29	Direct and through implementing agencies
2.	Assistance to Cancer patients; supporting various activities of Hanumant hospital; diagnosis and treatment of parkinson's disease etc.	Promoting health care	Gujarat/ Maharashtra	4.31	4.31	4.31	Direct and through implementing agencies
3.	Water resource management; infrastructure development for agriculture; Gaushala; community science centre etc.	Rural development	Gujarat	3.21	3.21	3.21	Direct and through implementing agencies
4.	Miscellaneous Contribution towards construction of toilets and Swachh Bharat Abhiyan.	Promoting Sanitation	Gujarat	0.21	0.21	0.21	Direct and through implementing agencies
Total expenditure towards CSR				**19.02**	**19.02**	**19.02**	

***Implementing agencies:** Shree Mahuva Education Trust; Balwant Parekh Centre for General Semantics and other Human Sciences; Triveni Kalyan Education Trust; Shri N N Mehta Memorial Education Trust, Mahuva; Cancer Patients Aid Association; Gram Nirman Samaj; Hanumant Seva Medicare Trust; Lokbharti Gram Vidyapeeth Trust; Trivenikalyan Foundation; Lata Mangeshkar Medical Foundation; Indian Institute of Chemicals Technology; Rotary Charitable Trust, Vapi; Gnyan Dham Vapi Charitable Trust; Vapi Nagar Panchayat Education Trust, Vapi; Ravi Krupa Trust; B K Parekh Parkinson's Disease & Movement Disorder Society; Monghiben Balvihar Trust; Gramdakshinamurti; Shri Shah K L Institute for the Deaf Trust.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – Not Applicable

7. **Responsibility statement:**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Mumbai
Date: 18th May 2017

BHARAT PURI
Managing Director

SANJEEV AGA
Chairman CSR Committee

Annexure 2 to the Directors' Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Pidilite Industries Limited,
Regent Chambers, 7th Floor,
208, Nariman Point,
Mumbai-400 021.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pidilite Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March 2017 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

(vi) There are no specific laws applicable to the Company, as confirmed by the Company.

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

(i) Secretarial Standards (i.e SS-1 relating to Board Meetings & SS-2 relating to General meetings) issued by the Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance except when Board meetings were called by giving less than seven days notice in accordance with the provisions of Section 173 of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has entered into master joint venture agreement with Industria Chimica Adriatica SPA (ICA) for high technology wood finish business.

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

M. M. SHETH
(Prop.)

FCS No. 1455
CP No. 729

Place: Mumbai
Date: 18th May 2017

The Members,
Pidilite Industries Limited,
Regent Chambers, 7th Floor,
208, Nariman Point,
Mumbai-400 021.

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

M. M. SHETH
(Prop.)

FCS No. 1455
CP No. 729

Place: Mumbai
Date: 18th May 2017

Annexure 3 to the Directors' Report

Statement containing particulars pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the report of the Directors.

A] CONSERVATION OF ENERGY

1. Steps taken or impact on conservation of energy:

Your Company has undertaken several programs like migration to green and clean fuels, solar thermal systems, energy efficient equipment, LED lighting and windmill generated power during the year. These initiatives have yielded savings of ₹ 8 crores this year.

Various initiatives and steps taken by your Company's manufacturing units are given below:

a. Green Fuel:

Identified Boilers and Thermic fluid heaters have migrated to green fuel (Biomass) and all new projects based on feasibility are designed to use green fuel. During the year, use of green fuel delivered savings of ₹ 3.4 crores compared to usage of conventional fuel.

Heat pump based process water heating system, which is an alternate to fuel based thermal heating system, is under implementation.

b. Energy Efficient Equipment:

Identified equipment of lower efficiency were replaced with modern, energy efficient systems. Based on above initiatives total energy saving of ₹ 0.3 crores has been realized.

A new manufacturing facility at Nalagarh, Himachal Pradesh has been set up with state of art technology. Low loss transformers, energy efficient lighting, motors, compressed air system and process equipment are installed to provide lower energy foot print.

Additionally this year, a comprehensive external audit was carried out at the major plants to identify new areas of savings with a potential of ₹ 1.5 crores annually.

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

Your Company is committed to the use of renewable sources of energy to protect the environment.

a. Wind Energy:

The power generated through windmill farm project at Gujarat and Maharashtra is utilized completely at manufacturing units at Gujarat and Maharashtra and Corporate Office in Mumbai. This initiative resulted in a saving of ₹ 3.9 crores this year.

b. Solar Energy:

Solar PV Roof Top and thermal systems installed at the factories and Corporate Office delivered annualized saving of ₹ 0.4 crores.

To expand utilization of renewable energy, mapping of all manufacturing units was carried out to assess the feasibility of Solar PV systems. A project to install solar system in 8 manufacturing units with a capacity to generate 11 Lakh KWH per year is being implemented. This is expected to result in an annual saving of ₹ 0.9 crores.

3. Capital investments on energy conservation equipment:

Capital investment on energy conservation equipment was ₹ 1.2 crores during the year.

B] TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

a. Your Company continues to undertake collaborative efforts with various research Institutes in India and abroad.

b. The Technology Platform group developed new polymers, evaluated new chemistries and identified novel product applications.

c. Development work continued on various types of Adhesives and Sealants, Waterproofing products, Synthetic resins, Pigments, Pigment Dispersions, Intermediates, Thickeners, Dispersants, Coatings, and Construction chemicals.

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

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

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

There is no technology imported during the last 3 years.

4. **Expenditure incurred on Research and Development:**

Expenditure on R&D

(₹ in crores)

		Year ended 31st March 2017	Year ended 31st March 2016
i)	Capital	**2.89**	3.08
ii)	Recurring	**33.65**	29.09
	TOTAL	**36.54**	32.17

C] FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

Total foreign exchange used and earned

(₹ in crores)

		Year ended 31st March 2017	Year ended 31st March 2016
i)	Foreign exchange earned	**449**	434
ii)	Foreign exchanged used	**667**	621

For and on behalf of the Board of Directors

Place: Mumbai
Date: 18th May 2017

M B Parekh
Executive Chairman

Annexure 4 to the Directors' Report

Disclosure regarding Employee Stock Option of the Company for the year ended 31st March 2017

(i)

Sr. No.		Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
	(a)	Date of shareholders' approval	**24.07.2012**	**02.04.2016**
	(b)	Total number of options approved under ESOS	**3,00,000**	**45,00,000**
	(c)	Vesting requirements	(a) On completion of 12 months from the date of Grant — 50% of the options (b) On completion of 24 months from the date of Grant — Balance 50% of the options In the case of employees who have not completed 3 years of employment as on date of the grant then all options which are due for Vesting shall vest as per (a) and (b) above OR on the completion of 3 years of employment in the Company by the employee concerned whichever is later. The Compensation Committee in its absolute discretion shall have the right to pre-pone the date of vesting. However the gap between the date of Grant and date of Vesting shall not be less than minimum period prescribed by the Securities and Exchange Board of India.	Options granted under the Plan shall vest not earlier than One year but not later than a maximum of Six years from the date of grant of such Options. In the case of eligible employee who has not completed 3 years of employment as on date of the grant of Options then the Options which are due for Vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the employee concerned or as may be approved by the Compensation Committee.
	(d)	Exercise price or pricing formula	As approved by the Shareholders in the Annual General Meeting held on 24th July 2012, the exercise price shall be ₹ 1/- per option. The exercise price of the options granted till date is ₹ 1/- per option.	As approved by the Shareholders through Postal Ballot which was declared on 2nd April 2016, the exercise price shall be ₹ 1/- per option. The exercise price of the options granted till date is ₹ 1/- per option.
	(e)	Maximum term of options granted	Out of the options granted, the last date of vesting is 29th January 2019 and the options can be exercised within 5 years from the date of vesting. However exercise of options shall be no later than 27th May 2023.	Out of the options granted, the last date of vesting is 29th July 2018. The vested options need to be exercised within a maximum period of three years from the date of vesting of such options.
	(f)	Source of shares (primary, secondary or combination)	Primary	Primary
	(g)	Variation in terms of options	Not Applicable	Not Applicable
(ii)		Method used to account for ESOS	Fair value method*	Fair value method*
(iii)	(a)	Difference between the employee compensation cost computed as per intrinsic value method and the employee compensation cost as per the fair value of the options	N.A	N.A
	(b)	The impact of this difference on profits and on EPS of the Company	N.A	N.A

* Under IND AS , Fair value method is used to account ESOS.

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

Particulars	ESOS – 2012	ESOP-2016
Number of options outstanding at the beginning of the period	2,33,800	Nil
Number of options granted during the year	18,000	47,200
Number of options forfeited / lapsed during the year	14,000	700
Number of options vested during the year	7,400	Nil
Number of options exercised during the year	7,400	Nil
Number of shares arising as a result of exercise of options	7,400	Nil
Money realized by exercise of options (INR)	7,400	Nil
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A
Number of options outstanding as on 31st March 2017	2,30,400	46,500
Number of options exercisable as on 31st March 2017	Nil	Nil

(v) Weighted-average exercise prices and weighted-average fair values of options

Particulars	Weighted average exercise price per option (₹)	Weighted average fair value per option (₹)	Intrinsic value per option (₹)
Options granted on 27.07.2015	1	521.11	543.75
Options granted on 29.01.2016	1	532.20/525.01	555.80
Options granted on 29.07.2016 ESOS 2012	1	722.31	751.75
Options granted on 29.07.2016 ESOP 2016	1	730.61	751.75
Options granted on 09.11.2016	1	661.86	690.60

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

a) Senior managerial personnel:

Sr. No.	Name of Employee	Designation	Number of options granted in 2016-17
1.	Shri Sabyaschi Patnaik	Whole Time Director	3200
2.	Shri Amol Devidas Ubhayakar	President-Commercial	2200
3.	Shri Ramnarayan Mohanty	President-Technology	1800
4.	Shri Sanjay Bahadur	Group CEO-CC	3900
5.	Shri Prabhakar Jain	CEO-International Business Division	4100
6.	Shri Rajesh Balakrishnan	CEO-Industrial Products	2700
7.	Shri Vivek Subramaniam	CEO-Fevicol Division	3600
8.	Shri Sanjay Panigrahi	President-Rurban and Special Projects	800
9.	Shri Vivek Sharma	Chief-Marketing Officer	3000
10.	Shri Manish Modi	President-BRG	2800
11.	Shri Atul Bhatia	President-R & D	15000
12.	Shri Nilesh Mazumdar	Chief Customer Officer	3000
13.	Shri Shreerang Nabar	President-R & D (Subsidiary Company)	2700

b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year 2016-17-**Nil**

c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant-**Nil**

(vii) A description of the method used during the year to estimate the fair value of options, the weighted-average values of share price, the method used and the assumptions made to incorporate the effects of expected early exercise, how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

The fair value of the option has been determined using the Black Scholes Model. The assumptions used in this model for calculating fair value are as below:

Particulars	Options granted on 27.07.2015 ESOS 2012	Options granted on 29.01.2016 ESOS 2012	Options granted on 29.07.2016 ESOS 2012	Options granted on 29.07.2016 ESOP 2016	Options granted on 09.11.2016 ESOS 2012
Risk Free Interest Rate	8.07%	7.80%	7.39%	7.28%	6.73%
Expected Life	3.5 yrs	3.5 yrs	3.5 yrs	2.5 yrs	3.5 yrs
Expected Annual Volatility of Shares	52.17%	54.46%	21.51%	17.70%	20.94%
Expected Dividend Yield	0.91%	0.93%	0.79%	0.74%	0.89%

Annexure 5 to the Directors' Report

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH 2017

FORM NO. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L24100MH1969PLC014336
ii	Registration Date	28/07/1969
iii	Name of the Company	Pidilite Industries Limited
iv	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office and Contact details	Regent Chambers, 7th Floor, 208 Nariman Point, Mumbai 400 021. Maharashtra. Tel : 022-2835 7000 Fax: 022-2821 6007
vi	Whether listed Company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011. Maharashtra. Tel : 022-6656 8484 Fax: 022-6656 8494

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of Adhesives and Glues, including Rubber based Glues and Adhesives	20295	59.19 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held*	Applicable Section
1	Fevicol Company Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24295MH1979PLC021508	Subsidiary	100	2(87)(ii)
2	Madhumala Traders Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24114MH1989PTC052007	Subsidiary	100	2(87)(ii)
3	Bhimad Commercial Company Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24221MH1989PTC051999	Subsidiary	100	2(87)(ii)
4	Pagel Concrete Technologies Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U26933MH1994PTC083342	Subsidiary	80	2(87)(ii)
5	Building Envelope Systems India Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24233MH2012PLC235431	Subsidiary	60	2(87)(ii)
6	Percept Waterproofing Services Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U45400MH2013PLC249967	Subsidiary	80	2(87)(ii)
7	Nina Waterproofing Systems Pvt Ltd	Office No. 401, A Wing, 4th Floor, Naman Midtown, Senapati Bapat Marg, Elphinston West, Mumbai-400 013	U74120MH2014PTC259216	Subsidiary	70	2(87)(ii)
8	ICA Pidilite Private Limited (Formerly known as Wood Coat Pvt Ltd)	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24233MH2015PTC270308	Subsidiary	50	2(87)(i)
9	Pidilite International Pte Ltd	160 Robinson Road, #17-01 SBF Center, Singapore 068914	200416836H	Subsidiary	100	2(87)(ii)
10	Pidilite Middle East Ltd	TPOFCB06WS103, P.O. Box 17870, Dubai, UAE	O.F 1264	Subsidiary	100	2(87)(ii)
11	Pidilite MEA Chemicals LLC	P. O. Box 120657, Dubai, UAE	74874	Subsidiary	49	2(87)(i)
12	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	House No.167, Road No. 3, New DOHS Mohakhali, Dhaka, Bangladesh	C-60121(2129)/05	Subsidiary	100	2(87)(ii)
13	Pidilite Bamco Ltd	699, Modern Form Tower, 15th Floor, Srinakarin Road Suan Luang, Bangkok 10250 Thailand	105535098263	Subsidiary	100	2(87)(ii)
14	PT Pidilite Indonesia	JL. Boulevard Artha Gading Komp. Artha Gading Niaga Blok H No. 16, Kel. Kelapa Gading Barat , KEC. Kelapa Gading ,Jakarta Utara 14240	09.01.1.24.21859	Subsidiary	100	2(87)(ii)
15	Pidilite USA Inc	160, Greentree Drive, Suite 101, Dover, Kent County, Delaware 19904	20-4856128	Subsidiary	100	2(87)(ii)
16	Pidilite Innovation Centre Pte Ltd	61 Science Park Road, 03 -11/12 The Galen, 117525 Singapore	200619063N	Subsidiary	100	2(87)(ii)
17	Pidilite Industries Egypt SAE	Building No. 2002 ground floor, the second neighboring in Meraage City- next to Emarat-Misr Gas Station and Carrefour Centre in Maadi- Cairo	30178	Subsidiary	100	2(87)(ii)
18	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	City of São Paulo, State of São Paulo, Avenida Presidente Altino, No. 2468 and 2600, Jaguaré, Brasil, Zip Code 05323-903	08.814.961/0001-41	Subsidiary	100	2(87)(ii)
19	Bamco Supply and Services Ltd	699, Modern Form Tower, 15th Floor, Srinakarin Road Suan Luang, Bangkok 10250 Thailand	105551044555	Subsidiary	49	2(87)(i)
20	PIL Trading (Egypt) Company	Building No. 2002 ground floor, the second neighboring in Meraage City- next to Emarat-Misr Gas Station and Carrefour Centre in Maadi- Cairo	40376	Subsidiary	99.99	2(87)(ii)
21	Pidilite Industries Trading (Shanghai) Co Ltd	1105, No. 8 Dong An Road, Xu Hui District, Shanghai, China	91310000564784 80W	Subsidiary	100	2(87)(ii)
22	Pidilite Chemical PLC	Arada K.K. Kebele 01/02. House # New Wereda 01. Apartment # B2.Addis Ababa, Ethiopia	EIA-IP/023369/07	Subsidiary	100	2(87)(ii)
23	Pidilite Lanka (Private) Limited	74, 1/1, Orient Building, Dawson Street, Colombo – 02	PV 106454	Subsidiary	76	2(87)(ii)
24	Building System Solution Trading Limited Liability Company	P. O. Box 17533, Doha, Qatar.	77228	Subsidiary	49	2(87)(i)
25	Nebula East Africa Private Limited	1st Floor, Paresia centre, LR NO 1/548, Ngong Road, P. O. BOX 6574-00100,Nairobi	CPR/2015/205413	Subsidiary	100	2(87)(ii)
26	Nina Lanka Construction Technologies (Pvt) Ltd	No. 116/10, Rosmead Place, Colombo 07	PV 120223	Subsidiary	**	2(87)(ii)
27	Vinyl Chemicals (India) Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	L24100MH1986PLC039837	Associate	40.64	2(6)

*% of Shares held is either directly or indirectly through subsidiary of the Company

** 100% Subsidiary of Nina Waterproofing Systems Pvt. Ltd.

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individuals / Hindu Undivided Family	270,041,500	-	270,041,500	52.67	258,841,500	-	258,841,500	50.49	(2.19)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	86,731,932	-	86,731,932	16.92	86,831,932	-	86,831,932	16.94	0.02
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	11,100,000	-	11,100,000	2.17	2.17
	Sub-Total (A) (1)	356,773,432	-	356,773,432	69.59	356,773,432	-	356,773,432	69.59	0.00
(2)	**Foreign**									
(a)	NRI- Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Bank/FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		356,773,432	-	356,773,432	69.59	356,773,432	-	356,773,432	69.59	0.00
B.	Public Shareholding									
1	**Institutions**									
(a)	Mutual Funds	19,975,556	50	19,975,606	3.90	14,674,977	50	14,675,027	2.86	(1.03)
(b)	Financial Institutions / Banks	327,709	-	327,709	0.06	1,631,341	-	1,631,341	0.32	0.25
(c)	Central Government	424,760	-	424,760	0.08	904,623	-	904,623	0.18	0.09
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	11,781,000	-	11,781,000	2.30	19,207,978	-	19,207,978	3.75	1.45
(g)	Foreign Institutional Investors	19,721,483	-	19,721,483	3.85	5,652,916	-	5,652,916	1.10	(2.74)
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other									
	i Foreign Portfolio Investors (Corporate)	48,539,324	-	48,539,324	9.47	56,361,635	-	56,361,635	10.99	1.53
	ii UTI	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	100,769,832	50	100,769,882	19.66	98,433,470	50	98,433,520	19.20	(0.46)
(2)	**Non-Institutions**									
(a)	**Bodies Corporate**									
	i Indian	7,745,187	1,724	7,746,911	1.51	8,304,362	1,674	8,306,036	1.62	0.11
	ii Overseas	-	-	-	-	-	-	-	-	-
(b)	**Individuals**									
	i Individual shareholders holding nominal share capital upto ₹ 1 lakh	37,108,744	3,080,918	40,189,662	7.84	38,670,437	2,844,725	41,515,162	8.10	0.26
	ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6,978,280	120,000	7,098,280	1.38	7,557,751	-	7,557,751	1.47	0.09
(c)	**Any Other**									
	i Trust	97,163	-	97,163	0.02	96,829	-	96,829	0.02	0.00
	Sub-Total (B) (2)	51,929,374	3,202,642	55,132,016	10.75	54,629,379	2,846,399	57,475,778	11.21	0.46
Total Public Shareholding (B) = (B)(1)+(B)(2)		152,699,206	3,202,692	155,901,898	30.41	153,062,849	2,846,449	155,909,298	30.41	0.00
C.	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A) +(B)+(C)	509,472,638	3,202,692	512,675,330	100.00	509,836,281	2,846,449	512,682,730	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Madhukar Balvantray Parekh	56,777,568	11.07	0.00	53,327,568	10.40	0.00	(0.67)
2	Narendrakumar Kalyanji Parekh	53,332,178	10.40	0.00	51,732,178	10.09	0.00	(0.31)
3	Ajay Balvantray Parekh	48,998,844	9.56	0.00	47,922,844	9.35	0.00	(0.21)
4	Sushilkumar Kalyanji Parekh	42,358,636	8.26	0.00	42,358,636	8.26	0.00	0.00
5	Devkalyan Sales Private Ltd	26,224,280	5.12	0.00	26,224,280	5.12	0.00	0.00
6	Ishijas Chemicals Private Limited	24,630,038	4.80	0.00	24,630,038	4.80	0.00	0.00
7	Mala Madhukar Parekh	12,162,598	2.37	0.00	9,701,598	1.89	0.00	(0.48)
8	Harton Private Limited	12,357,634	2.41	0.00	12,357,634	2.41	0.00	0.00
9	The Vacuum Forming Company Pvt Ltd	11,462,186	2.23	0.00	11,462,186	2.24	0.00	0.00
10	Bharati Narendrakumar Parekh	7,706,086	1.50	0.00	5,821,086	1.14	0.00	(0.36)
11	Pidichem Pvt Ltd	8,138,916	1.59	0.00	8,238,916	1.61	0.00	0.02
12	Kalpana Apurva Parekh	6,664,334	1.30	0.00	6,664,334	1.30	0.00	0.00
13	Darshana Bimal Mody	5,790,000	1.13	0.00	5,790,000	1.13	0.00	0.00
14	Ami Ajay Parekh	6,340,166	1.24	0.00	5,608,166	1.09	0.00	(0.15)
15	Himatlal Kalyanji Parekh	4,811,630	0.94	0.00	4,811,630	0.94	0.00	0.00
16	Jasna Raoul Thackersey	3,615,126	0.71	0.00	3,615,126	0.71	0.00	0.00
17	Apurva Narendrakumar Parekh	3,584,910	0.70	0.00	3,262,910	0.64	0.00	(0.06)
18	Mrudula Sushilkumar Parekh	3,238,120	0.62	0.00	1,564,120	0.31	0.00	(0.32)
19	Kanta Balvantray Parekh	3,385,410	0.66	0.00	3,385,410	0.66	0.00	0.00
20	Rashmikant Himatlal Parekh	2,357,378	0.45	0.00	2,357,378	0.46	0.00	0.00
21	Harish Himatlal Parekh	2,076,592	0.40	0.00	2,076,592	0.41	0.00	0.00
22	Amrita Ajay Parekh	1,968,000	0.38	0.00	1,968,000	0.38	0.00	0.00
23	Kalva Marketing and Services Ltd	1,382,628	0.27	0.00	1,382,628	0.27	0.00	0.00
24	Parkem Dyes & Chemicals Pvt Ltd	1,276,510	0.25	0.00	1,276,510	0.25	0.00	0.00
25	Parul Harish Parekh	1,239,208	0.24	0.00	1,239,208	0.24	0.00	0.00
26	Kamalini Rashmikant Parekh	821,934	0.16	0.00	821,934	0.16	0.00	0.00
27	Purvee Apurva Parekh	800,000	0.16	0.00	800,000	0.16	0.00	0.00
28	Parekh Marketing Limited	796,700	0.16	0.00	796,700	0.16	0.00	0.00
29	Trivenikalyan Trading Pvt Ltd	463,040	0.09	0.00	463,040	0.09	0.00	0.00
30	Gulabben Himatlal Parekh	261,716	0.05	0.00	261,716	0.05	0.00	0.00
31	Anuja Ankur Shah	187,600	0.04	0.00	187,600	0.04	0.00	0.00
32	Malay Rashmikant Parekh	161,600	0.03	0.00	161,600	0.03	0.00	0.00
33	Pareet D Sanghavi	95,600	0.02	0.00	95,600	0.02	0.00	0.00
34	Jimeet D Sanghavi	91,900	0.02	0.00	91,900	0.02	0.00	0.00
35	Panna Deepak Sanghavi	80,166	0.02	0.00	80,166	0.02	0.00	0.00
36	Harshada Harvadan Vakil	51,900	0.01	0.00	51,900	0.01	0.00	0.00
37	Harvadan	42,300	0.01	0.00	42,300	0.01	0.00	0.00
38	Urvi Malay Parekh	40,000	0.01	0.00	40,000	0.01	0.00	0.00
39	Bijal Viral Thakker	1,000,000	0.20	0.00	3,000,000	0.59	0.00	0.39
40	Prakash Shah Trustee of Sanmp Private Beneficiary Trust	0	0.00	0.00	8,200,000	1.60	0.00	1.60
41	Prakash Dharshibhai Shah Trustee of I M Family Trust	0	0.00	0.00	2,900,000	0.57	0.00	0.57
		356,773,432	**69.59**	**0.00**	**356,773,432**	**69.59**	**0**	**0.00**

(iii) Change In Promoters' Shareholding

Sr. No.	Date	Reason	Shareholding as on 01.04.2016		Cumulative Shareholding during 2016-17	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year		356,773,432	69.59		
1	17.06.2016	Sale	(100,000)	(0.02)	(100,000)	(0.02)
2	17.06.2016	Purchase	100,000	0.02	0	0.00
3	28.06.2016	Interse Transfer	(300,000)	(0.06)	(300,000)	(0.06)
4	28.06.2016	Interse Transfer	(550,000)	(0.11)	(850,000)	(0.17)
5	28.06.2016	Interse Transfer	(525,000)	(0.10)	(1,375,000)	(0.27)
6	28.06.2016	Interse Transfer	(156,000)	(0.03)	(1,531,000)	(0.30)
7	28.06.2016	Interse Transfer	(425,000)	(0.08)	(1,956,000)	(0.38)
8	28.06.2016	Interse Transfer	(768,000)	(0.15)	(2,724,000)	(0.53)
9	28.06.2016	Interse Transfer	(919,000)	(0.18)	(3,643,000)	(0.71)
10	28.06.2016	Interse Transfer	(357,000)	(0.07)	(4,000,000)	(0.78)
11	28.06.2016	Interse Transfer	4,000,000	0.78	0	0.00
12	27.12.2016	Interse Transfer	(1,000,000)	(0.20)	(1,000,000)	(0.20)
13	27.12.2016	Interse Transfer	(1,000,000)	(0.20)	(2,000,000)	(0.40)
14	27.12.2016	Interse Transfer	2,000,000	0.40	0	0.00
15	30.03.2017	Interse Transfer	(551,000)	(0.11)	(551,000)	(0.11)
16	30.03.2017	Interse Transfer	(166,000)	(0.03)	(166,000)	(0.14)
17	30.03.2017	Interse Transfer	(300,000)	(0.06)	(300,000)	(0.20)
18	30.03.2017	Interse Transfer	(460,000)	(0.09)	(460,000)	(0.29)
19	30.03.2017	Interse Transfer	(806,000)	(0.16)	(806,000)	(0.45)
20	30.03.2017	Interse Transfer	(1,542,000)	(0.30)	(1,542,000)	(0.75)
21	30.03.2017	Interse Transfer	(375,000)	(0.07)	(375,000)	(0.82)
22	30.03.2017	Interse Transfer	4,200,000	0.82	4,200,000	0.00
23	30.03.2017	Interse Transfer	(2,900,000)	(0.57)	(2,900,000)	(0.57)
24	30.03.2017	Interse Transfer	2,900,000	0.57	2,900,000	0.00
	At the end of the year				**356,773,432**	**69.59**

(iv) Shareholding Pattern of top 10 shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
1	Life Insurance Corporation of India	8,005,367	1.56	01.04.2016				
				27.05.2016	(50,000)	Transfer	7,955,367	1.55
				03.06.2016	(5,000)	Transfer	7,950,367	1.55
				10.06.2016	(1,789)	Transfer	7,948,578	1.55
				30.06.2016	(47)	Transfer	7,948,531	1.55
				30.09.2016	901,901	Transfer	8,850,432	1.73
				07.10.2016	481,645	Transfer	9,332,077	1.82
				14.10.2016	14,697	Transfer	9,346,774	1.82
				21.10.2016	1,614,743	Transfer	10,961,517	2.14
				28.10.2016	475,679	Transfer	11,437,196	2.23
				18.11.2016	548,730	Transfer	11,985,926	2.34
				25.11.2016	388,107	Transfer	12,374,033	2.41
				02.12.2016	892,570	Transfer	13,266,603	2.59
				09.12.2016	192,375	Transfer	13,458,978	2.63
				16.12.2016	19,957	Transfer	13,478,935	2.63
				31.12.2016	26,000	Transfer	13,504,935	2.63
				03.03.2017	118,050	Transfer	13,622,985	2.66
				10.03.2017	65,3720	Transfer	14,276,705	2.78
				17.03.2017	515,184	Transfer	14,791,889	2.89
		14,791,889	2.89	31.03.2017				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
2	Axis Mutual Fund Trustee Limited	5,176,406	1.01	01.04.2016				
				08.04.2016	1,100,000	Transfer	6,276,406	1.22
				15.04.2016	100,000	Transfer	6,376,406	1.24
				22.04.2016	(50,000)	Transfer	6,326,406	1.23
				20.05.2016	100,000	Transfer	6,426,406	1.25
				03.06.2016	(50,000)	Transfer	6,376,406	1.24
				30.06.2016	130,000	Transfer	6,506,406	1.27
				01.07.2016	126,000	Transfer	6,632,406	1.29
				08.07.2016	100,000	Transfer	6,732,406	1.31
				29.07.2016	(99,835)	Transfer	6,632,571	1.29
				25.08.2016	61,000	Transfer	6,693,571	1.31
				02.09.2016	445,000	Transfer	7,138,571	1.39
				16.09.2016	158,300	Transfer	7,296,871	1.42
				23.09.2016	43,000	Transfer	7,339,871	1.43
				07.10.2016	73,000	Transfer	7,412,871	1.45
				21.10.2016	50,320	Transfer	7,463,191	1.46
				11.11.2016	144,400	Transfer	7,607,591	1.48
				09.12.2016	(50,000)	Transfer	7,557,591	1.47
				16.12.2016	(469,800)	Transfer	7,087,791	1.38
				23.12.2016	(52,000)	Transfer	7,035,791	1.37
				31.12.2016	(35,000)	Transfer	7,000,791	1.37
				06.01.2017	50,000	Transfer	7,050,791	1.38
				13.01.2017	(116,916)	Transfer	6,933,875	1.35
				03.02.2017	500,000	Transfer	7,433,875	1.45
				24.02.2017	(42,500)	Transfer	7,391,375	1.44
				10.03.2017	(30,000)	Transfer	7,361,375	1.44
				17.03.2017	640,000	Transfer	8,001,375	1.56
				31.03.2017	250,000	Transfer	8,251,375	1.61
		8,251,375	1.61	31.03.2017				
3	Genesis Emerging Markets Investment Company	0.00	0.00	01.04.2016				
				29.04.2016	9,351,127	Transfer	9,351,127	1.82
				15.07.2016	(154,129)	Transfer	9,196,998	1.79
				30.09.2016	(161,384)	Transfer	9,035,614	1.76
				21.10.2016	(426,352)	Transfer	8,609,262	1.68
				04.11.2016	(275,335)	Transfer	8,333,927	1.63
				09.12.2016	(144,294)	Transfer	8,189,633	1.60
				31.12.2016	(153,341)	Transfer	8,036,292	1.57
				13.01.2017	(125,901)	Transfer	7,910,391	1.54
				03.03.2017	(121,576)	Transfer	7,788,815	1.52
				17.03.2017	(61,121)	Transfer	7,727,694	1.51
				24.03.2017	(49,933)	Transfer	7,677,761	1.50
		7,677,761	1.50	31.03.2017				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
4	The Genesis Group Trust For Employee Benefit Plans	0.00	0.00	01.04.2016				
				29.04.2016	12,008,710	Transfer	12,008,710	2.34
				06.05.2016	(139,675)	Transfer	11,869,035	2.32
				13.05.2016	(25,290)	Transfer	11,843,745	2.31
				03.06.2016	(793,040)	Transfer	11,050,705	2.16
				10.06.2016	(88,863)	Transfer	10,961,842	2.14
				17.06.2016	(45,703)	Transfer	10,916,139	2.13
				30.06.2016	(121,583)	Transfer	10,794,556	2.11
				01.07.2016	(130,430)	Transfer	10,664,126	2.08
				08.07.2016	(67,436)	Transfer	10,596,690	2.07
				15.07.2016	(218,465)	Transfer	10,378,225	2.02
				22.07.2016	(140,770)	Transfer	10,237,455	2.00
				29.07.2016	(299,697)	Transfer	9,937,758	1.94
				05.08.2016	(312,332)	Transfer	9,625,426	1.88
				12.08.2016	(292,801)	Transfer	9,332,625	1.82
				19.08.2016	(108,648)	Transfer	9,223,977	1.80
				25.08.2016	(30,763)	Transfer	9,193,214	1.79
				09.09.2016	(371,667)	Transfer	8,821,547	1.72
				30.09.2016	(276,521)	Transfer	8,545,026	1.67
				21.10.2016	(406,021)	Transfer	8,139,005	1.59
				04.11.2016	(127,509)	Transfer	8,011,496	1.56
				03.02.2017	(180,938)	Transfer	7,830,558	1.53
				03.03.2017	(7,830,558)	Transfer	-	0.00
				03.03.2017	7,647,419	Transfer	7,647,419	1.49
				17.03.2017	(59,442)	Transfer	7,587,977	1.48
				24.03.2017	(48,562)	Transfer	7,539,415	1.47
				31.03.2017	(191,596)	Transfer	7,347,819	1.43
		7,347,819	1.43	31.03.2017				
5	New World Fund Inc	0.00	0.00	01.04.2016				
				20.05.2016	30,521	Transfer	30,521	0.01
				27.05.2016	1,410,909	Transfer	1,441,430	0.28
				03.06.2016	1,639,496	Transfer	3,080,926	0.60
				10.06.2016	1,379,074	Transfer	4,460,000	0.87
				07.10.2016	1,488,000	Transfer	5,948,000	1.16
		5,948,000	1.16	31.03.2017				
6	Government Pension Fund Global	5,775,992	1.13	01.04.2016				
				27.01.2017	74,317	Transfer	5,850,309	1.14
				03.02.2017	34,416	Transfer	5,884,725	1.15
		5,884,725	1.15	31.03.2017				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
7	Stichting Depositary Apg Emerging Markets Equity Pool	234368	0.05	01.04.2016				
				15.04.2016	(38,533)	Transfer	195,835	0.04
				22.04.2016	(26,645)	Transfer	169,190	0.03
				29.04.2016	4,501,787	Transfer	4,670,977	0.91
				03.06.2016	(106,351)	Transfer	4,564,626	0.89
				10.06.2016	(26,386)	Transfer	4,538,240	0.89
				17.06.2016	(13,571)	Transfer	4,524,669	0.88
				30.06.2016	(36,103)	Transfer	4,488,566	0.88
				01.07.2016	(38,731)	Transfer	4,449,835	0.87
				08.07.2016	(20,025)	Transfer	4,429,810	0.86
				15.07.2016	(64,872)	Transfer	4,364,938	0.85
				22.07.2016	(41,800)	Transfer	4,323,138	0.84
				29.07.2016	(88,994)	Transfer	4,234,144	0.83
				05.08.2016	(92,746)	Transfer	4,141,398	0.81
				12.08.2016	(21,804)	Transfer	4,119,594	0.80
				02.09.2016	(56,833)	Transfer	4,062,761	0.79
				09.09.2016	(56,478)	Transfer	4,006,283	0.78
				16.09.2016	(45,085)	Transfer	3,961,198	0.77
				23.09.2016	(45,533)	Transfer	3,915,665	0.76
				30.09.2016	(94,400)	Transfer	3,821,265	0.75
				21.10.2016	(184,681)	Transfer	3,636,584	0.71
				04.11.2016	(57,998)	Transfer	3,578,586	0.70
				16.12.2016	(67,766)	Transfer	3,510,820	0.68
				17.03.2017	45,203	Transfer	3,556,023	0.69
				24.03.2017	(22,430)	Transfer	3,533,593	0.69
		3533593	0.69	31.03.2017				
8	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	2057248	0.40	01.04.2016				
				08.04.2016	8,148	Transfer	2,065,396	0.40
				22.04.2016	4,720	Transfer	2,070,116	0.40
				10.06.2016	5,727	Transfer	2,075,843	0.40
				24.06.2016	22,616	Transfer	2,098,459	0.41
				22.07.2016	4,626	Transfer	2,103,085	0.41
				29.07.2016	13,278	Transfer	2,116,363	0.41
				05.08.2016	6,900	Transfer	2,123,263	0.41
				12.08.2016	10,890	Transfer	2,134,153	0.42
				19.08.2016	15,488	Transfer	2,149,641	0.42
				09.09.2016	7,140	Transfer	2,156,781	0.42
				07.10.2016	7,616	Transfer	2,164,397	0.42
				14.10.2016	5,236	Transfer	2,169,633	0.42
				21.10.2016	17,850	Transfer	2,187,483	0.43
				28.10.2016	7,140	Transfer	2,194,623	0.43
				11.11.2016	15,470	Transfer	2,210,093	0.43
				25.11.2016	18,802	Transfer	2,228,895	0.43
				02.12.2016	10,710	Transfer	2,239,605	0.44
				06.01.2017	5,736	Transfer	2,245,341	0.44
				13.01.2017	12,189	Transfer	2,257,530	0.44
				20.01.2017	5,736	Transfer	2,263,266	0.44
				03.02.2017	17,208	Transfer	2,280,474	0.44
				17.02.2017	4,780	Transfer	2,285,254	0.45
				24.03.2017	10,575	Transfer	2,295,829	0.45
				31.03.2017	10,340	Transfer	2,306,169	0.45
		2306169	0.45	31.03.2017				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
9	Neerav A Parekh	2,145,600	0.42	01.04.2016		Nil Movement during the year	2145600	0.42
		2,145,600	0.42	31.03.2017				
10	General Insurance Corporation Of India	2,400,000	0.47	01.04.2016				
				20.05.2016	(7,000)	Transfer	2,393,000	0.47
				27.05.2016	(18,000)	Transfer	2,375,000	0.46
				03.06.2016	(10,000)	Transfer	2,365,000	0.46
				10.06.2016	(40,000)	Transfer	2,325,000	0.45
				11.11.2016	(14,529)	Transfer	2,310,471	0.45
				03.03.2017	(60,471)	Transfer	2,250,000	0.44
				24.03.2017	(50,000)	Transfer	2,200,000	0.43
				31.03.2017	(100,000)	Transfer	2,100,000	0.41
		2,100,000	0.41	31.03.2017				
11	Franklin Templeton Mutual Fund	2,574,117	0.50	01.04.2016				
				08.04.2016	(224,642)	Transfer	2,349,475	0.46
				15.04.2016	(118,925)	Transfer	2,230,550	0.44
				10.06.2016	(15,432)	Transfer	2,215,118	0.43
				24.06.2016	(260)	Transfer	2,214,858	0.43
				30.06.2016	(284,308)	Transfer	1,930,550	0.38
		1,930,550	0.38	31.03.2017				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
Shareholding of Directors:								
1	Madhukar Balvantray Parekh	56,777,568	11.07	01.04.2016			56,777,568	11.07
				28.06.2016	(550,000)	Interse Transfer	56,227,568	
				30.03.2017	(2,900,000)	Interse Transfer	53,327,568	
		53,327,568	10.40	31.03.2017				
2	NarendraKumar Kalyanji Parekh	53,332,178	10.40	01.04.2016			53,332,178	10.40
				28.06.2016	(300,000)	Interse Transfer	53,032,178	
				27.12.2016	(1,000,000)	Interse Transfer	52,032,178	
				30.03.2017	(300,000)	Interse Transfer	51,732,178	
		51,732,178	10.09	31.03.2017				
3	Ajay Balvantray Parekh	48,998,844	9.56	01.04.2016			48,998,844	9.56
				28.06.2016	(525,000)	Interse Transfer	48,473,844	
				30.03.2017	(551,000)	Interse Transfer	47,922,844	
		47,922,844	9.35	31.03.2017				
4	B S Mehta	24,716	0	01.04.2016		NIL movement during the year	24,716	0
		24,716	0	31.03.2017				
5	Apurva Narendrakumar Parekh	3,584,910	0.70	01.04.2016			3,584,910	0.70
				28.06.2016	(156,000)	Interse Transfer	3,428,910	
				30.03.2017	(166,000)	Interse Transfer	3,262,910	
		3,262,910	0.64	31.03.2017				
6	Ranjan Kapur	0	0	01.04.2016		NIL movement during the year	0	0
		0	0	31.03.2017				
7	Bharat Puri (also Key Managerial Personnel)	0	0	01.04.2016		NIL movement during the year	0	0
		0	0	31.03.2017				

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares at the beginning of the year (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
8	Sanjeev Aga	0	0	01.04.2016		NIL movement during the year	0	0
		0	0	31.03.2017				
9	Uday Khanna	5,000	0	01.04.2016		NIL movement during the year	5,000	0
		5,000	0	31.03.2017				
10	Meera Shankar	0	0	01.04.2016		NIL movement during the year	0	0
		0	0	31.03.2017				
11	Sabyaschi Patnaik	0	0	01.04.2016			200*	0
		200	0	31.03.2017				
12	Vinod Kumar Dasari	0	0	01.04.2016		NIL movement during the year	0	0
		0	0	31.03.2017				
Shareholding of Key Managerial Personnel:								
1	Savithri Parekh	0	0	01.04.2016		NIL movement during the year	0	0
		0	0	31.03.2017				
2	Pradeep Jain (upto 24.03.2017)	0	0	01.04.2016		NIL movement during the period	0	0
		0	0	24.03.2017				

* Shares alloted during the year under ESOS-2012.

(₹ in crores)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Particulars	Secured Loans (Excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2016)					
i.	Principal Amount	1.12	-	-	1.12
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	1.12	-	-	1.12
Change in Indebtedness during the financial year					
	Addition	-	-	-	-
	Reduction (Repayment)	(1.12)	-	-	(1.12)
Net Change		(1.12)	-	-	(1.12)
Indebtedness at the end of the financial year (as on 31.03.2017)					
i.	Principal Amount	-	-	-	-
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-

(Amount in ₹)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total
		M B Parekh (Executive Chairman)	Bharat Puri (Managing Director)	A B Parekh (Whole Time Director)	A N Parekh (Whole Time Director)	Sabyaschi Patnaik (Whole Time Director)	
1	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,67,24,789	8,62,32,817	1,19,42,565	1,09,10,264	2,02,76,197	15,60,86,632
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	89,45,098	7,81,372	32,55,341	15,78,022	1,48,062	1,47,07,895
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	*-	-	-	1,35,470**	1,35,470
3	Sweat Equity	-	-	-	-	-	-
4	Commission # - as % of profit - others	- -	2,55,88,889 -	3,58,24,445 -	3,07,06,667 -	-	9,21,20,001 -
5	Others: Employer contribution to provident and other funds	21,77,339	79,60,962	10,71,600	9,50,815	12,18,764	1,33,79,480
	Total (A)	**3,78,47,226**	**12,05,64,040**	**5,20,93,951**	**4,41,45,768**	**2,17,78,493**	**27,64,29,478**
	Ceiling as per the Act	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013					

* Options granted have not yet vested. For details refer to Annexure 4 to the Directors' Report.
** Represents options which have vested and exercised.
# Commission for the financial year 2015-16 paid in 2016-17.

(Amount in ₹)

B. Remuneration to other Directors:

1 Independent Directors:

	Name of Director	Fee for attending Board/ Committee meetings	Commission#	Others	Total
	Shri B S Mehta	3,20,000	15,00,000	-	18,20,000
	Shri Ranjan Kapur	3,80,000	15,00,000	-	18,80,000
	Shri Sanjeev Aga	2,28,000	15,00,000	-	17,28,000
	Shri Uday Khanna	2,70,000	15,00,000	-	17,70,000
	Smt. Meera Shankar	1,80,000	15,00,000	-	16,80,000
	Shri Vinod Kumar Dasari	50,000	8,75,342	-	9,25,342
	Total (1)				98,03,342
2	**Non-Executive/Promoter Director:**				
	Shri N K Parekh (Non Executive Vice Chairman)	4,70,000	15,00,000	-	19,70,000
	Total (2)				-
	Total (B) (1+2)				**1,17,73,342**

Commission for the financial year 2015-16 paid in 2016-17.

(Amount in ₹)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Savithri Parekh Company Secretary	Pradeep Jain* Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,06,87,879	1,74,81,563	2,81,69,442
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock option	-	-**	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others	-	-	-
5	Others: Employer contribution to provident and other funds	4,26,906	9,44,205	13,71,111
	Total (C)	**1,11,14,785**	**1,84,25,768**	**2,95,40,553**

* upto 24th March 2017.
** Options granted have lapsed.

Annexure 6 to the Directors' Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration paid to each Director to the median remuneration of the employees of the Company and percentage increase in remuneration for the financial year 2016-17 is as follows:

Sr. No.	Name of Director	Designation	Ratio of remuneration of Director to the Median remuneration	% increase
1.	Shri M B Parekh	Executive Chairman	86.34	(75.3)
2.	Shri N K Parekh	Vice Chairman	4.49	*
3.	Shri Bharat Puri	Managing Director	275.04	52.8
4.	Shri A B Parekh	Whole Time Director	118.84	37.0
5.	Shri A N Parekh	Whole Time Director	100.71	32.0
6.	Shri B S Mehta	Director	4.15	46.8
7.	Shri Ranjan Kapur	Director	4.29	62.1
8.	Shri Sanjeev Aga	Director	3.94	65.2
9.	Shri Uday Khanna	Director	4.04	67.8
10.	Smt. Meera Shankar	Director	3.83	119.9
11.	Shri Sabyaschi Patnaik	Whole Time Director	49.68	21.8
12.	Shri Vinod Kumar Dasari	Director	2.11	#

B. Percentage increase in remuneration of Company Secretary and chief Financial Officer for the financial year 2016-17 is as follows:

Sr. No.	Name	Designation	% increase
1	Smt. Savithri Parekh	Company Secretary	27.9
2	Shri Pradeep Jain	Chief Financial Officer	#

Notes:

1. The aforesaid details are calculated on the basis of remuneration paid during the financial year 2016-17.
2. The remuneration to Non Executive Directors comprises of sitting fees and commission paid to them during the financial year 2016-17.
3. The median remuneration is ₹ 4,38,356/- for the financial year 2016-17.
4. * Percentage increase in remuneration is not comparable as Shri N K Parekh is a Non- Executive Director since 1st April 2015.
5. # % increase in remuneration not given as the payment for 2015-2016 was only for part of the year.
6. The remuneration to Directors is within the overall limits approved by the shareholders.

C. Percentage increase in the median remuneration of employee in the financial year 2016-17: 8.66%

D. Number of permanent employees on the rolls of the Company as on 31st March 2017 : 5247.

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

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

Average increase in salary of all employees in 2016-17 compared to 2015-16 : 13.10%

F. Affirmation :

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior Management is as per the Remuneration Policy of the Company.

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A] GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24100MH1969PLC014336
2. Name of the Company: Pidilite Industries Limited
3. Registered address: Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021, Maharashtra
4. Website: www.pidilite.com
5. E-mail id: investor.relations@pidilite.co.in
6. Financial Year reported: 2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
   Manufacture of Adhesives and Glues including Rubber based Glues and Adhesives (20295)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   (i) Adhesives & Sealants
   (ii) Construction Chemicals/ Paint Chemicals
   (iii) Art & Craft Materials
   For additional information on segment wise products/services, please refer to "Notes to the Financial Statements- Note 42 "
9. Total number of locations where business activity is undertaken by the Company:
   (a) Number of International Locations: 7 Branches and Representative offices (On Standalone basis)
   (b) Number of National Locations:

Manufacturing locations (States / Union Territories)	6
Regional offices	8

10. Markets served by the Company – The Company's products have a pan India presence and the products are also marketed in several countries like UAE, USA, Nigeria, Bangladesh, Sri Lanka, Nepal, Singapore, China, Indonesia, Thailand, Egypt, Brazil etc.

B] FINANCIAL DETAILS OF THE COMPANY

		(₹ in crores)
1.	Paid up Capital (INR)	51.27
2.	Total Turnover (INR)	5,270.30
3.	Total profit after taxes (INR)	773.79

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.46%*

*CSR expense is ₹ 19.02 crores and current year PAT is ₹ 773.79 crores. The Company has spent more than 2% of the average net profit for the last 3 years on CSR expenses.

5. Few activities in which expenditure in 4 above has been incurred

The Company has been supporting the following activities:

a. Promoting Education

b. Promoting Healthcare

c. Assisting in Rural Development etc.

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

C] OTHER DETAILS

The Company has 26 subsidiaries both direct and indirect as on 31st March 2017. 8 of these subsidiaries are in India and 18 of them are located abroad.

The Business Responsibility policies of the subsidiaries are in line with the local requirements.

The Company encourages participation of its suppliers and distributors and other stakeholders in the Business Responsibility initiatives like Shramdaan Divas where contractors give one day's labour for the benefit of needy children.

D] BR INFORMATION

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

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

Sr. No.	Particulars	Details
1.	DIN	00035317
2.	Name	Shri A B Parekh
3.	Designation	Whole Time Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN	07183784
2.	Name	Shri Sabyaschi Patnaik
3.	Designation	Director – Operations
4.	Telephone number	022-2835 7313
5.	E-mail id	sabyasachi.patnaik@pidilite.com

(2) Principle-wise (as per NVGs) BR policy/policies:

These Principles are as follows:

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

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

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

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

Principle 5: Businesses should respect and promote human rights.

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

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

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

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

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes. The policies are aligned to the legal requirements and are as per ISO and Occupational Health and Safety Assessment System.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the human resource department. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The Director- Operations is responsible for the implementation of EHS policy.								
6.	Indicate the link for the policy to be viewed online?	Policies which are internal to the Company are available on the intranet of the Company. Other policies are on the website of the Company: www.pidilite.com.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Internal/ External audits have been carried out for the policies, as applicable.								

(3) Governance related to BR

Business Responsibility Report is reviewed periodically. It is also available on the Company's website www.pidilite.com.

E] PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. There is a Code for each of our subsidiaries in line with the local requirements prevailing in the country of operation.

The Company has a 'Whistle Blower Policy' which covers serious concerns that could have impact on the operations and performance of the Company.

There were no complaints from shareholders pending at the beginning of the year. The Company received 12 complaints from shareholders during the year and all complaints have been resolved satisfactorily at the end of the year.

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

The Company has over the years undertaken several sustainability initiatives and a few are mentioned below:

In the Construction Chemicals business, green products have been developed which apart from imparting waterproofing features have unique capability of providing thermal insulation thereby reducing energy consumption. This is actively promoted in green buildings.

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

Water reuse and recycle programs are undertaken in all the manufacturing units to conserve water and reduce consumption by about 10% on YOY basis. Rain water harvesting systems have been installed in manufacturing units.

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

1.	Total number of employees	5,247
2.	Total number of employees hired on temporary/ contractual/ casual basis	2,821
3.	Number of permanent women employees	329
4.	Number of permanent employees with disabilities	8
5.	There are no employees association that is recognized by the management	

6. Details of complaints filed during the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

7. Percentage of employees who were given safety & skill upgradation training in the last year:

   a. Permanent Employees-76.56%
   b. Permanent Women Employees-51.61%
   c. Casual/Temporary/Contractual Employees-38%
   d. Employees with Disabilities-25%

   Percentages mentioned above are computed for employees working in manufacturing units only.

   A comprehensive EHS Policy has been deployed to ensure well being of the employees.

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

The Company continues to build on its unique initiative 'WAGALE' (Wanchan-Ganan-Lekhan) which has helped students with lesser learning abilities with training sessions through practical methods, visual representations and interactions with the academically better students.

The Company has helped in forming, nurturing and developing over 100 Self Help Groups-Mahila Mandals in the Mahuva region, with more than 1400 mahilas as members.

Shri N N Mehta Memorial Education Trust continued to provide assistance to deserving and qualified students through scholarships for pursuing higher education such as Medical, Dental, Paramedical, Engineering, BBA, BCA, MCA and various other disciplines.

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

Principle 5: Businesses should respect and promote human rights

The Code of Conduct is applicable to all the employees of the group.

There have been no complaints received in the past Financial Year.

The Company promotes the Code of Conduct which apart from other things ensures that there are no instances of sexual harassment, child labour or discriminatory practices.

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

Based on the EHS Policy of the Company, processes have been deployed to continually improve the environment performance. All manufacturing units meet the requirements of ISO 14000 and OSHAS 18000 standards.

The Company undertakes initiatives in the use of green fuel (biomass feed to boilers),use of renewable sources of energy (windmills, PV solar roof top systems), reuse of wash water, reuse of treated effluent.

The Company also has active programs to continually reduce hazardous wastes, emissions, effluent generation and effluent discharge in its manufacturing units.

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

There are no pending show cause notices as at the end of the Financial Year.

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

The Company is a member of the following trade / chamber / association :

a. International Market Assessment India Pvt Ltd.

b. Federation of Indian Chambers of Commerce and Industry

c. Indian Speciality Chemical Manufacturers Association

d. Bombay Chamber of Commerce and Industry

Principle 8 : Businesses should support inclusive growth and equitable development

The Company has a policy on Corporate and Social Responsibility and the focal areas being Agriculture and Horticulture, Water Resources Management, Women Initiatives, Healthcare, Education, Skill Development Initiatives, General Semantics, Cancer Patients Aid Association (CPAA), Digital learning initiatives etc.

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

Details are covered in the Social and Community Initiatives report and Annexure to the Directors' Report.

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

There are 17 consumer cases pending as at the end of financial year. For receiving and resolving customer complaints, there are systems in place to record and manage complaints. Customers may register their grievances over the dedicated helpline. The Company displays product information on the product label, over and above what is mandated as per local laws. There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as at the end of financial year.

Independent Auditor's Report

to the members of Pidilite Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Pidilite Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

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

Place: Mumbai
Date: 18th May 2017

Annexure "A" to Independent Auditor's Report

To the Members of Pidilite Industries Limited for the year ended 31st March 2017

(Referred to in paragraph 1f under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pidilite Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

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

Place: Mumbai
Date: 18th May 2017

Annexure "B" to Independent Auditor's Report

To the Members of Pidilite Industries Limited for the year ended 31st March 2017

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

(i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 apply.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Excise Duty and Value Added Tax which have not been deposited as on 31st March 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in crores)
Income Tax Act, 1961	Income tax	Commissioner (Appeals)	AY 2007-08 to 2012-13	15.96*
Central Excise Act, 1944	Excise Duty in Various States	Commissioner of Central Excise (Appeals)	2008-09 to 2016-17	2.49
	Excise Duty in Various States	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1997-98, 2005 -06 to 2015-16	85.75
Central Excise Act, 1944- Total				**88.24#**
Sales Tax Act	Sales Tax in Various States	Assessing Officer	2005-06, 2008-09 to 2013-14	20.59
	Sales Tax in Various States	Additional Commissioner	2002-03, 2008-09, 2010-11, 2011-12, 2013-14, 2014-15	12.83
	Sales Tax in Various States	Deputy Joint commissioner of Sales Tax	1994-95, 2005-06 to 2015-16	7.85
	Sales Tax in Various States	Joint commissioner of Sales Tax	1998-99, 2004-05 to 2006-07, 2008-09 to 2011-12, 2013-14 to 2016-17	88.32
	Sales Tax in Various States	Sales Tax Tribunal	1999-00 & 2000-01,2001-02, 2002-03, 2004-05 to 2013-14	14.09
	Sales Tax in Various States	High Court	2003-2004,2004-2005, 2006-07 to 2009-10	0.50
Sales Tax Act – Total				**144.18^**

* Net of ₹ 4.08 Crores paid under protest
^ Net of ₹ 17.04 Crores paid under protest
\# Net of ₹ 4.13 Crores paid under protest

There are no dues of Service Tax and Customs Duty which have not been deposited as on 31st March 2017 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

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

Place: Mumbai
Date: 18th May 2017

Balance Sheet

as at 31st March 2017

(₹ in crores)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	4	**668.66**	643.04	526.03
(b) Capital Work-In-Progress	4	**126.57**	151.68	218.28
(c) Goodwill	5	**86.11**	86.11	86.11
(d) Other Intangible Assets	5	**184.80**	187.41	192.11
(e) Financial Assets				
(i) Investments	6	**440.23**	533.89	429.50
(ii) Loans	9	**4.40**	7.09	7.59
(iii) Other Financial Assets	11	**12.28**	10.98	13.69
(f) Current Tax Assets (net)	16	**36.47**	35.41	33.62
(g) Other Non-Current Assets	17	**70.34**	48.42	74.45
Total Non-Current Assets		**1,629.86**	1,704.03	1,581.38
2 Current Assets				
(a) Inventories	15	**556.25**	494.20	534.72
(b) Financial Assets				
(i) Investments	7	**1,353.18**	568.87	297.05
(ii) Trade Receivables	8	**607.65**	550.71	506.01
(iii) Cash and Cash Equivalents	13	**45.80**	66.15	43.96
(iv) Bank balances other than (iii) above	14	**4.67**	6.10	5.00
(v) Loans	10	**18.48**	15.53	14.94
(vi) Other Financial Assets	12	**5.00**	4.14	3.50
(c) Other Current Assets	18	**74.69**	57.28	53.36
Total Current Assets		**2,665.72**	1,762.98	1,458.54
TOTAL ASSETS		**4,295.58**	3,467.01	3,039.92
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	19	**51.27**	51.27	51.27
(b) Other Equity	20	**3,348.08**	2,599.32	2,253.31
Total Equity		**3,399.35**	2,650.59	2,304.58
LIABILITIES				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities	23	**1.68**	2.25	2.85
(b) Provisions	24	**24.97**	21.86	18.68
(c) Deferred Tax Liabilities (net)	26	**83.63**	75.36	51.35
Total Non-Current Liabilities		**110.28**	99.47	72.88
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	**-**	1.12	5.78
(ii) Trade Payables	22	**328.47**	316.33	293.33
(iii) Other Financial Liabilities	27	**365.66**	310.82	284.59
(b) Other Current Liabilities	28	**63.08**	66.36	54.05
(c) Provisions	25	**12.81**	9.24	11.63
(d) Current Tax Liabilities (net)	29	**15.93**	13.08	13.08
Total Current Liabilities		**785.95**	716.95	662.46
TOTAL LIABILITIES		**896.23**	816.42	735.34
TOTAL EQUITY AND LIABILITIES		**4,295.58**	3,467.01	3,039.92
See accompanying notes to the financial statements	1 to 63			

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Statement of Profit and Loss

for the year ended 31st March 2017

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
INCOME			
Revenue from Operations	30	**5,298.65**	5,063.06
Other Income	31	**110.10**	70.62
Total Income		**5,408.75**	5,133.68
EXPENSES			
Cost of Materials Consumed	32	**2,025.82**	2,059.51
Purchases of Stock-in-Trade		**244.22**	204.67
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	33	**(7.90)**	18.04
Excise Duty on sale of goods		**433.28**	332.03
Employee Benefits Expense	34	**507.45**	457.16
Finance Costs	35	**5.68**	5.84
Depreciation and Amortisation Expense	36	**90.24**	87.82
Other Expenses	37	**870.90**	872.11
Total Expenses		**4,169.69**	4,037.18
Profit before Exceptional Items and Tax		**1,239.06**	1,096.50
Exceptional Items	38	**94.34**	27.00
Profit before Tax		**1,144.72**	1,069.50
Tax Expense			
Current Tax	48	**362.66**	298.77
Deferred Tax	48	**8.27**	24.01
Net Tax Expense		**370.93**	322.78
Profit for the year		**773.79**	746.72
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(2.79)**	(0.31)
Income tax relating to items that will not be reclassified to profit or loss	48	**0.81**	0.09
Total Other Comprehensive Loss		**(1.98)**	(0.22)
Total Comprehensive Income for the year		**771.81**	746.50
Earnings Per Equity Share:			
Basic (₹)	43	**15.09**	14.57
Diluted (₹)		**15.09**	14.56
See accompanying notes to the financial statements	1 to 63		

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Statement of changes in Equity

for the year ended 31st March 2017

(₹ in crores)

a. Equity Share Capital

	Amount
Balance as at 1st April 2015	51.27
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme 2012* (Note 46)	0.00
Balance at 31st March 2016	**51.27**
Changes in equity share capital during the year	51.27
• Issue of equity shares under Employee Stock Option Scheme 2012* (Note 46)	0.00
Balance at 31st March 2017	**51.27**

*Issue of equity shares under Employee Stock Option Scheme 2012 amounts to ₹ 12,500 during the year 2015-16 and ₹ 7,400 during the year 2016-17.

b. Other Equity

	Reserves and Surplus						TOTAL
	Capital Reserve	Securities Premium Reserve	Cash Subsidy Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	
Balance as at 1st April 2015	0.34	65.65	0.95	0.26	1,764.70	421.41	**2,253.31**
Profit for the year	-	-	-	-	-	746.72	**746.72**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(0.22)	**(0.22)**
Payment of dividends	-	-	-	-	-	(404.15)	**(404.15)**
Recognition of share-based payments (Note 46)	-	0.31	-	3.35	-	-	**3.66**
Transferred to Securities Premium on Options exercised during the year	-	0.31	-	(0.31)	-	-	-
Exercised during the year	-	-	-	0.09	-	-	**0.09**
Amortised during the year	-	-	-	3.61	-	-	**3.61**
Lapsed during the year	-	-	-	(0.04)	-	-	**(0.04)**
Balance as at 31st March 2016	0.34	65.96	0.95	3.61	1,764.70	763.76	**2,599.32**
Profit for the year	-	-	-	-	-	773.79	**773.79**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	(1.98)	**(1.98)**
Payment of dividends	-	-	-	-	-	(30.85)	**(30.85)**
Recognition of share-based payments (Note 46)	-	0.40	-	7.40	-	-	**7.80**
Transferred to Securities Premium on Options exercised during the year	-	0.40	-	(0.40)	-	-	-
Exercised during the year	-	-	-	0.33	-	-	**0.33**
Amortised during the year	-	-	-	7.56	-	-	**7.56**
Lapsed during the year	-	-	-	(0.09)	-	-	**(0.09)**
Balance as at 31st March 2017	0.34	66.36	0.95	11.01	1,764.70	1,504.72	3,348.08

See accompanying notes to the financial statements

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Statement of Cash Flows

for the year ended 31st March 2017

(₹ in crores)

		31st March 2017		31st March 2016	
A	**Cash Flows From Operating Activities**				
	Profit before tax for the year		**1,144.72**		1,069.50
	Adjustments for:				
	Finance costs recognised in Statement of Profit and Loss	**5.68**		5.84	
	Interest income recognised in Statement of Profit and Loss	**(3.54)**		(3.58)	
	Dividend income recognised in Statement of Profit and Loss	**(8.27)**		(2.65)	
	Loss on disposal of Property, Plant and Equipment	**2.02**		2.28	
	Net gain arising on financial assets designated at FVTPL	**(76.47)**		(47.78)	
	Allowance for doubtful debts	**0.53**		6.37	
	Impairment in value of Investment in Subsidiary Companies	**94.34**		27.00	
	Depreciation and amortisation expense	**90.24**		87.82	
	Net Foreign Exchange (gain)/loss	**(1.36)**		2.40	
	Provision for Employee Benefits	**3.89**		0.49	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**7.80**		3.66	
	Operating profits before Working Capital changes		**1,259.58**		1,151.35
	Movements in working capital:				
	Increase in Trade Receivables	**(55.20)**		(47.24)	
	(Increase)/ decrease in Inventories	**(62.05)**		40.52	
	Decrease in Non-Current Loans	**2.69**		0.50	
	Increase in Current Loans	**(2.95)**		(0.92)	
	(Increase)/ decrease in Other Non-Current Financial Assets	**(1.30)**		0.97	
	Increase in Other Current Financial Assets	**(0.80)**		(1.19)	
	(Increase)/ decrease in Other Non-Current Non Financial Assets	**(22.48)**		6.19	
	Increase in Other Current Non Financial Assets	**(12.82)**		(4.29)	
	Increase in Trade Payables	**11.07**		21.03	
	Increase in Other Current Financial Liabilities	**57.27**		29.02	
	Decrease in other Non-Current Financial Liabilities	**(0.57)**		(0.60)	
	(Decrease)/ increase in Other Current Non Financial Liabilities	**(3.28)**		12.31	
	Cash generated from Operations		**1,169.16**		1,207.65
	Taxes paid		**(360.06)**		(300.47)
	Net Cash generated from Operating Activities [A]		**809.10**		**907.18**

Statement of Cash Flows

for the year ended 31st March 2017

(₹ in crores)

		31st March 2017		31st March 2016	
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment & other Intangible Assets	**(101.23)**		(120.59)	
	Proceeds from disposal of Property, Plant and Equipment, Intangible Assets & Capital Work-In-Progress	**10.64**		0.23	
	Payments to acquire Investments	**(3,205.23)**		(2,405.10)	
	Proceeds on sale of Investments	**2,496.11**		2,051.05	
	Increase in Share Application Money	**(4.73)**		(0.09)	
	Decrease/ (increase) in Bank Deposits (having maturity of more than three months)	**1.44**		(1.06)	
	Interest received	**3.54**		3.55	
	Dividend received	**8.27**		2.65	
	Net Cash used in Investing Activities [B]		**(791.19)**		**(469.36)**
C	**Cash flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company (₹ 7,400 as at 31st March 2017 and ₹ 12,500 as at 31st March 2016)	**0.00**		0.00	
	Dividends paid on Equity Shares	**(31.63)**		(403.22)	
	Interest paid	**(5.68)**		(5.84)	
	Net Cash used in Financing Activities (C)		**(37.31)**		**(409.06)**
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		**(19.40)**		28.76
	Cash and Cash Equivalents at the beginning of the year	**65.03**		38.18	
	Bank Unrealised Gain/ (Loss)	**1.05**		(0.86)	
	Cash and Cash Equivalents at the beginning of the year		**66.08**		**37.32**
	Cash and Cash Equivalents at the end of the year	**45.80**		65.03	
	Bank Unrealised Gain	**0.88**		1.05	
	Cash and Cash Equivalents at the end of the year		**46.68**		66.08
	Net increase / (decrease) in Cash and Cash Equivalents		**(19.40)**		**28.76**
	See accompanying notes to the financial statements				

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Notes forming part of the financial statements

1 Corporate information

Since inception, Pidilite Industries Limited, together with its subsidiaries has been a pioneer in consumer and industrial speciality chemicals in India. The equity shares of the Company are listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE).

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all period upto and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with the requirements of Indian GAAP, i.e. comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with applicable rules and the relevant provisions of the Companies Act, 2013. These financial statements for the year ended 31st March 2017 are the Company's first financial statements under Ind AS and the same are prepared in accordance with Ind AS 101 on 'First-time adoption of Indian Accounting Standards' - Refer to Note 2.18 for details of adoption of Ind AS.

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

a. Certain Financial Assets/ Liabilities (including derivative instruments) – at Fair value

b. Employee Stock Options - at Fair value

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

2.2 Business Combination

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

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

2.3 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.4 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

2.4.1 Sale of Goods

Revenue from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales include excise duty but exclude Sales Tax/ VAT. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

2.4.2 Dividend, Interest income and Royalty

Dividend income from investments is recognised when the Company's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Company as also the amount of dividend income can be measured reliably.

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

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

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

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

2.5 Leasing

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

2.5.1 Company as Lessor

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

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

2.5.2 Company as Lessee

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

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

2.6 Foreign Currencies

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

In respect of the foreign offices / branches, which are integral foreign operations, all revenues and expenses during the month are reported at monthly average rates. Outstanding balances in respect of monetary assets and liabilities are restated at the year end exchange rates. Outstanding balances in respect of non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Net gain / loss on foreign currency translation are recognised in the Statement of Profit and Loss.

2.7 Share-based payment transactions of the Company

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

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

2.8 Taxation

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

2.8.1 Current Tax

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

2.8.2 Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

2.8.3 Current and Deferred Tax for the year

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

2.9 Property, Plant and Equipment

2.9.1 Property, Plant and Equipment acquired separately

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

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

2.9.2 Capital Work-in-Progress

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

2.9.3 Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in-progress) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

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

2.10 Intangible Assets

2.10.1 Intangible assets acquired separately

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

2.10.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.10.3 Internally generated Intangible Assets – Research and Development Expenditure

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

2.10.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

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

2.11 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

2.12 Inventories

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

2.13 Provisions (other than Employee Benefits)

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

2.14 Financial Instruments

2.14.1 Initial Recognition and Measurement

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

2.14.2 Subsequent measurement of Financial Assets

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

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

2.14.3 Impairment of Financial Assets

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

2.14.4 Financial Liabilities and equity instruments

2.14.4.1 Classification of debt or equity

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

2.14.4.2 Equity Instruments

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

2.14.4.3 Financial Liabilities

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

2.14.5 Derecognition of Financial Assets and Liabilities

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

2.14.6 Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks. Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in Statement of Profit and Loss.

2.15 Cash Flow Statement

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

2.16 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/ assets/liabilities" respectively.

2.17 Employee Benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme.

2.17.1 Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

2.17.2 Defined Benefit Plans

For Defined Benefit Plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit and Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.17.3 Short Term and Other Long Term Employee Benefits

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

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

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

2.18 First-time Adoption – Mandatory Exceptions, Optional Exemptions

2.18.1 Overall Principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the exceptions and optional exemptions availed by the Company detailed below:

2.18.1.1 Past Business Combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the condition as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

2.18.1.2 Deemed cost for Property, Plant and Equipment, Investment Property, and Intangible Assets

The Company has elected to fair value Land, Building and Plant & Machinery along with integrated patents, designs and drawings at Dahej (included in Capital Work-in-progress) as of the transition date. Accordingly, the Company has measured all other items of Property, Plant and Equipment and intangible assets recognised as of 1st April 2015 at retrospective carrying values calculated in accordance with Ind AS 16.

2.18.1.3 Investments

The Company has elected to measure investments in Equity shares of subsidiary companies and associate company at deemed cost, which is previous GAAP carrying amount. Accordingly, under Ind AS, the Company has recognised investments as follows:

- Equity shares of subsidiary companies and associate company – At deemed cost
- Unquoted Equity shares of other companies- At fair value through profit and loss (FVTPL)
- Mutual Funds - At FVTPL

3 Critical Accounting Judgements and key sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key accounting judgements, assumptions and estimates

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

3.1.1 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 48).

3.1.2 Business combinations and Intangible Assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of intangible assets. These valuations are conducted by independent valuation experts.

3.1.3 Property, Plant and Equipment

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

3.1.4 Fair value measurement of Capital Work-in-Progress

Fair value of Land, Building and Plant and Machinery along with integrated patents, designs and drawings at Dahej (included in Capital Work-in-Progress) is based on valuations conducted by independent valuation experts.

3.1.5 Impairment of Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets (i.e. trademarks and copyrights) are tested for impairment on an annual basis. Recoverable amount of cash-generating units is determined based on higher of value-in-use and fair value less cost to sell. The impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which the intangibles are monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

3.1.6 Employee related provisions

The costs of long term and short term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates. (disclosed in Note 45)

3.1.7 Impairment of investments in subsidiaries

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

(₹ in crores)

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying amounts of:			
• Freehold Land	**52.77**	54.69	47.26
• Buildings	**177.00**	154.81	127.40
Plant and Equipment			
• Plant and Machinery	**377.51**	372.52	285.78
• Vehicles	**7.20**	7.69	7.46
• Furniture and Fixtures	**29.03**	28.78	24.52
• Office Equipment	**25.15**	24.55	33.61
	668.66	643.04	526.03
Capital Work-In-Progress	**126.57**	151.68	218.28
TOTAL	**795.23**	**794.72**	**744.31**

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Deemed Cost							
Balance as at 1st April 2015	47.26	179.86	728.67	18.43	55.69	83.74	**1,113.65**
Additions	7.43	33.38	137.27	1.77	10.34	8.67	**198.86**
Disposals/ Adjustments	-	(0.01)	(0.46)	(0.90)	(0.81)	(3.05)	**(5.23)**
Balance as at 31st March 2016	54.69	213.23	865.48	19.30	65.22	89.36	**1,307.28**
Additions	4.55	30.78	67.42	0.99	6.34	8.99	**119.07**
Disposals/ Adjustments	(6.47)	(2.42)	(4.61)	(0.99)	(0.57)	(2.17)	**(17.23)**
Balance as at 31st March 2017	**52.77**	**241.59**	**928.29**	**19.30**	**70.99**	**96.18**	**1,409.12**
Accumulated Depreciation and Impairment							
Balance as at 1st April 2015	-	(52.46)	(442.89)	(10.97)	(31.17)	(50.13)	**(587.62)**
Eliminated on disposal of assets	-	-	6.06	0.80	0.54	(2.96)	**4.44**
Depreciation expense	-	(5.96)	(56.13)	(1.44)	(5.81)	(11.72)	**(81.06)**
Balance as at 31st March 2016	-	(58.42)	(492.96)	(11.61)	(36.44)	(64.81)	**(664.24)**
Eliminated on disposal of assets	-	0.30	4.39	0.84	0.31	1.44	**7.28**
Depreciation expense	-	(6.47)	(62.21)	(1.33)	(5.83)	(7.66)	**(83.50)**
Balance as at 31st March 2017	-	**(64.59)**	**(550.78)**	**(12.10)**	**(41.96)**	**(71.03)**	**(740.46)**
Carrying Amount							
Balance as at 1st April 2015	47.26	127.40	285.78	7.46	24.52	33.61	**526.03**
Additions	7.43	33.38	137.27	1.77	10.34	8.67	**198.86**
Disposals/ Adjustments	-	(0.01)	(0.46)	(0.90)	(0.81)	(3.05)	**(5.23)**
Depreciation expense	-	(5.96)	(56.13)	(1.44)	(5.81)	(11.72)	**(81.06)**
Depreciation Eliminated on disposal of assets	-	-	6.06	0.80	0.54	(2.96)	**4.44**
Balance as at 31st March 2016	54.69	154.81	372.52	7.69	28.78	24.55	**643.04**
Additions	4.55	30.78	67.42	0.99	6.34	8.99	**119.07**
Disposals/ Adjustments	(6.47)	(2.42)	(4.61)	(0.99)	(0.57)	(2.17)	**(17.23)**
Depreciation expense	-	(6.47)	(62.21)	(1.33)	(5.83)	(7.66)	**(83.50)**
Depreciation Eliminated on disposal of assets	-	0.30	4.39	0.84	0.31	1.44	**7.28**
Balance as at 31st March 2017	**52.77**	**177.00**	**377.51**	**7.20**	**29.03**	**25.15**	**668.66**

Notes:

(₹ in crores)

a) Assets given under operating lease included in Note 4 above are as under:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying Amounts			
• Freehold Land	**13.79**	13.79	13.79
• Buildings	**19.63**	27.12	10.24
TOTAL	33.42	40.91	24.03

	Freehold Land	Buildings	Total
Deemed Cost			
Balance as at 1st April 2015	**13.79**	**14.30**	**28.09**
Additions	-	17.83	**17.83**
Disposals/ Adjustments	-	-	-
Balance as at 31st March 2016	**13.79**	**32.13**	**45.92**
Additions	-	2.31	**2.31**
Disposals/ Adjustments	-	(9.80)	**(9.80)**
Balance as at 31st March 2017	**13.79**	**24.64**	**38.43**
Accumulated Depreciation and Impairment			
Balance as at 1st April 2015	-	**(4.06)**	**(4.06)**
Eliminated on disposal of assets	-	-	-
Depreciation expense	-	(0.95)	**(0.95)**
Balance as at 31st March 2016	-	**(5.01)**	**(5.01)**
Eliminated on disposal of assets	-	1.49	**1.49**
Depreciation expense	-	(1.49)	**(1.49)**
Balance as at 31st March 2017	-	**(5.01)**	**(5.01)**
Carrying Amount			
Balance as at 1st April 2015	**13.79**	**10.24**	**24.03**
Additions	-	17.83	**17.83**
Disposals/ Adjustments	-	-	-
Depreciation expense	-	(0.95)	**(0.95)**
Depreciation Eliminated on disposal of assets	-	-	-
Balance as at 31st March 2016	**13.79**	**27.12**	**40.91**
Additions	-	2.31	**2.31**
Disposals/ Adjustments	-	(9.80)	**(9.80)**
Depreciation expense	-	(1.49)	**(1.49)**
Depreciation Eliminated on disposal of assets	-	1.49	**1.49**
Balance as at 31st March 2017	**13.79**	**19.63**	**33.42**

b) Buildings includes shares of co-operative societies of ₹ **0.01** crores (₹ 0.01 crores)

(₹ in crores)

5 Goodwill and Other Intangible Assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying Amounts			
• Goodwill	**86.11**	86.11	86.11
Total Goodwill (A)	**86.11**	86.11	86.11
Other Intangible Assets			
• Trademark	**157.91**	157.91	157.91
• Computer Software	**13.36**	13.66	16.02
• Copyrights	**4.72**	4.72	4.72
• Technical Knowhow Fees	**7.00**	8.83	10.68
• Non Compete Fees	**1.81**	2.29	2.78
Total Other Intangible Assets (B)	**184.80**	187.41	192.11
Total Intangible Assets (A)+(B)	**270.91**	273.52	278.22

	Goodwill	Trademark	Computer Software	Copyrights	Technical Knowhow Fees	Non Compete Fees	Total
Deemed Cost							
Balance as at 1st April 2015	**86.11**	**157.91**	**37.86**	**4.72**	**23.05**	**4.56**	**314.21**
Additions	-	-	2.06	-	-	-	**2.06**
Disposals/ Adjustments	-	-	(0.05)	-	-	-	**(0.05)**
Balance as at 31st March 2016	**86.11**	**157.91**	**39.87**	**4.72**	**23.05**	**4.56**	**316.22**
Additions	-	-	4.13	-	-	-	**4.13**
Disposals/ Adjustments	-	-	(0.09)	-	-	-	**(0.09)**
Balance as at 31st March 2017	**86.11**	**157.91**	**43.91**	**4.72**	**23.05**	**4.56**	**320.26**
Accumulated Amortisation and Impairment							
Balance as at 1st April 2015	-	-	**(21.84)**	-	**(12.37)**	**(1.78)**	**(35.99)**
Amortisation expense	-	-	(4.42)	-	(1.85)	(0.49)	**(6.76)**
Amortisation eliminated on disposal of assets	-	-	0.05	-	-	-	**0.05**
Balance as at 31st March 2016	-	-	**(26.21)**	-	**(14.22)**	**(2.27)**	**(42.70)**
Amortisation expense	-	-	(4.43)	-	(1.83)	(0.48)	**(6.74)**
Amortisation eliminated on disposal of assets	-	-	0.09	-	-	-	**0.09**
Balance as at 31st March 2017	-	-	**(30.55)**	-	**(16.05)**	**(2.75)**	**(49.35)**
Carrying Amount							
Balance as at 1st April 2015	86.11	157.91	16.02	4.72	10.68	2.78	**278.22**
Additions	-	-	2.06	-	-	-	**2.06**
Disposals / Adjustments	-	-	(0.05)	-	-	-	**(0.05)**
Amortisation expense	-	-	(4.42)	-	(1.85)	(0.49)	**(6.76)**
Amortisation eliminated on disposal of assets	-	-	0.05	-	-	-	**0.05**
Balance as at 31st March 2016	**86.11**	**157.91**	**13.66**	**4.72**	**8.83**	**2.29**	**273.52**
Additions	-	-	4.13	-	-	-	**4.13**
Amortisation expense	-	-	(4.43)	-	(1.83)	(0.48)	**(6.74)**
Balance as at 31st March 2017	**86.11**	**157.91**	**13.36**	**4.72**	**7.00**	**1.81**	**270.91**

The Company has determined the indefinite useful life for its Copyrights & Trademarks on the basis of renewal of legal rights regularly and the management's intention to keep it perpetually.

Allocation of goodwill to cash-generating units

Goodwill in the books of the Company pertains mainly to Consumer and Bazaar business of the Company.

At the end of each reporting period, the Company reviews carrying amount of goodwill to determine whether there is any indication that goodwill has suffered any impairment loss.

Accordingly, recoverable amount of goodwill is arrived basis projected cashflows from Consumer and Bazaar business.

Recoverable amount of goodwill exceeds the carrying amount of goodwill in the books as on 31st March 2017. Further there are no external indications of impairment of goodwill.

As a result, no impairment loss on goodwill is required to be recognised.

Projected cashflows from Consumer and Bazaar business

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 12.5% per annum (as at 31st March 2016: 12.5% per annum; as at 1st April 2015: 12.5% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 9% per annum (as at 31st March 2016: 9% per annum; as at 1st April 2015: 9% per annum) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:	
Budgeted sales growth	Sales growth is assumed at 13.1% (CAGR), in line with current year projections. The values assigned to the assumption reflect past experience and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next five years is reasonably achievable.
Raw materials price inflation	Forecast for material cost growth CAGR higher by 0.3% vs. sales growth, considering impact of commodity cost inflation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

6 Investments - Non-Current

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
Non-Current Investments						
A] Investment in Equity Instruments						
i) Unquoted:						
(a) Investment in Subsidiaries (fully paid up) (at cost)						
• Equity Shares of USD 1 each of Pidilite International Pte Ltd	**2,05,62,716**	**95.73**	2,05,62,716	95.73	1,92,29,316	87.12
• Equity Shares of AED 1 each of Pidilite Middle East Ltd	**7,90,01,692**	**117.85**	7,46,01,692	109.85	6,33,29,163	89.92
• Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	**6,94,60,776**	**165.69**	6,94,60,776	165.69	6,24,36,448	152.97
• Equity Shares of USD 1 each of Pidilite USA Inc	**1,47,80,000**	**64.77**	1,47,80,000	64.77	1,47,80,000	64.78
• Equity shares of EGP 100 each of Pidilite Industries Egypt SAE	**7,396**	**0.54**	6,428	0.45	6,428	0.45
• Equity Shares of BIRR 100 each of Pidilite Chemical PLC	**62,069**	**1.87**	39,497	1.21	39,497	1.21
• Equity Shares of ₹ 10 each of Fevicol Company Ltd	**2,12,500**	**1.68**	50,000	0.05	50,000	0.05
• Equity Shares of ₹ 10 each of Pagel Concrete Technologies Pvt Ltd	**80,000**	**0.84**	80,000	0.84	80,000	0.84
• Equity Shares of ₹ 10 each of Bhimad Commercial Company Pvt Ltd	**10,000**	**0.02**	10,000	0.02	10,000	0.02
• Equity Shares of ₹ 10 each of Madhumala Traders Pvt Ltd	**10,000**	**0.02**	10,000	0.02	10,000	0.02
• Equity Shares of ₹ 10 each of Building Envelope Systems India Ltd	**50,10,000**	**8.88**	50,10,000	8.88	24,30,000	2.43
• Equity Shares of ₹ 10 each of Percept Waterproofing Services Ltd	**48,00,000**	**4.80**	48,00,000	4.80	48,00,000	4.80
• Equity Shares of ₹ 10 each of Nina Waterproofing Systems Pvt Ltd	**6,99,999**	**61.37**	6,99,999	61.37	2,33,333	0.23
• Equity Shares of ₹ 10 each of ICA Pidilite Pvt Ltd (formerly known as Wood Coat Pvt Ltd)	**22,37,340**	**78.86**	9,900	0.01	-	-
TOTAL (a)		**602.92**		513.69		404.84
(b) Investment in other entity (fully paid up) (at FVTPL)						
• Equity Shares of ₹ 10 each of Pal Peugeot Ltd	**1,21,300**	**0.12**	1,21,300	0.12	1,21,300	0.12
TOTAL (b)		**0.12**		0.12		0.12
TOTAL Unquoted [(a+b)] (i)		**603.04**		513.81		404.96
ii) Quoted:						
Investment in Associates (fully paid up) (at cost)						
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18	74,51,540	1.18
TOTAL (ii)		**1.18**		1.18		1.18
Total Investment in Equity Instruments [(i)+(ii)] (A)		**604.22**		**514.99**		**406.14**

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
B] Investments in Mutual Funds (Unquoted) (at FVTPL)						
• Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Growth Option	-	-	-	-	1,09,22,740	12.81
• Units of HDFC-FMP 370D Feb 2014 (1) Series 29-Growth	-	-	1,00,00,000	12.04	1,00,00,000	11.10
• Units of DSP- Black Rock FMP- S146-12M-reg	-	-	-	-	1,00,00,000	11.07
• Units of HDFC-FMP 369D Feb 2014 (2) Series 29-Growth	-	-	1,00,00,000	12.01	1,00,00,000	11.07
• Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular-Growth	-	-	-	-	1,00,00,000	11.05
• Units of ICICI Prudential FMP Series 73 366 days Plan A-Cumulative	-	-	1,00,00,000	11.99	-	-
• Units of ICICI Prudential FMP Series 73 368 days Plan D-Regular-Growth	-	-	-	-	1,00,00,000	11.00
• Units of ICICI Prudential FMP Series 73 368 days Plan D-Cumulative	-	-	1,00,00,000	11.95	-	-
• Units of Birla Sun Life Fixed Term Plan Series KN (1099 days) GR Regular	-	-	-	-	1,00,00,000	11.00
• Units of HDFC-FMP 370D April 2014(2) Series 31-Regular-Growth	-	-	1,00,00,000	11.79	-	-
• Units of ICICI Prudential FMP Series 73 369 days Plan S-Cumulative	-	-	1,00,00,000	11.87	-	-
• Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	**1,00,00,000**	**13.09**	1,00,00,000	11.99	-	-
• Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth	-	-	50,00,000	6.00	-	-
• Units of HDFC-FMP 441D Feb 2014 (1) Series 29-Reg-Growth	-	-	1,00,00,000	12.00	-	-
Total Investments in Mutual Funds (B)		**13.09**		101.64		79.10
Total [A+B]		**617.31**		616.63		485.24
Less: Impairment in value of Investments		**177.08**		82.74		55.74
TOTAL		**440.23**		**533.89**		**429.50**
• Aggregate carrying value of quoted investments		**1.18**		1.18		1.18
• Aggregate market value of quoted investments		**52.24**		37.37		48.77
• Aggregate carrying value of unquoted investments		**616.13**		615.45		484.06
• Aggregate amount of Impairment in value of investments		**177.08**		82.74		55.74

7 Investments - Current

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
Current Investments						
A] Investments in Mutual Funds (at FVTPL)						
• Units of HDFC-FMP 370D Feb 2014-1 Reg Growth	**1,00,00,000**	**12.98**	-	-	-	-
• Units of HDFC-FMP 369D Feb 2014-2-Regular Growth	**1,00,00,000**	**12.98**	-	-	-	-
• Units of HDFC FMP 370D April 2014 (2) Series 31-Regular-Growth	**1,00,00,000**	**12.73**	-	-	1,00,00,000	10.88
• Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth	**50,00,000**	**6.46**	-	-	50,00,000	5.54
• Units of HDFC-FMP 441D Feb 2014 (1) Series 29- Growth	**1,00,00,000**	**12.96**	-	-	1,00,00,000	11.05
• Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	-	-	-	-	1,00,00,000	11.05
• Units of ICICI Prudential FMP Series 73 366 days Plan A - Cum	**1,00,00,000**	**12.89**	-	-	-	-
• Units of ICICI Prudential FMP Series 73 368 days Plan D - Cum	**1,00,00,000**	**12.85**	-	-	-	-
• Units of ICICI Prudential FMP Series 73 369 days Plan A-Regular-Growth	**1,00,00,000**	**12.77**	-	-	1,00,00,000	10.92
• Units of DSP- Black Rock FMP- S146-12M-Reg-Growth	**1,00,00,000**	**13.00**	1,00,00,000	12.05	-	-
• Units of Birla Sun Life Fixed Term Plan series KN (1099 days) GR Regular	**1,00,00,000**	**12.87**	1,00,00,000	11.94	-	-
• Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Cumulative	-	-	1,09,22,740	13.90	-	-
• Units of Birla Sun Life Saving Fund Inst. Growth	**27,39,323**	**87.29**	37,42,948	109.61	44,22,923	119.00
• Units of UTI Treasury Adv Fund-Institutional Plan - Direct Plan - Growth	**3,62,028**	**81.65**	2,40,628	49.67	-	-
• Units of SBI Premier Liquid Fund- Direct Plan- Growth	**3,47,688**	**88.74**	1,40,673	33.43	-	-
• Units of Kotak Treasury Adv Fund - Direct Plan - Growth	**3,63,21,092**	**95.74**	-	-	-	-
• Units of DSP BR Liquidity Fund - Dir-Growth	**1,91,001**	**44.42**	-	-	-	-
• Units of Reliance Liquid Fund -Treasury Plan- Direct Growth Plan	**45,660**	**18.11**	95,040	35.03	-	-
• Units of DSP BR Ultra Short Term Fund - Dir - G	**1,64,01,488**	**19.53**	-	-	-	-
• Units of HDFC Floating Rate IF-ST-WS-Grow	**51,24,050**	**14.53**	-	-	-	-
• Units of Reliance Money Manager Fund - Direct Growth Plan	**65,450**	**14.90**	-	-	-	-
• Units of IDFC Ultra Short Term - Direct Plan - Growth	**3,14,35,815**	**72.78**	-	-	-	-
• Units of ICICI Prudential Short Term Fund - Growth	**60,96,371**	**20.80**	60,96,371	18.87	60,96,371	17.45
• Units of ICICI Income Opportunities Fund - Direct Plan - Growth	**1,31,84,101**	**30.75**	-	-		-
• Units of ICICI Prudential Ultra Short Term - Direct Plan - Growth	**4,33,00,226**	**74.10**	-	-	2,89,02,735	40.68
• Units of IDFC Banking Debt Fund - Regular Plan - Growth	**91,03,616**	**12.68**	91,03,616	11.84	91,03,616	10.90

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	**4,81,11,596**	**53.96**	99,97,900	10.18	-	-
• Units of HDFC Short Term Opportunity Fund - Dir Gr	**1,77,04,254**	**32.05**	-	-	-	-
• Units of HDFC Medium Term Opportunity Fund - Dir Gr	**2,31,55,787**	**42.09**	-	-	-	-
• Units of Reliance Banking & PSU Fund - Dir - Gr	**5,52,03,331**	**65.32**	-	-	-	-
• Units of Birla Sun Life Treasury Optimizer Plan - Dir Gr	**15,28,949**	**32.16**	-	-	-	-
• Units of Birla Sun Life Short Term Fund	**64,44,650**	**40.31**	-	-	-	-
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	**2,67,44,404**	**51.43**	-	-	-	-
• Units of TATA Short Term Bond Fund - Direct Plan - Growth	**1,30,70,486**	**41.15**	-	-	-	-
• Units of HDFC Arbitrage Fund-Wholesale Plan- Direct Plan- Monthly Dividend	**4,82,06,123**	**50.60**	2,40,15,831	25.07	-	-
• Units of Kotak Equity Arbitrage Fund - Direct Plan - Fortnightly Dividend	**2,52,76,319**	**60.07**	-	-	-	-
• Units of ICICI Equity Arbitrage Fund - Direct - Dividend Payout	**2,42,83,637**	**35.42**	-	-	-	-
• Units of Birla SL Enhanced Arbitrage Fund - Direct - Dividend Payout	**4,53,81,919**	**50.11**	1,37,82,838	14.93	-	-
• Units of DWS-Guilt Fund-Regular-Growth	-	-	-	-	78,85,875	12.07
• Units of ICICI Prudential Blended Plan B-Regular-Growth	-	-	64,97,383	14.60	64,97,383	13.49
• Units of IDFC-Dynamic Bond Fund-Regular Plan-Growth	-	-	70,67,750	12.60	70,67,750	11.99
• Units of ICICI Prudential Dynamic Bond Fund-Regular-Growth	-	-	76,87,522	13.00	76,87,522	12.03
• Units of ICICI Prudential Ultra Short Term-Growth	-	-	3,79,45,617	58.08	-	-
• Units of Birla Dynamic Bond Fund-Retail-Growth-Reg plan	-	-	59,81,314	15.76	-	-
• Units of TATA Floater Fund-Regular Plan-Growth	-	-	87,917	20.03	-	-
• Units of HDFC-Liquid Fund-Growth	-	-	97,537	29.11	-	-
• Units of DHFL Pramerica Gilt Fund-Growth	-	-	78,85,875	12.95	-	-
• Units of HDFC FMP 92D March 2016-Regular Growth-Series 35	-	-	1,50,00,000	15.12	-	-
• Units of ICICI Prudential FMP Series 78 95 days Plan K-Cumulative	-	-	1,00,00,000	10.11	-	-
• Units of Reliance Fixed Horizon Fund XXX-Series 9-Growth Plan	-	-	1,00,00,000	10.09	-	-
TOTAL (A)		**1,353.18**		557.97		287.05
B] Other Investments						
Deposits (at amortised cost)						
• IL & FS Financial Services Ltd	-	-	-	10.90	-	10.00
TOTAL (B)		-		10.90	-	10.00
TOTAL [A+B]		**1,353.18**		568.87		297.05

(₹ in crores)

8 Trade Receivables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
• Secured, Considered good	**60.93**	56.40	48.96
• Unsecured, Considered good	**546.72**	494.31	457.05
• Considered doubtful	**27.15**	27.12	23.07
	634.80	577.83	529.08
Less: Allowance for doubtful debts	**27.15**	27.12	23.07
TOTAL	**607.65**	**550.71**	**506.01**

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

Ageing

	Expected credit loss
Within the credit period (in days)	
01-90	1.1%
91-180	37.0%
181-360	61.7%
>360	82.2%

(₹ in crores)

Movement in expected credit loss allowance

	For the year ended 31st March 2017	For the year ended 31st March 2016
Balance at beginning of the year	**27.12**	23.07
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**0.03**	4.05
Balance at end of the year	**27.15**	**27.12**

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

(₹ in crores)

9 Loans - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered good			
Loans and Advances to Employees & Others*	**4.40**	7.09	7.59
TOTAL	**4.40**	**7.09**	**7.59**

*Loans given for business purpose.

(₹ in crores)

10 Loans - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans and advances to related parties (refer Note a)			
Unsecured, Considered good	**7.75**	4.99	4.42
Considered doubtful	**0.33**	0.33	-
	8.08	5.32	4.42
Less: Allowance for doubtful debts	**0.33**	0.33	-
	7.75	4.99	4.42
Loans and Advances to Employees & Others*	**10.73**	10.54	10.52
TOTAL	**18.48**	15.53	14.94

*Loans given for business purpose.

a. Details of Loans and Advances to related parties are as follows:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Name of Party			
Vinyl Chemicals (India) Ltd	-	0.04	-
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	-	1.07	1.45
Pidilite MEA Chemicals L.L.C	**0.43**	1.13	0.29
Pidilite USA Inc	**0.19**	0.04	0.89
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**1.71**	1.32	0.76
Pidilite Bamco Ltd	**0.10**	0.16	0.02
Bamco Supply and Services Ltd	**0.02**	0.02	0.02
Pidilite Industries Egypt SAE	**0.97**	1.12	0.65
Pagel Concrete Technologies Pvt Ltd	**0.33**	0.33	0.33
PIL Trading (Egypt) Company	-	-	0.01
Pidilite Lanka (Pvt) Ltd	**0.29**	0.09	-
Building Envelope Systems India Ltd	**0.03**	-	-
Nitin Enterprises	**3.90**	-	-
Pargro Investments Pvt Ltd	**0.01**	-	-
Pidilite Chemical PLC	**0.10**	-	-
TOTAL	8.08	5.32	4.42

11 Other Financial Assets - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit	**11.78**	10.95	11.86
Fixed Deposits*	**0.50**	0.03	0.09
Other Receivables			
Unsecured, Considered good	-	-	1.74
Considered doubtful	**1.74**	1.74	-
	1.74	1.74	1.74
Less: Allowance for doubtful debts	**1.74**	1.74	-
	-	-	1.74
TOTAL	12.28	10.98	13.69
* Includes Fixed Deposit under lien.	**0.24**	0.03	0.08

(₹ in crores)

12 Other Financial Assets - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit			
Unsecured, Considered good	**1.45**	1.82	2.29
Considered doubtful	**0.49**	0.55	-
	1.94	2.37	2.29
Less: Allowance for doubtful debts	**0.49**	0.55	-
	1.45	1.82	2.29
Other Receivables	**3.55**	2.32	1.21
TOTAL	**5.00**	4.14	3.50

13 Cash and Cash Equivalents

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash and Cash Equivalents			
Cash on Hand	**0.10**	0.11	0.21
Cheques on Hand	**28.94**	17.75	19.79
Balance with banks			
In Current Account (refer Note a)	**8.06**	6.32	14.79
In EEFC Account	**8.70**	21.97	9.17
In Fixed Deposit Accounts with original maturity of 3 months or less	-	20.00	-
TOTAL	**45.80**	66.15	43.96
Cash and Cash Equivalents (As above)	**45.80**	66.15	43.96
Cash Credit Accounts (refer Note 21)	-	(1.12)	(5.78)
Cash and Cash Equivalents (As per Cash Flow Statements)	**45.80**	65.03	38.18
a. Balance with banks in Current Account includes debit balance of Cash Credit Accounts	**5.92**	3.89	3.23

14 Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance with banks			
In Current Account (balances with restriction on repatriation)	**0.50**	0.50	0.61
Other Bank Balance			
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**0.14**	1.48	0.42
In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (refer Note a)	**3.12**	1.99	2.77
Earmarked Account			
Dividend Payment Bank Account	**0.91**	2.13	1.20
TOTAL	**4.67**	6.10	5.00
a. Includes Fixed Deposit under lien.	**2.99**	2.56	2.23

(₹ in crores)

15 Inventories (at lower of cost and net realisable value)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw Material and Packing Material	**198.86**	145.70	176.22
Work-in-Progress	**53.07**	46.52	51.86
Finished Goods	**266.52**	266.62	271.07
Stock-in-Trade (acquired for trading)	**34.52**	32.55	31.67
Stores and Spares	**3.28**	2.81	3.90
TOTAL	**556.25**	494.20	534.72
Included above Goods-in-Transit			
Raw Material and Packing Material	**15.71**	3.87	6.99
Work-in-Progress	**2.28**	1.56	1.79
Finished Goods	**39.74**	24.84	35.99
Stock-in-Trade (acquired for trading)	**3.50**	1.23	1.75
TOTAL	**61.23**	31.50	46.52

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **2,262.14** crores (2015-2016: ₹ 2,282.22 crores)

b. The cost of inventories recognised as an expense includes ₹ **0.74** crores (2015-16: ₹ 0.36 crores) in respect of write-downs of inventory to net realisable value.

c. The mode of valuation of inventories has been stated in Note 2.14.

16 Current Tax Asset (net)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance Payment of Taxes (Net of Provisions ₹ 1,009.33 crores)	**36.47**	35.41	33.62
(Net of Provisions ₹ 975.5 crores & ₹ 676.82 crores as at 31st March 2016 & 1st April 2015)			
TOTAL	**36.47**	35.41	33.62

17 Other Non-Current Assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered good			
Capital Advances	**5.33**	5.89	25.73
Prepaid Expenses	**42.54**	21.75	21.32
Balance with Government Authorities*	**22.47**	20.78	22.45
Export Benefits receivable	-	-	4.95
TOTAL	**70.34**	48.42	74.45

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

(₹ in crores)

18 Others Current Assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Export Benefits receivable			
Unsecured, Considered good	**14.50**	12.20	3.43
Considered doubtful	**0.44**	0.25	-
	14.94	12.45	3.43
Less: Allowance for doubtful debts	**0.44**	0.25	-
	14.50	12.20	3.43
Balances with Government Authorities*			
Unsecured, Considered good	**29.47**	27.00	28.51
Considered doubtful	**0.06**	0.06	-
	29.53	27.06	28.51
Less: Allowance for doubtful debts	**0.06**	0.06	-
	29.47	27.00	28.51
Advances to vendors			
Unsecured, Considered good	**17.33**	13.55	16.36
Considered doubtful	**0.10**	0.15	-
	17.43	13.70	16.36
Less: Allowance for doubtful debts	**0.10**	0.15	-
	17.33	13.55	16.36
Prepaid Expenses	**8.49**	4.36	4.98
Others	**4.90**	0.17	0.08
TOTAL	**74.69**	**57.28**	**53.36**

* Includes input tax credit, VAT receivable, etc.

(₹ in crores)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
19 Equity Share Capital			
Authorised Capital:			
70,00,00,000 Equity Shares of ₹ 1 each	**70.00**	70.00	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31st March 2016 and 1st April 2015)			
TOTAL	**70.00**	**70.00**	**70.00**
Issued, Subscribed and Paid up Capital:			
51,26,82,730 Equity Shares of ₹ 1 each, fully paid up	**51.27**	51.27	51.27
(51,26,75,330 and 51,26,62,830 Equity Shares of ₹ 1 each as at 31st March 2016 and 1st April 2015)			
TOTAL	**51.27**	**51.27**	**51.27**

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

	Number of Shares	₹ in crores
Balance at 1st April 2015	51,26,62,830	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme 2012*	12,500	0.00
Balance at 31st March 2016	51,26,75,330	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme 2012*	7,400	0.00
Balance at 31st March 2017	**51,26,82,730**	**51.27**

*Issue of equity shares under Employee Stock Option Scheme 2012 amounts to ₹ 12,500 during the year 2015-16 and ₹ 7,400 during the year 2016-17.

b. **Terms/ Rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

The Board of Directors at its meeting held on 18th May 2017 declared a final dividend of ₹ 4.75 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting

During the year ended 31st March 2015, the Company paid the Final Dividend of ₹ 2.90 per equity share of ₹ 1 each for the financial year 2014-15.

During the year ended 31st March 2016, the Company had paid an Interim Dividend of ₹ 3.65 per equity share of ₹ 1 each and Final Dividend of ₹ 0.50 per equity share of ₹ 1 each for the financial year 2015-16.

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

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,33,27,568**	**10.40**	5,67,77,568	11.07	5,67,77,568	11.07
Shri Narendrakumar Kalyanji Parekh	**5,17,32,178**	**10.09**	5,33,32,178	10.40	5,38,32,178	10.50
Shri Ajay Balvantray Parekh	**4,79,22,844**	**9.35**	4,89,98,844	9.56	4,89,98,844	9.56
Shri Sushilkumar Kalyanji Parekh	**4,23,58,636**	**8.26**	4,23,58,636	8.26	4,23,58,636	8.26
Genesis Indian Investment Co Ltd - General Sub fund	-	-	3,34,87,289	6.53	3,94,53,809	7.70
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.12**	2,62,24,280	5.12	2,62,24,280	5.12

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Number of Shares	Number of Shares	Number of Shares
Equity Shares			
Allotted as fully paid bonus shares (in 2009-10)	-	-	25,30,67,306
Allotted on Conversion of FCCB (in 2011-12 and 2012-13)	**65,07,718**	65,07,718	65,07,718

e. The Company had issued on 6th December 2007, 400 Foreign Currency Convertible Bonds (FCCB) of US$100,000 each, which were convertible into Equity shares at any time upto 1st December 2012. The due date for redemption of FCCBs was 7th December 2012. As on 7th December 2012, the balance outstanding FCCBs aggregating 205 Bonds were redeemed by the Company.

f. Equity Shares reserved for issuance under Employee Stock Option Scheme/Plan:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Number of Shares	Number of Shares	Number of Shares
Equity shares of ₹ 1 each under Employee Stock Option Scheme 2012	**2,59,600**	2,67,000	2,79,500
Equity shares of ₹ 1 each under Employee Stock Option Plan 2016	**45,00,000**	45,00,000	-

(₹ in crores)

20 Other Equity

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Reserve	**0.34**	0.34	0.34
Securities Premium Reserve	**66.36**	65.96	65.65
Cash Subsidy Reserve	**0.95**	0.95	0.95
Share Options Outstanding Account	**11.01**	3.61	0.26
General Reserve	**1,764.70**	1,764.70	1,764.70
Retained Earnings	**1,504.72**	763.76	421.41
TOTAL	**3,348.08**	2,599.32	2,253.31

20.1 Capital Reserve

	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	**0.34**	0.34
Add/(Less): Additions/(Deductions) during the year	-	-
Closing Balance	**0.34**	0.34

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

20.2 Securities Premium Reserve

	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	**65.96**	65.65
Add: Premium on Shares issued against ESOP	**0.40**	0.31
Closing Balance	66.36	65.96

Security premium account is created when shares are issued at premium. The Group may issue fully paid-up bonus shares to its members out of the security premium reserve account and Company can use this reserve for buy-back of shares.

20.3 Cash Subsidy Reserve

	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	**0.95**	0.95
Add/(Less): Additions/(Deductions) during the year	-	-
Closing Balance	0.95	0.95

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

(₹ in crores)

20.4	Share Options Outstanding Account	As at 31st March 2017	As at 31st March 2016
	Employees Stock Options Outstanding		
	Balance at the beginning of the year	**12.31**	0.37
	Add: Options granted during the year	**4.73**	12.30
	Less: Transferred to Securities Premium on Options exercised during the year	**(0.40)**	(0.31)
	Less: Lapsed during the year	**(0.80)**	(0.05)
	Closing Balance (A)	**15.84**	12.31
	Deferred Employees Stock Options Cost		
	Balance at the beginning of the year	**(8.70)**	(0.11)
	Add: Options granted during the year	**(4.73)**	(12.30)
	Add: Exercised during the year	**0.33**	0.09
	Add: Amortised during the year	**7.56**	3.61
	Add: Lapsed during the year	**0.71**	0.01
	Closing Balance (B)	**(4.83)**	(8.70)
	Closing Balance (A-B)	**11.01**	3.61

20.5	General Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**1,764.70**	1,764.70
	Add: Transferred from Statement of Profit and Loss	-	-
	Closing Balance	**1,764.70**	1,764.70

The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income, items included in the General Reserve will not be reclassified subsequently to profit or loss.

20.6	Retained Earnings	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**763.76**	421.41
	Add: Profit for the year	**773.79**	746.72
	Less: Payment of Dividend	**(25.63)**	(335.79)
	Tax on Dividend Paid	**(5.22)**	(68.36)
	Other Comprehensive Income for the year, net of income tax	**(1.98)**	(0.22)
	Closing Balance	**1,504.72**	763.76

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

(₹ in crores)

21 Borrowings

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans repayable on demand from banks:			
Secured Working Capital Loan (Cash Credit Accounts)	-	1.12	5.78
TOTAL	-	1.12	5.78

These loans are repayable on demand and bearing an interest rate of 10-12% p.a. as at 31st March 2016 and 1st April 2015. Working Capital Loan from Banks (Cash Credit Accounts) are secured by way of first charge on the stock of Raw Material, Finished Goods, Packing Material, Stock in Process, Bills Receivable and Book Debts and by way of second charge on the entire Plant and Machinery of the Company including Stores and Spares. Further, these loans are secured by way of an Equitable Mortgage on the Land and Building of the Company's unit at Kondivita, Mumbai.

22 Trade Payables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises (refer Note 56)	**15.95**	9.39	14.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	**312.52**	306.94	279.12
TOTAL	328.47	316.33	293.33

23 Other Financial Liabilities - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Employee related liabilities	**1.68**	2.25	2.85
TOTAL	1.68	2.25	2.85

24 Provisions - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits:			
Compensated Absences	**23.09**	20.30	17.30
Anniversary Awards	**0.88**	0.81	0.76
Premature Death Pension Scheme	**0.86**	0.63	0.51
Total Disability Pension Scheme	**0.14**	0.12	0.11
TOTAL	24.97	21.86	18.68

(₹ in crores)

25 Provisions - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits			
Gratuity (net) (refer Note 43)	**2.65**	0.46	3.32
Compensated Absences	**9.99**	8.53	8.09
Anniversary Awards	**0.14**	0.13	0.10
Premature Death Pension Scheme	**0.01**	0.10	0.10
Total Disability Pension Scheme	**0.02**	0.02	0.02
TOTAL	**12.81**	9.24	11.63

26 Deferred Tax Liabilities (net)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Tax effect of items constituting Deferred Tax Assets (refer Note 48)	**(27.73)**	(22.62)	(20.07)
Tax effect of items constituting Deferred Tax Liabilities (refer Note 48)	**111.36**	97.98	71.42
TOTAL	**83.63**	75.36	51.35

27 Other Financial Liabilities - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unclaimed Dividend	**0.91**	1.69	0.75
Payables on purchase of fixed assets	**1.88**	2.87	7.25
Trade/ Security Deposit received	**83.78**	75.27	70.99
Liabilities for expenses	**259.41**	212.59	181.42
Employee related liabilities	**18.81**	16.96	24.10
Foreign Currency Forward Contract Liability	**0.87**	1.44	0.08
TOTAL	**365.66**	310.82	284.59

28 Other Current Liabilities

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Statutory remittances	**42.06**	43.25	32.79
Advance from customers	**11.43**	14.31	10.14
Other Liabilities	**9.59**	8.80	11.12
TOTAL	**63.08**	66.36	54.05

29 Current Tax Liabilities (net)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Tax (Net of Advance Tax ₹ 44.61 crores)	**15.93**	13.08	13.08
(Net of Advance Tax ₹ 86.33 crores as at 31st March 2016 & 1st April 2015)			
TOTAL	**15.93**	13.08	13.08

(₹ in crores)

30 Revenue from Operations

	For the year ended 31st March 2017	For the year ended 31st March 2016
Revenue From Operations		
Sale of Products		
Finished Goods	**4,873.08**	4,733.18
Traded Goods	**397.22**	301.81
TOTAL (A)	**5,270.30**	5,034.99
Other Operating Revenue		
Scrap Sales	**10.13**	11.63
Export Incentives	**15.50**	13.50
Others	**2.72**	2.94
TOTAL (B)	**28.35**	28.07
Revenue from operations (A+B)	**5,298.65**	5,063.06

31 Other Income

	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest on:		
Bank Deposit (at amortised cost)	**2.04**	0.29
Overdue Trade Receivables	**1.00**	1.67
Others	**0.50**	1.62
Dividend on:		
Current Investments (at FVTPL)	**7.15**	1.53
Long-term Investments in Associate (at cost)	**1.12**	1.12
Other Non-Operating Income:		
Windmill Income	**4.39**	4.42
Royalty & Technical Knowhow Income	**2.83**	2.64
Insurance claim received	-	0.07
Liabilities no longer required written back	**8.61**	1.59
Rental Income from Operating Leases	**2.35**	2.62
Net gain arising on financial assets designated at FVTPL	**76.47**	47.78
Miscellaneous Income	**3.64**	5.27
TOTAL	**110.10**	70.62

(₹ in crores)

32 Cost of Materials Consumed

	For the year ended 31st March 2017	For the year ended 31st March 2016
Inventory at the beginning of the year	**145.70**	176.22
Add: Purchases	**2,078.98**	2,028.99
	2,224.68	2,205.21
Less: Inventory at the end of the year	**198.86**	145.70
TOTAL	**2,025.82**	2,059.51

33 Change in Inventories of Finished Goods, Work in Progress and Stock-in-Trade

	For the year ended 31st March 2017	For the year ended 31st March 2016
Inventories at the end of the year		
Stock-in-Trade	**34.52**	32.55
Work-in-Progress	**53.07**	46.52
Finished Goods	**266.52**	266.62
(A)	**354.11**	345.69
Inventories at the beginning of the year		
Stock-in-Trade	**32.55**	31.67
Work-in-Progress	**46.52**	51.86
Finished Goods	**266.62**	271.07
(B)	**345.69**	354.60
TOTAL (B)-(A)	**(8.42)**	8.91
Increase / (Decrease) of Excise Duty on inventory of Finished Goods	**0.52**	9.13
TOTAL	**(7.90)**	18.04

34 Employee Benefits Expense

	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries and Wages	**466.15**	419.92
Contribution to Provident and Other Funds (refer Note 45)	**22.60**	20.52
Share-based payments to employees (refer Note 46)	**7.80**	3.66
Staff Welfare Expenses	**10.90**	13.06
TOTAL	**507.45**	457.16

35 Finance Costs

	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest expense on:		
Borrowings	**0.05**	0.10
Dealer Deposits & others	**5.63**	5.74
TOTAL	**5.68**	5.84

(₹ in crores)

36 Depreciation and Amortisation Expense

	For the year ended 31st March 2017	For the year ended 31st March 2016
Depreciation on Property, Plant and Equipment (refer Note 4)	**83.50**	81.06
Amortisation of Other Intangible Assets (refer Note 5)	**6.74**	6.76
TOTAL	**90.24**	87.82

37 Other Expenses

		For the year ended 31st March 2017	For the year ended 31st March 2016
Consumption of Stores and Spares		**17.02**	15.70
Clearing, Forwarding and Octroi Duty		**222.27**	219.56
Power and Fuel		**46.85**	42.25
Water Charges		**2.53**	2.26
Rent		**29.04**	29.29
Rates and Taxes		**3.94**	2.10
Insurance		**3.25**	2.93
License Fees		**0.39**	0.49
Repairs:			
Buildings	**8.99**		4.77
Machinery	**13.05**		9.90
Others	**11.67**		5.33
		33.71	20.00
Directors' Fees		**0.21**	0.12
Advertisement and Publicity		**170.14**	175.70
Legal, Professional and Consultancy Fees		**36.93**	46.50
Communication Expenses		**14.08**	14.45
Printing and Stationery		**4.27**	5.28
Travelling and Conveyance Expenses		**80.44**	79.92
Bad Debts		**1.47**	0.99
Allowance for Doubtful Debts		**0.53**	6.37
Processing and Packing Charges		**63.86**	67.05
Sales Commission		**6.68**	3.58
Payments to Auditor (refer Note 57)		**1.09**	0.93
Donations		**0.52**	0.41
Corporate Social Responsibility Expenses (refer Note 58)		**19.02**	13.05
Loss on disposal of Property, Plant and Equipment		**2.02**	2.28
Net Loss on Foreign Currency Transactions andTranslation		**3.96**	1.40
Miscellaneous Expenses		**106.68**	119.50
TOTAL		**870.90**	872.11

38 Exceptional Items

	For the year ended 31st March 2017	For the year ended 31st March 2016
Impairment in value of Investment in Subsidiary Companies	**94.34**	27.00
TOTAL	**94.34**	27.00

During the year, the Company has made an assessment of the fair value of investments made in its subsidiaries taking into account the past business performance, prevailing business conditions and revised expectations of the future performance given the understanding built up since acquisition. Based on the above factors and valuation obtained from independent valuer, the Company has recognised impairment loss in the value of investments made in Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda ₹ 55.50 crores, Pidilite Middle East Ltd ₹ 38 crores and Pagel Concrete Technologies Pvt Ltd ₹ 0.84 crores.

(₹ in crores)

39 Contingent Liabilities and Commitments

			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
A)	**Contingent liabilities not provided for:**				
1.	Claims against the Company not acknowledged as debts comprise of:				
	a)	Income tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal	**20.04**	20.04	13.33
	b)	Excise Duty claims disputed by the Company relating to issues of classifications	**9.24**	8.33	2.53
	c)	Sales Tax claims disputed by the Company relating to issues of declaration forms and classifications.	**169.38**	143.79	66.27
	d)	Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)	**2.73**	2.37	3.16
2.	a)	Guarantees given by Banks in favour of Government and others*	**29.44**	36.65	20.14
	b)	Guarantees given by Company in favour of Subsidiaries to Banks*			
		Pidilite USA Inc	-	13.26	37.57
		Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	**15.55**	20.55	15.03
		Pidilite Bamco Ltd	**2.79**	2.85	9.80
		Pidilite MEA Chemicals L.L.C	**35.29**	36.10	9.03
		Pidilite Lanka (Pvt) Ltd	**15.62**	15.98	-
		Bamco Supply and Services Ltd	**0.94**	0.96	1.92
		Pidilite Industries Egypt SAE	**2.59**	-	-
	TOTAL		72.78	89.70	73.35

*Guarantee given are for business purpose.

B)	**Commitments:**				
	a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of Property, Plant & Equipment and not provided for	**27.67**	18.63	43.56
40		The net amount of exchange differences (credited) / debited to Statement of Profit and Loss	**3.96**	1.40	2.46

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

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

	Name of the Companies	As at 31st March 2017			As at 31st March 2016	
		Relationship	Amount Outstanding	Maximum Balance Outstanding during the year	Amount Outstanding	Maximum Balance Outstanding during the year
i)	Pagel Concrete Technologies Pvt Ltd	**Subsidiary**	**0.33**	**0.33**	0.33	0.33

Notes:

a) Loans and Advances shown above, fall under the category of 'Loans & Advances' in the nature of loans where there is no repayment schedule and re-payable on demand.

b) Loans and Advances referred above are not bearing any interest and have been fully provided for.

42 Segment information

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

(₹ in crores)

Business Segments	Year 2016-17				Year 2015-16			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Revenue								
Segment Revenue	**4,368.63**	**963.37**	**49.03**	**5,381.03**	4,166.87	945.96	46.47	5,159.30
Less: Inter Segment Revenue (at cost plus fixed margin)	**1.73**	**80.65**	-	**82.38**	3.30	92.88	0.06	96.24
Net Revenue	**4,366.90**	**882.72**	**49.03**	**5,298.65**	4,163.57	853.08	46.41	5,063.06
Revenue								
India				**4,817.72**				4,610.61
Outside India				**480.93**				452.45
Segment Result	**1,246.95**	**165.25**	**(4.06)**	**1,408.14**	1140.95	155.43	(1.50)	1294.88
Unallocable Expenses				**(293.56)**				(242.53)
Unallocable Income				**24.01**				16.76
Operating Income				**1,138.59**				1069.11
Interest Expenses				**(5.68)**				(5.84)
Interest / Dividend Income				**11.81**				6.23
Profit Before Tax				**1,144.72**				1,069.50
Tax Expense				**(370.93)**				(322.78)
Profit for the year				**773.79**				746.72
Other Comprehensive Income				**(1.98)**				(0.22)
Total Comprehensive Income				**771.81**				746.50
The above includes:								
Depreciation and Amortisation (allocable)	**46.03**	**13.55**	**2.25**	**61.83**	43.73	12.82	1.80	58.35
Depreciation and Amortisation (unallocable)				**28.41**				29.47
Capital Expenditure (including Capital Work-in-Progress) (allocable)	**71.68**	**21.70**	**0.56**	**93.94**	76.97	22.39	2.38	101.74
Capital Expenditure (unallocable)				**4.15**				32.57

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

Segment Assets & Liabilities	31st March 2017				31st March 2016				1st April 2015			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Segment Assets	**1,530.57**	**426.39**	**40.74**	**1,997.70**	1,413.83	388.02	38.71	1,840.56	1381.74	388.25	45.39	1,815.38
Unallocable Assets				**2,297.88**				1,626.45				1,224.54
Total Assets				**4,295.58**				3,467.01				3,039.92
India				**4,191.00**				3,367.97				2,936.21
Outside India				**104.58**				99.04				103.71
Segment Liabilities	**568.33**	**151.59**	**8.19**	**728.11**	532.62	151.21	4.78	688.61	479.47	141.52	6.03	627.02
Unallocable Liabilities				**168.12**				127.81				108.32
Total Liabilities				**896.23**				816.42				735.34
Other Information												
Capital Employed				**3,399.35**				**2,650.59**				**2,304.58**

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

(₹ in crores)

43 Earnings Per Share (EPS)

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

	As at 31st March 2017	As at 31st March 2016
Basic:		
Profit for the year (₹ in crores)	**773.79**	746.72
Weighted average number of equity shares in calculating basic EPS	**51,26,75,918**	51,26,67,202
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**15.09**	14.57
Diluted:		
Profit for the year (₹ in crores)	**773.79**	746.72
Weighted average number of equity shares in calculating basic EPS	**51,26,75,918**	51,26,67,202
Add: Effect of Employee Stock Option	**276,900**	233,800
Weighted average number of equity shares in calculating diluted EPS	**51,29,52,818**	51,29,01,002
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**15.09**	14.56

44 Related Party Disclosures

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

(i)	**Relationships:**		
	a.	Nitin Enterprises	Subsidiary
	b.	Fevicol Company Ltd	Subsidiary
	c.	Bhimad Commercial Company Pvt Ltd	Subsidiary
	d.	Madhumala Traders Pvt Ltd	Subsidiary
	e.	Pagel Concrete Technologies Pvt Ltd	Subsidiary
	f.	Building Envelope Systems India Ltd	Subsidiary
	g.	Percept Waterproofing Services Ltd	Subsidiary
	h.	Hybrid Coatings	Subsidiary
	i.	Nina Waterproofing Systems Pvt Ltd	Subsidiary
	j.	Pidilite International Pte Ltd	Subsidiary
	k.	Pidilite Middle East Ltd	Subsidiary
	l.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Subsidiary
	m.	Pidilite USA Inc	Subsidiary
	n.	Pidilite MEA Chemicals L.L.C	Subsidiary
	o.	PT Pidilite Indonesia	Subsidiary
	p.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Subsidiary
	q.	Pidilite Innovation Centre Pte Ltd	Subsidiary
	r.	Pidilite Industries Egypt SAE	Subsidiary
	s.	Pidilite Bamco Ltd	Subsidiary
	t.	Bamco Supply and Services Ltd	Subsidiary
	u.	PIL Trading (Egypt) Company	Subsidiary
	v.	Pidilite Industries Trading (Shanghai) Co Ltd	Subsidiary
	w.	Pidilite Chemical PLC	Subsidiary
	x.	Pidilite Lanka (Pvt) Ltd	Subsidiary
	y.	ICA Pidilite Pvt Ltd (formerly known as Wood Coat Pvt Ltd)	Subsidiary
	z.	Building System Solution Trading Limited Liability Company	Subsidiary
	aa.	Nebula East Africa Pvt Ltd	Subsidiary
	ab.	Nina Lanka Construction Technologies (Pvt) Ltd	Subsidiary
	ac.	Vinyl Chemicals (India) Ltd	Associate
	ad.	Parekh Marketing Ltd	Significant Influence
	ae.	Kalva Marketing and Services Ltd	Significant Influence
	af.	Pargro Investments Pvt Ltd	Significant Influence
	ag.	Plus Call Technical Services L.L.C	Joint Venture
(ii)	**Key Management Personnel:**		
	a.	Shri M B Parekh	Executive Chairman
	b.	Shri Bharat Puri	Managing Director
	c.	Shri A B Parekh	Whole Time Director
	d.	Shri A N Parekh	Whole Time Director
	e.	Shri N K Parekh (Joint Managing Director upto 31st March 2015)	Non-Executive Vice Chairman
	f.	Shri Sabyasachi Patnaik	Whole Time Director
	g.	Shri J L Shah (Upto 19th May 2015)	Whole Time Director
(iii)	**Close member of Key Management Personnel:**		
	a.	Smt. Mala M Parekh	Wife of Executive Chairman

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2017 are as follows:

	Nature of Transaction	Remuneration/ Commission to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Nitin Enterprises	Fevicol Company Ltd	Bhimad Commercial Company Pvt Ltd	Madhumala Traders Pvt Ltd	Pagel Concrete Technologies Pvt Ltd
a.	Sales and Related Income		**82.67**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(83.75)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
b.	Other Income		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
c.	Purchases and Other Related Services		**NIL**	**282.45**	**26.88**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(286.69)	(33.49)	(NIL)	(NIL)	(NIL)	(NIL)
d.	Remuneration /Commission to Directors:								
	- Shri M B Parekh	**3.78**							
		(3.54)							
	- Shri N K Parekh	**NIL**							
		(1.27)							
	- Shri Bharat Puri	**12.73**							
		(11.89)							
	- Shri A B Parekh	**5.68**							
		(4.97)							
	- Shri A N Parekh	**4.81**							
		(4.35)							
	- Shri J L Shah	**NIL**							
		(0.10)							
	- Shri Sabyasachi Patnaik	**2.25**							
		(1.79)							
	Total Remuneration/ Commission	**29.25**							
		(27.91)							
e.	Investment in Share Capital		**NIL**	**NIL**	**NIL**	**1.62**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets		**0.16**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
g.	Sale of Fixed Assets		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Advance paid		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.03)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
i.	Rent Paid / (Received)		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
j.	Reimbursement of expenses made		**0.02**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.03)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
k.	Reimbursement of expenses received		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
l.	Diminution in value of Investment		NIL	NIL	NIL	**NIL**	**NIL**	**NIL**	**0.84**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Allowance for doubtful debts		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**0.33**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.33)
n.	Corporate guarantee given to bank		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
o.	Outstanding Balances:								
	- Debtors		**13.98**	NIL	**3.90**	**NIL**	**NIL**	**NIL**	**0.33**
			(14.46)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.33)
	- Creditors		**0.01**	**20.66**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(14.58)	(1.33)	(NIL)	(NIL)	(NIL)	(NIL)
	- Net Outstanding Receivable/(Payable)		**13.97**	**(20.66)**	**3.90**	**NIL**	**NIL**	**NIL**	**0.33**
			(14.46)	((14.58))	((1.33))	(NIL)	(NIL)	(NIL)	(0.33)

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2017 are as follows:

	Nature of Transaction	Pidilite International Pte Ltd	Pidilite Middle East Ltd	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Pidilite USA Inc	Pidilite MEA Chemicals L.L.C	PT Pidilite Indonesia	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Pidilite Innovation Centre Pte Ltd
a.	Sales and Related Income	**NIL**	**NIL**	**NIL**	**0.17**	**45.90**	**NIL**	**12.94**	**0.30**
		(NIL)	(NIL)	(NIL)	(7.69)	(46.97)	(NIL)	(15.10)	(0.61)
b.	Other Income	**NIL**	**NIL**	**NIL**	**0.03**	**0.70**	**NIL**	**1.70**	**0.01**
		(NIL)	(NIL)	(NIL)	(0.13)	(0.47)	(NIL)	(1.47)	(0.01)
c.	Purchases and Other Related Services	**0.19**	**NIL**	**NIL**	**6.27**	**NIL**	**0.36**	**NIL**	**7.01**
		(0.26)	(NIL)	(NIL)	(5.59)	(NIL)	(0.55)	(NIL)	(7.37)
d.	Remuneration /Commission to Directors:								
	- Shri M B Parekh								
	- Shri N K Parekh								
	- Shri Bharat Puri								
	- Shri A B Parekh								
	- Shri A N Parekh								
	- Shri J L Shah								
	- Shri Sabyasachi Patnaik								
e.	Investment in Share Capital	**NIL**	**8.01**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(8.60)	(19.92)	(12.73)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**0.04**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(0.29)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
g.	Sale of Fixed Assets	**NIL**	**NIL**	**0.15**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Advance paid	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
i.	Rent Paid / (Received)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
j.	Reimbursement of expenses made	**NIL**	**NIL**	**NIL**	**0.48**	**5.07**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(0.74)	(4.08)	(NIL)	(NIL)	(0.06)
k.	Reimbursement of expenses received	**NIL**	**NIL**	**NIL**	**1.11**	**0.29**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(0.96)	(0.33)	(NIL)	(NIL)	(NIL)
l.	Diminution in value of Investment	**NIL**	**38.00**	**55.50**	NIL	NIL	**NIL**	NIL	NIL
		(NIL)	(NIL)	(27.00)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Allowance for doubtful debts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
n.	Corporate guarantee given to bank	**NIL**	**NIL**	**15.55**	**NIL**	**35.79**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(20.55)	(13.26)	(36.10)	(NIL)	(NIL)	(NIL)
o.	Outstanding Balances:								
	- Debtors	**NIL**	**NIL**	**NIL**	**1.38**	**15.21**	**NIL**	**3.83**	**0.16**
		(NIL)	(NIL)	(1.07)	(3.17)	(17.23)	(NIL)	(3.00)	(0.45)
	- Creditors	**0.03**	**NIL**	**NIL**	**0.74**	**0.04**	**0.04**	**NIL**	**0.60**
		(0.13)	(NIL)	(NIL)	(3.57)	(NIL)	(0.03)	(NIL)	(1.10)
	- Net Outstanding Receivable/(Payable)	**(0.03)**	**NIL**	**NIL**	**0.64**	**15.17**	**(0.04)**	**3.83**	**(0.44)**
		((0.13))	(NIL)	(1.07)	((0.40))	(17.23)	((0.03))	(3.00)	((0.65))

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2017 are as follows:

	Nature of Transaction	Pidilite Industries Egypt SAE	Pidilite Bamco Ltd	Bamco Supply and Services Ltd	Pidilite Industries Trading (Shanghai) Co Ltd	PIL Trading (Egypt) Company	Building Envelope Systems India Ltd	Percept Water-proofing Services Ltd	Hybrid Coatings
a.	Sales and Related Income	**5.31**	**0.03**	**NIL**	**NIL**	**1.95**	**NIL**	**18.22**	**NIL**
		(5.05)	(NIL)	(NIL)	(NIL)	(3.30)	(0.33)	(13.75)	(NIL)
b.	Other Income	**0.63**	**0.26**	**0.10**	**NIL**	**NIL**	**0.07**	**NIL**	**0.07**
		(0.81)	(0.30)	(0.07)	(NIL)	(NIL)	(NIL)	(0.01)	(0.07)
c.	Purchases and Other Related Services	**NIL**	**NIL**	**NIL**	**0.37**	**NIL**	**6.53**	**NIL**	**12.08**
		(NIL)	(NIL)	(NIL)	(1.14)	(NIL)	(5.29)	(NIL)	(8.87)
d.	Remuneration /Commission to Directors:								
	- Shri M B Parekh								
	- Shri N K Parekh								
	- Shri Bharat Puri								
	- Shri A B Parekh								
	- Shri A N Parekh								
	- Shri J L Shah								
	- Shri Sabyasachi Patnaik								
e.	Investment in Share Capital	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(0.09)	(NIL)	(NIL)	(NIL)	(NIL)	(6.45)	(NIL)	(NIL)
f.	Purchase of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
g.	Sale of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Advance paid	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
i.	Rent Paid / (Received)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
j.	Reimbursement of expenses made	**0.04**	**0.25**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.04)	(NIL)
k.	Reimbursement of expenses received	**NIL**	**0.03**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
l.	Diminution in value of Investment	NIL	NIL	NIL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Allowance for doubtful debts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
n.	Corporate guarantee given to bank	**2.59**	**2.79**	**0.94**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(2.85)	(0.96)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
o.	Outstanding Balances:								
	- Debtors	**5.97**	0.12	**0.02**	**NIL**	**3.42**	**0.33**	**11.87**	**NIL**
		(4.64)	(0.16)	(0.02)	(NIL)	(2.78)	(0.33)	(8.40)	(NIL)
	- Creditors	**NIL**	**NIL**	**NIL**	**0.54**	**0.10**	**0.13**	**NIL**	**0.68**
		(NIL)	(NIL)	(NIL)	(0.19)	(0.10)	(0.10)	(NIL)	(0.31)
	- Net Outstanding Receivable/(Payable)	**5.97**	**0.12**	**0.02**	**(0.54)**	**3.32**	**0.20**	**11.87**	**(0.68)**
		(4.64)	(0.16)	(0.02)	((0.19))	(2.68)	(0.23)	(8.40)	((0.31))

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2017 are as follows:

	Nature of Transaction	Pidilite Chemical PLC	Nina Water-proofing Systems Pvt Ltd	ICA Pidilite Pvt Ltd	Pidilite Lanka (Pvt) Ltd	Plus Call Technical Services L.L.C	Building System Solution Trading WLL	Pargro Invest-ment Pvt Ltd	Mala M Parekh	Total
a.	Sales and Related Income	**NIL**	**30.52**	**NIL**	**8.89**	**NIL**	**NIL**	**NIL**	**NIL**	**206.90**
		(NIL)	(11.93)	(NIL)	(5.36)	(NIL)	(NIL)	(NIL)	(NIL)	(193.84)
b.	Other Income	**NIL**	**NIL**	**NIL**	**0.17**	**NIL**	**NIL**	**NIL**	**NIL**	**3.74**
		(NIL)	(NIL)	(NIL)	(0.09)	(NIL)	(NIL)	(NIL)	(NIL)	(3.43)
c.	Purchases and Other Related Services	**0.22**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**342.36**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(349.25)
d.	Remuneration /Commission to Directors:									
	- Shri M B Parekh									**3.78**
										(3.54)
	- Shri N K Parekh									**NIL**
										(1.27)
	- Shri Bharat Puri									**12.73**
										(11.89)
	- Shri A B Parekh									**5.68**
										(4.97)
	- Shri A N Parekh									**4.81**
										(4.35)
	- Shri J L Shah									**NIL**
										(0.10)
	- Shri Sabyasachi Patnaik									**2.25**
										(1.79)
	Total Remuneration									**29.25**
										(27.91)
e.	Investment in Share Capital	**NIL**	**NIL**	**78.85**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**88.48**
		(NIL)	(61.13)	(0.01)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(108.93)
f.	Purchase of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**0.20**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.29)
g.	Sale of Fixed Assets	**NIL**	**NIL**	**9.90**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**10.05**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Advance paid	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.03)
i.	Rent Paid / (Received)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**(0.02)**	**0.66**	**0.64**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.62)	(0.62)
j.	Reimbursement of expenses made	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**5.86**
		(NIL)	(NIL)	(NIL)	(0.06)	(NIL)	(NIL)	(NIL)	(NIL)	(5.03)
k.	Reimbursement of expenses received	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**1.43**
		(NIL)	(NIL)	(NIL)	(0.12)	(NIL)	(NIL)	(NIL)	(NIL)	(1.41)
l.	Diminution in value of Investment	**NIL**	**NIL**	NIL	NIL	**NIL**	**NIL**	**NIL**	NIL	94.34
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(27.00)
m.	Allowance for doubtful debts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**0.33**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.33)
n.	Corporate guarantee given to bank	**NIL**	**NIL**	**NIL**	**15.62**	**NIL**	**NIL**	**NIL**	**NIL**	**72.78**
		(NIL)	(NIL)	(NIL)	(15.98)	(NIL)	(NIL)	(NIL)	(NIL)	(89.70)
o.	Outstanding Balances:									
	- Debtors	**0.10**	**22.32**	**NIL**	**5.02**	**NIL**	**NIL**	**0.01**	**NIL**	**87.97**
		(NIL)	(9.44)	(NIL)	(3.64)	(NIL)	(NIL)	(NIL)	(NIL)	(69.12)
	- Creditors	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**23.57**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(21.44)
	- Net Outstanding Receivable/(Payable)	**0.10**	**22.32**	**NIL**	**5.02**	**NIL**	**NIL**	**0.01**	**NIL**	**64.40**
		(NIL)	(9.44)	(NIL)	(3.64)	(NIL)	(NIL)	(NIL)	(NIL)	(47.68)

(₹ in crores)

v) Compensation of key management personnel of the Company:

	For the year ended 31st March 2017	For the year ended 31st March 2016
Short-term employee benefits	**29.24**	27.91
Share-based payments	**0.01**	-
TOTAL	**29.25**	**27.91**

45 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined Contribution Plans

- Employers' Contribution to Employees' State Insurance

- Employers' Contribution to Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

(₹ in crores)

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

	For the year ended 31st March 2017	For the year ended 31st March 2016
(i) Contribution to Provident Fund	**10.50**	9.39
(ii) Contribution to Employees' Superannuation Fund	**0.89**	0.67
(iii) Contribution to Employees' State Insurance Scheme	**0.50**	0.33
(iv) Contribution to Employees' Pension Scheme 1995	**6.24**	5.98
(v) Contribution to National Pension Scheme	**0.61**	0.44
TOTAL	**18.74**	**16.81**

(B) Defined Benefit Plans

(a) Gratuity

(b) Compensated Absences

(c) Anniversary Awards

(d) Premature Death Pension Scheme

(e) Total Disability Pension Scheme

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

		Valuations as at		
		31st March 2017	31st March 2016	1st April 2015
(i)	Discount Rate (per annum)	**7.10%**	7.75%	7.75%
(ii)	Rate of increase in Compensation levels (per annum)	**6.50%**	6.50%	6.50%
(iii)	Expected Rate of Return on Assets	**7.10%**	7.75%	7.75%
(iv)	Attrition Rate	**upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%**	upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%	upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%
(v)	Retirement Age	**60 years**	60 years	60 years
(vi)	The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.			
(vii)	The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.			
(viii)	The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.			
	Gratuity fund asset is managed by Life Insurance Corporation of India and Pidilite has funding ratio of 95% (i.e. asset over liability ratio of 95%), which is on the top 5% when compared to other companies, there is no material risk of the Company unable to meet the Gratuity payments. Also as the fund is set up as a trust, the monies as a part of the trust will not flow back into the company until the last employee of the trust is paid.			

Note on other risks:

1 **Investment risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

2 **Interest Risk –** LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

3 **Longevity Risk –** Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non-risk.

4 **Salary risk** - The liability is calculated taking into account the salary increases, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

		31st March 2017	31st March 2016
		Gratuity Funded	Gratuity Funded
(i)	**Changes in Present value of Obligation**		
1	Present value of defined benefit obligation at the beginning of the year	**49.24**	46.16
2	Current Service Cost	**4.23**	3.86
3	Interest Cost	**3.41**	3.16
4	**Actuarial (Gains)/Loss**		
	Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
	Actuarial (gains)/ losses arising from changes in financial assumption	**1.97**	-
	Actuarial (gains)/ losses arising from changes in experience adjustment	**1.07**	0.65
5	Past Service cost	-	-
6	Benefits Paid	**(2.57)**	(4.59)
7	Present value of defined benefit obligation at the end of the year	**57.35**	49.24
(ii)	**Changes in Fair value of Plan Assets**		
1	Fair value of plan assets at the beginning of the year	**48.78**	42.84
2	Expected Return on Plan Assets	**3.78**	3.32
3	Actuarial Gain/(Loss)	**0.25**	0.34
4	Employer's Contributions	**4.46**	6.87
5	Benefits Paid	**(2.57)**	(4.59)
6	Fair value of plan assets at the end of the year	**54.70**	48.78

(₹ in crores)

		31st March 2017 Gratuity Funded	31st March 2016 Gratuity Funded
(iii)	**Net Benefit (Asset) /Liability**		
1	Defined benefit obligation	**57.35**	49.24
2	Fair value of plan assets	**54.70**	48.78
3	Net Benefit (Asset) /Liability	**2.65**	0.46
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
1	Current Service Cost	**4.23**	3.86
2	Interest cost on benefit obligation (net)	**(0.37)**	(0.16)
3	Total Expenses recognised in the Statement of Profit and Loss	**3.86**	3.70
(v)	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**		
1	Actuarial (gains)/ losses arising from changes in demographic assumption	**-**	-
2	Actuarial (gains)/ losses arising from changes in financial assumption	**1.97**	-
3	Actuarial (gains)/ losses arising from changes in experience adjustment	**1.07**	0.65
4	Return on plan asset	**(0.25)**	(0.34)
5	Recognised in Other Comprehensive Income	**2.79**	0.31

		For the year ended 31st March 2017	For the year ended 31st March 2016
(vi)	**Sensitivity Analysis**		
	Defined Benefit Obligation		
	Discount Rate		
	a Discount Rate - 100 basis points	**60.68**	52.01
	b Discount Rate + 100 basis points	**54.37**	46.76
	Salary Increase Rate		
	a Rate - 100 basis points	**54.33**	46.71
	b Rate + 100 basis points	**60.66**	52.02

Note on Sensitivity Analysis

1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

3 There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

46 Employee Stock Option Scheme

a) **Details of Employee Share Options**

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

The ESOS 2012 allows the issue of options to Eligible Employees of the Company. Each option comprises one underlying equity share. The exercise price of each option shall be ₹ 1/- per equity share. The options vest in the manner as specified in ESOS 2012. Options may be exercised within 5 years from the date of vesting.

ESOP 2016 covering grant of 45,00,000 options (including 2,50,000 options to be granted to Eligible Employees / Directors of the subsidiary Companies) was approved by the shareholders through Postal Ballot. Result of the Postal Ballot was declared on 2nd April 2016. Each option comprises one underlying equity share. The exercise price shall be ₹ 1/- per option or such other higher price as may be fixed by the Board or Committee. Options to be granted under the Plan shall vest not earlier than one year but not later than a maximum of six years from the date of grant of such options. In the case of Eligible Employee who has not completed 3 years of employment as on date of the grant of options then the options which are due for Vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the Employee concerned or as may be approved by the Nomination and Remuneration Committee. Vested Options will have to be exercised within 3 years from the date of respective vesting.

The following share based payment arrangements were in existence during the current & prior years:

	Option Series	Number	Grant date	Expiry date	Exercise price (₹)	Fair value (₹)
1	Granted on 27th July 2015-ESOS 2012	1,00,000	27.07.2015	10.04.2017	1.00	521.11
		1,00,000	27.07.2015	10.04.2018	1.00	521.11
2	Granted on 29th January 2016-ESOS 2012	14,400	29.01.2016	29.01.2017	1.00	532.20
		14,400	29.01.2016	29.01.2018	1.00	532.20
		2,500	29.01.2016	29.01.2018	1.00	525.01
		2,500	29.01.2016	29.01.2019	1.00	525.01
3	Granted on 29th July 2016-ESOS 2012	6,000	29.07.2016	29.07.2017	1.00	722.31
		9,000	29.07.2016	29.07.2018	1.00	722.31
4	Granted on 29th July 2016-ESOP 2016	23,600	29.07.2016	29.07.2017	1.00	730.61
		23,600	29.07.2016	29.07.2018	1.00	730.61
5	Granted on 9th November 2016-ESOS 2012	1,500	09.11.2016	09.11.2017	1.00	661.86
		1,500	09.11.2016	09.11.2018	1.00	661.86

b) **Fair value of share options granted**

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

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

c) Movements in share options during the year

Particulars	During the year ended 31st March 2017		During the year ended 31st March 2016	
	Options (Nos)	Weighted average exercise price per option (₹)	Options (Nos)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOS 2012	**2,33,800**	**₹ 1**	14,500	₹ 1
Granted during the year				
- ESOS 2012	**18,000**	**₹ 1**	2,33,800	₹ 1
- ESOP 2016**	**47,200**	**₹ 1**	-	₹ 1
Vested during the year - ESOS 2012*	**7,400**	**₹ 1**	12,500	₹ 1
Exercised during the year - ESOS 2012*	**7,400**	**₹ 1**	12,500	₹ 1
Lapsed during the year***				
- ESOS 2012 (granted on 29th January 2016)	**14,000**	**₹ 1**	2,000	**₹ 1**
- ESOP 2016 (granted on 29th July 2016)	**700**	**₹ 1**	-	**₹ 1**
Options outstanding at the end of the year				
- ESOS 2012	**2,30,400**	**₹ 1**	2,33,800	**₹ 1**
- ESOP 2016	**46,500**	**₹ 1**	-	**₹ 1**
Options available for grant:				
- ESOS 2012	**29,200**	**₹ 1**	33,200	**₹ 1**
- ESOP 2016	**44,53,500**	**₹ 1**	-	**₹ 1**
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 676.25**		₹ 569.00
Range of exercise price for options outstanding at the end of the year		**₹ 1**		₹ 1

*ESOS 2012 granted on 29th January 2016; vested on 29th January 2017; allotted on 3rd March 2017

**Includes 4,700 Options granted to the Eligible Employees of the subsidiary Companies.

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

47 Financial Instruments

(A) Capital Management

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

(B) Categories of financial instruments

(₹ in crores)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial Assets			
Measured at fair value through profit or loss (FVTPL)			
Investments in Mutual funds/ Other Investments	**1,366.39**	659.73	366.27
Foreign exchange forward contracts	**0.03**	-	0.01
Measured at amortised cost			
Investments in Deposits	-	10.90	10.00
Trade Receivables	**607.65**	550.71	506.01
Cash and Cash Equivalents	**45.80**	66.15	43.96
Bank balances other than (iii) above	**4.67**	6.10	5.00
Loans	**22.88**	22.62	22.53
Other Financial Assets	**17.25**	15.12	17.18
Total Financial Assets	**2,064.67**	1,331.33	970.96
Financial Liabilities			
Measured at fair value through profit or loss (FVTPL)			
Foreign exchange forward contracts	**0.87**	1.44	0.07
Measured at amortised cost (including trade payables)			
Borrowings	-	1.12	5.78
Trade Payables	**328.47**	316.33	293.33
Other Financial Liabilities	**366.47**	311.63	287.37
Total Financial Liabilities	**695.81**	630.52	586.55

(C) Financial risk management objectives

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

(D) Market risk

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

(E) Foreign currency sensitivity analysis

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

	Foreign Currency Exposure (in FC)			Foreign Currency Exposure (₹ in crores)		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Amounts recoverable / (advance) in foreign currency on account of the following:						
EUR	**16,95,381.40**	14,37,019.99	9,44,516.49	11.73	10.78	6.39
GBP	-	-	(6,785.00)	-	-	(0.06)
USD	**1,29,92,875.98**	1,26,09,669.56	1,44,40,508.34	84.21	83.60	90.41
ZAR	-	(59,733.18)	41,593.82	-	(0.03)	0.02
Amounts (payable) / advance in foreign currency on account of the following:						
AED	**1,42,373.74**	1,04,756.68	50,210.96	0.25	0.19	0.09
AUD	**13,244.00**	12,100.00	49,915.00	0.07	0.06	0.24
BDT	**16,71,266.40**	16,94,341.40	27,07,360.66	0.14	0.14	0.22
BRL	-	2,49,143.28	2,49,143.28	-	0.46	0.48
CHF	**1,639.35**	1,639.35	37,185.15	0.01	0.01	0.24
EGP	**3,250.00**	950.00	(1,09,066.97)	-	0.00	(0.09)
EUR	**(5,56,547.82)**	(2,11,805.94)	7,08,378.17	(3.85)	(1.59)	4.79
GBP	**1,100.62**	44,740.00	(29,873.64)	0.01	0.43	(0.28)
GHC	-	-	(34,153.21)	-	-	(0.06)
JPY	-	(16,05,000.00)	5,58,000.00	-	(0.09)	0.03
SGD	**(1,30,826.34)**	(2,26,510.08)	(2,32,765.13)	(0.61)	(1.11)	(1.06)
USD	**(83,87,142.31)**	(70,25,288.53)	(61,18,087.66)	(54.36)	(46.58)	(38.31)
ZAR	**2,760.17**	1,00,103.69	83,985.69	-	0.04	0.04

(i) Foreign currency sensitivity analysis

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

	USD impact	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Impact on profit or loss for the year (a)	**0.28**	0.24
	EUR impact	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Impact on profit or loss for the year (b)	**1.98**	1.69

(i) This is mainly attributable to the exposure outstanding on USD receivables and payables at the end of the reporting period.

(ii) This is mainly attributable to the exposure to outstanding Euro receivables and payables at the end of the reporting period.

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

(ii) Forward foreign exchange contracts

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

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

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

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

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

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

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period

Outstanding contracts	Average exchange rates (₹)			Foreign Currency		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
USD - Buy	**64.81**	66.30	62.61	**61,25,128.00**	69,00,000.00	41,49,388.75
EUR - Sell	**69.18**	75.02	-	**2,45,263.85**	79,848.60	-
Outstanding contracts	**Nominal Amounts (₹ in crores)**			**Fair value assets / (Liabilities) (₹ in crores)**		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
USD - Buy	**39.70**	45.75	25.98	**(0.87)**	(1.43)	(0.06)
EUR - Sell	**1.70**	0.60	-	**0.03**	(0.01)	-
TOTAL				(0.84)	(1.44)	(0.06)

The line-items in the financial statements that include the above hedging instruments are "Other Financial Assets" and "Other Financial Liabilities".

At 31st March 2017, the aggregate amount of loss under forward foreign exchange contracts recognised in the Statement of Profit and Loss is ₹ 0.60 crores (₹ 1.38 crores as at 31st March 2016). Aggregate amount of loss in reserves is ₹ 0.06 crores as at 1st April 2015.

(F) Credit risk management

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

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

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

(G) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(i) Liquidity risk tables

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

(₹ in crores)

	Less than 1 year	1-5 years	Total	Carrying Amount
As at 31st March 2017				
Non-interest bearing				
Trade Payables	**328.47**	-	**328.47**	**328.47**
Other Financial Liabilities	**281.01**	**1.68**	**282.69**	**282.69**
	609.48	**1.68**	**611.16**	**611.16**
Fixed interest rate instruments				
Trade/ Security Deposit received	**83.78**	-	**83.78**	**83.78**
Derivative financial liabilities towards foreign exchange forward contracts	**0.87**	-	**0.87**	**0.87**
Financial guarantee contracts	**72.78**	-	**72.78**	-
As at 31st March 2016				
Non-interest bearing				
Trade Payables	316.33	-	316.33	316.33
Other Financial Liabilities	234.11	2.25	236.36	236.36
	550.44	2.25	552.69	552.69
Fixed interest rate instruments				
- Trade/ Security Deposit received	75.27	-	75.27	75.27
Variable interest rate instruments				
- Borrowings	1.12	-	1.12	1.12
Derivative financial liabilities towards foreign exchange forward contracts	1.44	-	1.44	1.44
Financial guarantee contracts	89.70	-	89.70	-
As at 1st April 2015				
Non-interest bearing				
Trade Payables	293.33	-	293.33	293.33
Other Financial Liabilities	213.52	2.85	216.37	216.37
	506.85	2.85	509.70	509.70
Fixed interest rate instruments				
Trade/ Security Deposit received	70.99	-	70.99	70.99
Variable interest rate instruments				
Borrowings	5.78	-	5.78	5.78
Derivative financial liabilities towards foreign exchange forward contracts	0.08	-	0.08	0.08
Financial guarantee contracts	73.35	-	73.35	-

(H) Fair value measurements

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

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

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Financial assets / financial liabilities	Fair value			Fair value heirarchy	Valuation Technique(s) and key input(s)
		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015		
1	Foreign currency forward contracts	**Assets - ₹ 0.03 crores; and Liabilities - ₹ 0.87 crores**	Liabilities - ₹ 1.44 crores	Assets - ₹ 0.01 crores; and liabilities- ₹ 0.07 crores	Level 2	Mark to market values acquired from banks, with whom the Company contracts
2	Investment in Mutual Funds	**Various listed funds - aggregate fair value of ₹ 1,366.27 crores**	Various listed funds - aggregate fair value of ₹ 659.61 crores	Various listed funds - aggregate fair value of ₹ 366.15 crores	Level 1	Quoted bid prices in active market

(ii) **Financial instruments measured at amortised cost**

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

(₹ in crores)

48 Taxes

Deferred Tax

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred Tax Assets	**27.73**	22.62	20.07
Deferred Tax Liabilities	**(111.36)**	(97.98)	(71.42)
TOTAL	(83.63)	(75.36)	(51.35)

a 2016- 2017

Deferred Tax Assets/(Liabilities) in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	52.75	(0.70)	-	**52.05**
Intangible Assets	41.64	12.35	-	**53.99**
FVTPL Financial Assets	3.59	1.73	-	**5.32**
Provisions	(0.69)	(0.40)	-	**(1.09)**
Allowance for doubtful debts	(9.39)	(0.01)	-	**(9.40)**
Defined Benefit Obligation	(9.96)	(1.55)	0.81	**(11.51)**
Share issue and buyback costs	(1.30)	(2.56)	-	**(3.86)**
Other Provisions	(1.28)	(0.59)	-	**(1.87)**
TOTAL	75.36	8.27	0.81	83.63

b 2015-2016

Deferred Tax Assets/(Liabilities) in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	45.26	7.49	-	**52.75**
Intangible Assets	25.60	16.05	-	**41.65**
FVTPL Financial Assets	0.56	3.02	-	**3.58**
Provisions	-	(0.69)	-	**(0.69)**
Allowance for doubtful debts	(7.97)	(1.41)	-	**(9.38)**
Defined Benefit Obligation	(8.70)	(1.26)	0.09	**(9.96)**
Share issue and buyback costs	(0.14)	(1.16)	-	**(1.30)**
Others-VRS	(3.26)	1.97	-	**(1.29)**
TOTAL	51.35	24.01	0.09	75.36

2 Income Taxes relating to continuing operations

a Income Tax recognised in profit or loss

(₹ in crores)

	As at 31st March 2017	As at 31st March 2016
Current Tax		
In respect of the current year	**374.89**	298.77
In respect of prior years	**(12.23)**	-
TOTAL	**362.66**	298.77
Deferred Tax		
In respect of the current year	**8.27**	24.01
TOTAL	**8.27**	24.01
Total Income Tax expense recognised in the current year relating to continuing operations	**370.93**	**322.78**

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	As at 31st March 2017	As at 31st March 2016
Profit Before Tax	**1,144.72**	1,069.50
Income Tax Rate (%)	**34.61**	34.61
Income Tax expense	**396.16**	370.13
Effect of income that is exempt from taxation	**(3.82)**	(0.92)
Effect of expenses that are not deductible in determining taxable profit	**36.28**	2.47
Effect of concessions (research and development,other allowances and deductions)	**(37.29)**	(54.94)
Others	**(8.17)**	6.04
	383.16	322.78
Adjustments recognised in the current year in relation to the current tax of prior years	**(12.23)**	-
Income Tax expense recognised in profit or loss (relating to continuing operations)	**370.93**	**322.78**

Income Tax recognised in Other Comprehensive Income

	As at 31st March 2017	As at 31st March 2016
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**0.81**	0.09
Total income tax recognised in Other Comprehensive Income	**0.81**	**0.09**

(₹ in crores)

49 First-time Ind AS adoption reconciliations

Effect of Ind AS adoption on the balance sheet as at 31st March 2016 and 1st April 2015

	Note	As at 31st March 2016			As at 1st April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Non Current Assets							
(a) Property, Plant and Equipment	a,b	666.26	(23.22)	643.04	549.62	(23.59)	526.03
(b) Capital Work-In-Progress	c	393.76	(242.08)	151.68	460.30	(242.02)	218.28
(c) Goodwill	d	77.01	9.10	86.11	86.11	-	86.11
(d) Other Intangible Assets	e	169.69	17.72	187.41	192.11	-	192.11
(e) Financial Assets							
(i) Investments	f	517.25	16.64	533.89	421.32	8.18	429.50
(ii) Loans		7.09	-	7.09	7.59	-	7.59
(iii) Others		10.98	-	10.98	13.69	-	13.69
(f) Current Tax Assets (net)		35.41	-	35.41	33.62	-	33.62
(g) Other Non-current Assets	b	27.60	20.82	48.42	53.41	21.04	74.45
Total Non Current Assets		**1,905.05**	**(201.02)**	**1,704.03**	**1,817.77**	**(236.39)**	**1,581.38**
Current Assets							
(a) Inventories		494.20	-	494.20	534.72	-	534.72
(b) Financial Assets							
(i) Investments	f	531.17	37.70	568.87	279.17	17.88	297.05
(ii) Trade Receivables	h	558.86	(8.15)	550.71	514.58	(8.57)	506.01
(iii) Cash and cash equivalents		66.15	-	66.15	43.96	-	43.96
(iv) Bank balances other than (iii) above		6.10	-	6.10	5.00	-	5.00
(v) Loans		15.53	-	15.53	14.94	-	14.94
(vi) Others	i	4.14	-	4.14	3.49	0.01	3.50
(c) Other Current Assets	b, i	57.45	(0.17)	57.28	53.43	(0.07)	53.36
Total Current Assets		**1,733.60**	**29.38**	**1,762.98**	**1,449.29**	**9.25**	**1,458.54**
Total Assets		**3,638.65**	**(171.64)**	**3,467.01**	**3,267.06**	**(227.14)**	**3,039.92**
Equity							
(a) Equity Share Capital		51.27	-	51.27	51.27	-	51.27
(b) Other Equity	a, c, d, e, f, h, g, i, n	2,748.97	(149.65)	2,599.32	2,298.18	(44.87)	2,253.31
Total Equity		**2,800.24**	**(149.65)**	**2,650.59**	**2,349.45**	**(44.87)**	**2,304.58**
Non Current Liabilities							
(a) Financial Liabilities							
(i) Others		2.25	-	2.25	2.85	-	2.85
(b) Provisions		21.86	-	21.86	18.68	-	18.68
(c) Deferred Tax Liabilities (net)	m	66.05	9.31	75.36	54.49	(3.14)	51.35
Total Non Current Liabilities		**90.16**	**9.31**	**99.47**	**76.02**	**(3.14)**	**72.88**
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings		1.12	-	1.12	5.78	-	5.78
(ii) Trade Payables		316.33	-	316.33	293.33	-	293.33
(iii) Others	i	311.27	(0.45)	310.82	284.78	(0.19)	284.59
(b) Other Current Liabilities		66.36	-	66.36	54.05	-	54.05
(c) Provisions	j	40.09	(30.85)	9.24	190.57	(178.94)	11.63
(c) Current Tax Liabilities (net)		13.08	-	13.08	13.08	-	13.08
Total Current Liabilities		**748.25**	**(31.30)**	**716.95**	**841.59**	**(179.13)**	**662.46**
Total Liabilities		**838.41**	**(21.99)**	**816.42**	**917.61**	**(182.27)**	**735.34**
Total Equity and Liabilities		**3,638.65**	**(171.64)**	**3,467.01**	**3,267.06**	**(227.14)**	**3,039.92**

(₹ in crores)

50 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March 2016

	Note	For the year ended 31st March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations	n	5,066.53	(3.47)	5,063.06
Other Income	f, i	43.79	26.83	70.62
Total Income (A)		**5,110.32**	**23.36**	**5,133.68**
Expenses				
Cost of Materials Consumed		2,059.51	-	2,059.51
Purchases of Stock-in-Trade (Traded goods)		204.67	-	204.67
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		18.04	-	18.04
Excise Duty		332.03	-	332.03
Employee Benefits Expense	k, l	457.63	(0.47)	457.16
Finance Costs		5.84	-	5.84
Depreciation and Amortisation Expense	a, b, d, e	115.01	(27.19)	87.82
Impairment loss on Investment in Subsidiaries		27.00	-	27.00
Other Expenses	b, c, h, i, g, n	877.31	(5.20)	872.11
Total Expenses (B)		**4,097.04**	**(32.86)**	**4,064.18**
Profit before Tax (A-B)		**1,013.28**	**56.22**	**1,069.50**
Tax Expense				
Current Tax	k	298.68	0.09	298.77
Deferred Tax	m	11.56	12.45	24.01
Net Tax expense		**310.24**	**12.54**	**322.78**
Profit for the year		**703.04**	**43.68**	**746.72**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
(a) Remeasurements of the defined benefit plans	k	-	(0.31)	**(0.31)**
(ii) Income tax relating to items that will not be reclassified to profit or loss	k	-	0.09	0.09
Total Other Comprehensive Income for the period (i-ii)		-	**(0.22)**	**(0.22)**
Total Comprehensive Income for the period		**703.04**	**43.46**	**746.50**

(₹ in crores)

51 Reconciliation of total equity as at 31st March 2016 and 1st April 2015

	Notes	As at 31st March 2016	As at 1st April 2015
Total equity (shareholders' funds) under previous GAAP		2,800.24	**2,349.45**
Dividend not recognised as liability until declared under Ind AS	j	30.85	178.94
Fair valuation of investments under Ind AS	f	54.33	26.06
Fair valuation of Land, Building, Plant & Machinery included in Capital Work-In-Progress under Ind AS 101 adoption	c	(242.08)	(242.02)
Impairment of Financial Assets - Based on expected credit loss model	h	(8.15)	(8.57)
Changes in value of Tangible Assets as per Ind AS	a	(2.18)	(2.34)
Changes in value of Goodwill as per Ind AS	d	9.10	-
Changes in value of Other Intangible Assets as per Ind AS	e	17.73	-
Fair valuation of derivative instruments under Ind AS	i	0.06	(0.08)
Deferred Tax impact on above adjustments	m	(9.31)	3.14
Total adjustment to equity		**(149.65)**	**(44.87)**
Total equity under Ind AS		**2,650.59**	**2,304.58**

52 Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

	Notes	31st March 2016
Profit as per previous GAAP		**703.04**
Adjustments:		
Fair valuation of investments under Ind AS	f	**28.27**
Remeasurement of defined benefit obligation recognised in Other Comprehensive Income under Ind AS	k	**0.22**
Changes in Amortisation under Ind AS	d, e	**26.82**
Changes in Depreciation under Ind AS	a	**0.16**
Impairment of Financial Assets - Based on expected credit loss model	h	**0.42**
Share-based payment costs recognised based on fair value method	l	**0.16**
Reversal of Pre-operative expenses written off from CWIP during the quarter, under Indian GAAP	c	**(0.06)**
Fair valuation of derivative instruments under Ind AS	i	**0.14**
Deferred Tax impact	m	**(12.45)**
Total effect of transition to Ind AS		**43.68**
Profit for the year as per Ind AS		**746.72**
Other Comprehensive Income for the year (net of tax)	j	**(0.22)**
Total Comprehensive Income under Ind AS		**746.50**

(₹ in crores)

53 Reconciliation of Total Comprehensive Income for the year ended 31st March 2016

	Note	Year ended 31st March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net Cashflows from Operating activities	g	907.25	(0.07)	907.18
Net Cashflows from Investing activities	c, o	(469.54)	0.18	(469.36)
Net Cashflows from Financing activities	o	(413.72)	4.66	(409.06)
Net Increase in Cash and Cash Equivalents		**23.99**	**4.77**	**28.76**
Cash and Cash Equivalent at the beginning of the period	o	44.57	(6.39)	38.18
Effects of exchange rate changes on the balance of cash held in foreign currencies		(1.91)	-	(1.91)
Cash and Cash Equivalent at the end of the period		**66.65**	**(1.62)**	**65.03**

Notes to the Reconciliations

54 Notes to the Reconciliations

a Pre-operative expenses

Under previous GAAP, pre operative expenses were capitalised in the cost of Property, Plant and Equipment. Under Ind AS, these expenses have been specifically excluded from the cost of Property, Plant and Equipment. On the date of transition to Ind AS, these expenses have been identified and excluded from the cost of Property, Plant and Equipment, resulting in reduction in value of opening block of Property, Plant and Equipment as at 1st April 2015, by ₹ 2.34 crores. During the year 2015-16, depreciation relating to pre-operative expenses (capitalised under previous GAAP) have been reversed to the extent of ₹ 0.16 crores.

b. Leasehold land classified to prepaid

Under previous GAAP, leasehold land was included in the Property, Plant and Equipment. Under Ind AS, leases not classified as finance leases are regrouped under prepaid expenses, as at 31st March 2016 ₹ 21.04 crores and as at 1st April 2015 ₹ 21.25 crores. Depreciation to the extent of ₹ 0.21 crores pertaining to leasehold land has been reversed and the same is expensed under the head "Rent". This has no impact on statement of profit and loss or on total equity.

c. Capital Work-In-Progress

Under previous GAAP, capital work in progress was measured at cost. On transition to Ind AS, the Company has elected to fair value Land, Building and Plant and Machinery, alongwith integrated patents, designs and drawings at Dahej (included in Capital Work in progress) as of the transition date. Resultant reduction in value of CWIP is ₹ 242.02 crores as at 1st April 2015. During the year 2015-16, administrative expenses which were included in Capital Work-In-Progress in previous GAAP, and which cannot be capitalised under Ind AS were expensed amounting to ₹ 0.06 crores.

d. Goodwill

Under previous GAAP, goodwill was amortised based on its useful life. Under Ind AS, goodwill is not amortised and tested for impairment on transitioning to Ind AS, amortisation expense pertaining to Goodwill has been reversed, resulting in an increase in carrying amount of Goodwill by ₹ 9.10 crores as at 31st March 2016.

e. Other Intangibles

Under previous GAAP, other intangible assets were amortised based on their useful life. Under Ind AS, the company has estimated the useful lives of Trademarks and Copyrights to be indefinite. On transitioning to Ind AS, amortisation expense pertaining to Trademarks and Copyrights have been reversed, resulting in an increase in carrying amount of Trademark and copyrights by ₹ 16.95 crores and ₹ 0.77 crores respectively as at 31st March 2016.

f. Investments

Under previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. Changes in fair value of these investments are recognised in profit or loss. On transition to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in net increase in carrying amount as at 31st March 2016 by ₹ 54.33 crores and as at 1st April 2015 by ₹ 26.06 crores. During the year 2015-16, increase in mark to market gain on account of fair valuation of investments of ₹ 28.27 crores.

g. Reversal of provision for diminution in value of investments

Under Ind AS, investments in mutual funds were measured at cost. Impairment, if any, was provided for, against cost of investments. Under Ind AS, these investments are measured at fair value. Amount provided for impairment during the financial year ended 31st March 2016 amounting to ₹ 0.07 crores is reversed. There is no deferred tax impact on such reversal, but there is an increase in profit before tax and total profit for the year ended 31st March 2016 by ₹ 0.07 crores.

h. Trade Receivable - Expected Credit Loss

Under previous GAAP, allowance for doubtful debts was made as per management policy based on ageing of debtors. Under Ind AS, the Company applies expected credit loss (ECL) model for recognising impairment loss on these financial assets on the transition date. The resultant changes in provision for doubtful debts are recognised in profit or loss. On transition to Ind AS, allowance for doubtful debts is remeasured as per ECL model, which is higher than provision as per previous GAAP, resulting in net increase in carrying amount of allowance for doubtful debts as at 31st March 2016 by ₹ 8.15 crores and as at 1st April 2015 by ₹ 8.57 crores. During the year 2015-16, reduction in provision as per ECL is ₹ 0.42 crores.

i. Deferred premium on forward contracts

Under previous GAAP, deferred premium on forward contracts was recognised under Other Current Assets. Under Ind AS, forward contracts are recognised as financial assets / liabilities and measured at FVTPL on the date of transition. Changes in fair value of forward contracts are recognised in profit or loss. As a result, deferred premium amounting

to ₹ 0.39 crores as at 31st March 2016 and ₹ 0.29 crores as at 1st April 2015 is derecognised as an asset. During the year 2015-16, exchange difference on forward contracts ₹ 1.52 crores is reversed. On transition to Ind AS, these forward foreign exchange contracts are recognised under Other Financial Assets/ Liabilities. These have been measured at their fair values as at 31st March 2016 at ₹ 1.44 crores under Other Financial Liabilities (as at 1st April 2015 at ₹ 0.01 crores under Other Financial Assets and ₹ 0.08 crores under Other Financial Liabilities). During the year 2015-16, mark to market loss on account of fair valuation of forward contracts is ₹ 1.38 crores.

j. Short term provisions - Reversal of equity dividend provided

Under previous GAAP, dividend on equity shares, which was recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at 31st March 2016 of ₹ 30.85 crores (₹ 178.94 crores as at 1st April 2015), but does not affect profit before tax and total profit for the year ended 31st March 2016.

k. Actuarial gains and losses

Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability/ asset, are recognised in the Other Comprehensive Income under Ind AS instead of profit or loss. The actuarial gains for the year ended 31st March 2016 were ₹ 0.31 crores, with tax ₹ 0.09 crores. This change does not effect total equity, but there is an increase in profit before tax of ₹ 0.31 crores and in total profit of ₹ 0.22 crores for the year ended 31st March 2016.

l. Fair valuation of ESOP

Under previous GAAP, the cost of equity settled employee share based payments was reccognised using the intrinsic value method. This did not result in recognising any expense in profit or loss in respect of these share based payments because the fair value of the shares on the grant date equaled the exercise price. Under Ind AS, the cost of equity settled employee share based payments was recognised based on the fair value of the options as on grant date. As on transition date, there is a reduction in the provision for Employee Stock Options Outstanding to the extent of ₹ 0.16 crores as at 31st March 2016 and ₹ 0.01 crores as at 1st April 2015. The change does not affect total equity, but there is an increase in the profit before tax as well as total profit for the year ended 31st March 2016 of ₹ 0.16 crores.

m. Deferred Tax impact

Deferred tax impacts for the above adjustments, are a net increase in Deferred Tax Liabilities as at 31st March 2016 by ₹ 9.31 crores and reduction in Deferred Tax Liability as at 1st April 2015 by ₹ 3.14 crores. During the year 2015-16, increase in provision for Deferred Tax Liability is ₹ 12.45 crores.

n. Cash discount

Cash discount has been reduced from revenue as per ind AS, amounting to ₹ 3.47 crores for the year ended 31st March 2016. The same amount is reduced from Other Expenses. This does not affect profit or equity.

o. Bank overdraft included in Cash and cash equivalents

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in Cash and Cash Equivalents for the purpose of presentation of statement of cash flows. Whereas under previous GAAP there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cashflows from Financing activities. The effect of this is that bank overdrafts of ₹ 1.12 crores as at 31st March 2016 and ₹ 5.78 crores as at 1st April 2015 have been considered as part of Cash and Cash equivalents. This also includes effect of Balance with Banks in Current Account (balances with restriction on repatriation) of ₹ 0.50 crores as at 31st March 2016 and ₹ 0.61 crores as at 1st April 2015, which were included in Cash & Cash Equivalents under previous GAAP. Consequently, the cash outflow from financing activities for the year ended 31st March 2016 prepared as per Ind As is lower to the extent of this net movement of ₹ 4.66 crores.

p. Other Comprehensive Income

Under previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

q. Excise Duty

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. The change does not affect total equity as at 1st April 2015 and 31st March 2016, profit before tax or total profit for the year ended 31st March 2016.

(₹ in crores)

55 Research & Development Expenditure

	For the year ended 31st March 2017	For the year ended 31st March 2016
Capital expenditure included in Tangible Assets	**2.89**	3.08
Revenue expenditure charged to Statement of Profit and Loss	**33.65**	29.09
TOTAL	36.54	32.17

56 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
(i)	Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	**15.95**	9.39	14.21
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv)	The amount of interest due and payable for the year	-	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-
TOTAL		15.95	9.39	14.21

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

57 Details of Payments to Auditor (Net of Service Tax)

	For the year ended 31st March 2017	For the year ended 31st March 2016
Audit fees	**0.58**	0.49
Other Services:		
Limited Review	**0.27**	0.20
Certification Fees	**0.14**	0.16
Reimbursement of expenses	**0.03**	0.04
Others*	**0.07**	0.04
TOTAL	1.09	0.93

* Fees paid to network firm.

58 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the year is ₹ **15.69** crores (₹ 12.79 crores).

(b) Amount spent during the year on:

(₹ in crores)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	19.02	-	**19.02**
	(13.05)	(-)	**(13.05)**

59 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30th March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as at 8th November 2016	0.06	0.34	**0.40**
(-) Permitted Payments	0.01	0.21	**0.22**
(-) Amount deposited in Bank	0.05	0.09	**0.14**
Closing cash in hand as at 30th December 2016	-	0.04	**0.04**

60 Recent accounting pronouncements

a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. The amendments are applicable to the Company from 1st April 2017.

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is evaluating the requirements of the aforesaid amendments and the effect on the financial statements is being evaluated.

61 Other Information

During the year:

a) The name of the subsidiary Woodcoat Pvt Ltd was changed to ICA Pidilite Pvt Ltd

b) Pidilite International Pte Ltd and Pidilite Middle East Ltd, wholly owned subsidiaries of the Company, have acquired shares of Nebula East Africa Pvt Ltd (NEAPL), a Company incorporated in Kenya. With this acquisition, the wholly owned subsidiaries of the Company jointly hold 100% of the paid up share capital.

c) Nina Waterproofing Systems Pvt Ltd, a subsidiary of the Company has incorporated a subsidiary in Srilanka in the name of Nina Lanka Construction Technologies (Pvt) Ltd

62 Events after reporting period

There was no significant event after the end of the reporting period which require any adjustment or disclosure in the financial statement other than the proposed dividend of ₹ 4.75 per equity share of ₹ 1 each recommended by Board of Directors at its meeting held on 18th May 2017. The proposed dividend amounting to ₹ 293.10 crores includes dividend distribution tax of ₹ 49.58 crores and is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

63 Approval of financial statements

The financial statements are approved for issue by the Audit Committee at its meeting held on 17th May 2017 and by the Board of Directors on 18th May 2017.

Corporate Governance Report

In compliance with Regulation 34(3) and Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company submits the following report:

1. Company's Philosophy on Code of Governance

The Company is committed to good corporate governance practices and has complied in all material respects with the requirements specified in Listing Regulations. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met.

2. Board of Directors

During the financial year 2016-17, 6 Board Meetings were held on 25th April 2016, 19th May 2016, 29th July 2016*, 2nd September 2016, 9th November 2016 and 1st February 2017.

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee positions as on 31st March 2017 are given below:

Sr. No.	Name	DIN	Category	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in other companies(**)	No. of Committee positions held in other companies ***	
							Member -ships	Chairman-ships
1.	Shri M B Parekh (Executive Chairman)	00180955	ED (P)	5	Yes	9	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED (P)	6	Yes	11	1	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	6	Yes	3	-	-
4.	Shri A B Parekh (Whole Time Director)	00035317	ED (P)	6	Yes	14	-	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED (P)	6	Yes	16	1	-
6.	Shri B S Mehta	00035019	NED (I)	4	Yes	10	6	2
7.	Shri Ranjan Kapur	00035113	NED (I)	6	Yes	7	1	-
8.	Shri Sanjeev Aga	00022065	NED (I)	6	Yes	7	3	1
9.	Shri Uday Khanna	00079129	NED (I)	5	Yes	6	3	4
10.	Smt. Meera Shankar	06374957	NED (I)	5	Yes	3	2	-
11.	Shri Sabyaschi Patnaik (Whole Time Director)	07183784	ED	6	Yes	-	-	-
12.	Shri Vinod Kumar Dasari	00345657	NED (I)	2	Yes	8	-	1

* Meeting was held on 29th July 2016 and continued on 30th July 2016.

** Including Directorships held in Private Limited Companies, Section 8 Companies (as per Companies Act, 2013), Alternate Directorships and Directorships in entities incorporated outside India.

*** Position in Audit Committee and Stakeholders Relationship Committee only (excluding Private Limited Company, Foreign Company and Section 8 Company) as provided in Regulation 26(1) of Listing Regulations.

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

Shri M B Parekh and Shri A B Parekh are related to each other. Shri A N Parekh and Shri N K Parekh are related to each other.

The number of shares held by Non-Executive Directors as on 31st March 2017:

Shri Ranjan Kapur - Nil; Shri B S Mehta -24716; Shri Sanjeev Aga – Nil; Shri Uday Khanna – 5000; Smt. Meera Shankar – Nil; Shri Vinod Kumar Dasari-Nil.

The familiarisation programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: www.pidilite.com

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 29th July 2016.

3. Audit Committee

During the financial year 2016-17, 5 meetings of the Committee were held on 18th May 2016, 28th July 2016, 2nd September 2016, 8th November 2016 and 31st January 2017.

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

Sr. No.	Name	Designation	Category	No. of Meetings attended
1	Shri B S Mehta	Chairman	NED (I)	4
2	Shri Ranjan Kapur	Member	NED (I)	5
3	Shri M B Parekh	Member	ED(P)	5
4	Shri Uday Khanna	Member	NED (I)	4

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

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

The powers and terms of reference of the Committee are as specified under Regulation 18 and Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013. The remuneration of Chief Internal Auditor (in the employment of the Company) is reviewed by the management.

4. Nomination and Remuneration Committee

A. During the financial year 2016-17, 3 meetings of the Committee were held on 19th May 2016 and adjourned to 29th July 2016, 9th November 2016 and 9th February 2017.

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

The terms of reference of Nomination and Remuneration Committee consists of making recommendations on matters related to remuneration of Directors and Senior Management, review of performance-based remuneration with reference to corporate goals and objectives, frame policy and review the process of succession planning at key levels in the Company and other related matters.

Remuneration policy of the Company is directed towards time commitment and responsibilities of the Directors, desirability of performance-based remuneration and salaries paid by comparable companies.

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

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri B S Mehta	Member	NED (I)	3
2	Shri Ranjan Kapur	Member	NED (I)	3
3	Shri N K Parekh	Member	NED (P)	2

Members elect Chairman at each meeting.

During the year, the President of HR was appointed as the Secretary of the Committee (earlier President of BRG was the Secretary)

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

The criteria for performance evaluation cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness.

B. Remuneration of Directors

Executive Directors' remuneration details for the financial year 2016-17 are given below:

(₹ in crores)

Sr. No.	Name	Salary *	Commission Payable	Variable Pay (Provision)	Perquisites	Total	Tenure (No. of years)
1	Shri M B Parekh (Executive Chairman)	1.65	-	-	1.92	3.57	5 years from 01.08.2013**
2	Shri Bharat Puri (Managing Director)	5.17	2.89	1.78	2.09	11.93	5 years from 10.04.2015
3	Shri A B Parekh (Whole Time Director)	0.71	4.05	-	0.81	5.57	5 years from 01.08.2013
4	Shri A N Parekh (Whole Time Director)	0.62	3.47	-	0.63	4.72	5 years from 01.07.2015
5	Shri Sabyaschi Patnaik (Whole Time Director)	0.60	-	0.32	1.25	2.17	3 years from 19.05.2015

* Includes House Rent Allowance

** Shri M. B. Parekh was Managing Director from 1st August 2013 to 10th April 2015 and Executive Chairman from 10th April 2015.

The above figures are exclusive of Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of tenure as per the rules of the Company.

Details of Stock options:

Sr. No.	Name of the Director	Vesting date	No. of options#	Exercise period
1	Shri Bharat Puri	10.04.2017 10.04.2018	1,00,000 1,00,000	5 years from the date of vesting
2	Shri Sabyaschi Patnaik	29.01.2017 29.01.2018	200* 200	5 years from the date of vesting
		29.07.2017 29.07.2018	1600 1600	3 years from the date of vesting

\# The Stock options are not issued at a Discount.

* Vested and exercised

C. Service contracts, notice period, severance fees

Notice period for the Executive Directors is as applicable to the senior employees of the Company except for Shri Bharat Puri where the notice period is of 365 days (as per agreement). No severance fee is payable to the Executive Directors on termination of employment.

D. The details of sitting fees paid for attending the Board/ Committee meetings and commission due to the Non-Executive Directors for the year ended 31st March 2017 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	3,20,000	15,00,000	18,20,000
2	Shri Ranjan Kapur	3,80,000	15,00,000	18,80,000
3	Shri Sanjeev Aga	2,28,000	15,00,000	17,28,000
4	Shri Uday Khanna	2,70,000	15,00,000	17,70,000
5	Smt. Meera Shankar	1,80,000	15,00,000	16,80,000
6	Shri Vinod Kumar Dasari	50,000	15,00,000	15,50,000
7	Shri N K Parekh	4,70,000	15,00,000	19,70,000

The Non-Executive Directors did not have pecuniary relationships or transactions vis-à-vis the Company. The Company has not granted any Stock option to any of its Non-Executive Directors.

In terms of Special Resolution passed by the Members at Annual General Meeting held on 23rd July 2013, Non-Executive Directors have been paid aggregate commission at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013 as determined by the Board of Directors, based on consideration of time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

5. Stakeholders Relationship Committee

During the year, 13 meetings of the Share Transfer Committee were held and 2 meetings of Stakeholders Relationship Committee were held on 19th May 2016 and 18th January 2017 which were attended by Shri N K Parekh, Shri Sanjeev Aga and Shri A B Parekh.

Details of composition of the Stakeholders Relationship Committee (SRC) are given below:

Sr. No.	Name	Designation	Category
1	Shri Sanjeev Aga	Chairman	NED (I)
2	Shri N K Parekh	Member	NED (P)
3	Shri A B Parekh	Member	ED (P)

The Committee has the power to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/transmission of shares, non-receipt of declared dividends, non-receipt of Annual Reports etc.

Smt. Savithri Parekh, Company Secretary, is the compliance officer for complying with the requirements of the Securities Laws and Listing Regulations.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and TSR Darashaw Ltd. have attended to all the shareholders'/investors' grievances/correspondences generally within a period of 15 days from the date of receipt.

The total number of letters received from the shareholders were 699 of which only 12 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 1 request for transfer and 7 requests for dematerialization of shares were pending as on 31st March 2017. These pending requests lodged in the last week of March 2017 has been subsequently processed and completed.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. All the Directors, employees and other persons specified therein are governed by this Code. The Company has appointed Shri A N Parekh, Whole Time Director and Smt. Savithri Parekh, Company Secretary as the Compliance Officer.

6. Risk Management Committee

In compliance with the provisions of Regulation 21 of Listing Regulations and the Companies Act, 2013, Risk Management Committee has been constituted under Chairmanship of Shri B S Mehta with Shri Uday Khanna, Shri A N Parekh, Shri Sabyaschi Patnaik, Shri A D Ubhaykar, Shri Sanjay Bahadur and Shri Pradeep Jain (upto 24th March 2017) as members. The Risk Management Committee is also known as the Risk Management Oversight Committee. During the year, one meeting of the Committee was held on 6th March 2017.

The Company has a Management Risk Committee also known as the Risk Identification and Mitigation Committee (RIMC). 7 meetings of the RIMC were held during the year.

7. Corporate Social Responsibility (CSR) Committee

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met 2 times during the financial year 2016-17 on 19th May 2016 and 29th March 2017. The constitution of the

CSR Committee of the Board of Directors of the Company along with the details of the meetings attended by the members of the Committee during the financial year 2016-17 is detailed below:

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

Members elect Chairman at each meeting. Smt. Savithri Parekh acts as Secretary to the Committee.

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

a) Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.

b) Recommend the amount of expenditure to be incurred.

c) Monitor the Corporate Social Responsibility Policy.

The details of the CSR initiatives of the Company forms part of the Social & Community Initiatives report and Annexure to the Directors' Report. The CSR Policy has been placed on the website of the Company: www.pidilite.com

8. General Body Meetings

Details of location, date and time of the Annual General Meetings held during the last three years are given below:

Financial Year	Venue	Date & Time
2015-16	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	2nd September 2016 at 11.00 a.m.
2014-15	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	1st September 2015 at 11.00 a.m.
2013-14	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	25th September 2014 at 11.00 a.m.

The following Special Resolutions were passed with requisite majority in the previous 3 Annual General Meetings:

2015-16

- Approval for continuation of appointment of Shri M B Parekh as a Whole Time Director designated as Executive Chairman of the Company on attaining the age of 70 years.

2014-15

- No Special Resolutions were passed.

2013-14

- Approval for offer, issue and allotment of equity shares under Employee Stock Option Scheme-2014 to employees of the subsidiary companies under Section 62(1)(b) of the Companies Act, 2013.

Postal Ballot

During the year 2016-17, no Resolutions were passed by postal ballot.

During the year 2015-16, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following two Special resolutions by postal ballot :

Sr. No.	Special Resolutions	Votes cast in favour of the resolution		Votes cast against the resolution		Invalid Votes		Date of declaration of result
		No.	%	No.	%	No.	%	
1	Special resolution for approval of Employee Stock Option Plan 2016 (ESOP 2016) under Section 62(1)(b) of the Companies Act, 2013	428868398	95.10	22043489	4.89	33606	0.01	2nd April 2016
2	Special Resolution for approval of grant of options to the Employees / Directors of its Subsidiary Company/ ies under ESOP 2016 under Section 62(1)(b) of the Companies Act, 2013.	428877041	95.10	22045013	4.89	42037	0.01	2nd April 2016

No Special resolutions are proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

9. Means of Communication

- The extract of standalone and consolidated results are normally published in The Economic Times and Maharashtra Times and are displayed on the website of the Company: www.pidilite.com
- Presentation made to Institutional Investors or to Analysts and transcripts of meeting with the Analysts are posted on the Company's website.

10. General Information for Shareholders

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

11. Disclosures

- There were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- The Company has a Vigil Mechanism and Whistle Blower Policy for Directors and Employees to report violations of applicable laws and Regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee.
- The Company has complied with all applicable mandatory requirements of Listing Regulations.
- Policy for determining 'material' subsidiary is uploaded on the website of the Company: www.pidilite.com
- Company's Policy on Related Party Transactions is uploaded on the website of the Company: www.pidilite.com
- In order to manage foreign exchange risk, the Company hedges net Imports through appropriate forward contracts on a staggered basis. The company does not have any foreign currency debt .The details of foreign currency exposure are disclosed in the Notes to the Financial statements.

12. Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations

Details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations are as follows:

Description	No. of Records	No. of Equity Shares of ₹ 1/- each
No. of shareholders and outstanding shares at the beginning of the year	234	196635
No. of shareholder's request received for transfer of shares during the year	4	4000
No. of shareholders to whom shares transferred during the year	4	4000
No. of shareholders and outstanding shares at the end of the year	230	192635

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

13. Compliance of Discretionary requirements under Regulation 27 of Listing Regulations

a. The Chairman of the Company is Executive Chairman.

b. As the financial results are published in the newspapers and also posted on Company's website, the same are not being sent to the shareholders.

c. The Company's financial statements for the financial year ended 31st March 2017 do not contain any modified audit opinion.

d. Shri Bharat Puri is the Managing Director and Chief Executive Officer of the Company. Shri M B Parekh is the Executive Chairman of the Company.

e. The Internal Auditor reports to the Audit Committee.

14. Information relating to Directors

Information relating to Directors seeking reappointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the Annual General Meeting.

15. Declaration by the Managing Director under Schedule V (D) of Listing Regulations

"Pursuant to Schedule V (D) of Listing Regulations, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March 2017."

Corporate Governance Compliance Certificate

To

The Members of
M/s Pidilite Industries Limited

CIN: L24100MH1969PLC014336
Nominal Capital: ₹ 70 crores

We have examined relevant records of M/s Pidilite Industries Ltd. (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31st March 2017 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31st March 2017 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Listing Regulations as applicable.

Date: 18th May 2017
Mumbai

For M M SHETH & CO
Company Secretaries

M M SHETH
Proprietor
FCS.1455, CP.729

Information for Shareholders

Annual General Meeting

Day, Date and Time:
Thursday, 31st August 2017 at 11.00 a.m.

Venue:
Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021.

Financial Year: 1st April 2016 to 31st March 2017

Date of Book Closure:
25th August 2017 to 31st August 2017 (both days inclusive- only in case of shares held in physical form).

Dividend Payment:

Credit/dispatch of dividend warrants will commence from 4th September 2017, subject to the approval of the shareholders at the Annual General Meeting.

Listing of Shares on Stock Exchanges

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited. (NSE). The Annual Listing fee for the financial year 2017-18 has been paid to BSE and NSE.

Stock Codes

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500331
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	PIDILITIND

Market Price Data

Share prices during the financial year 2016-17 at NSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2016	633.75	582.40
May 2016	709.00	583.25
June 2016	733.50	666.55
July 2016	769.30	710.00
August 2016	748.00	678.70
September 2016	725.45	648.20
October 2016	749.00	685.00
November 2016	726.95	583.65
December 2016	647.95	567.75
January 2017	701.50	589.60
February 2017	712.00	662.20
March 2017	712.00	665.05

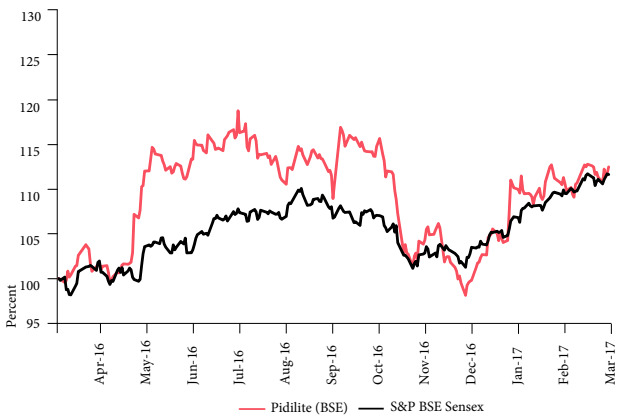
Share prices during the financial year 2016-17 at BSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2016	633.00	582.75
May 2016	708.40	583.90
June 2016	734.10	666.00
July 2016	769.50	709.80
August 2016	747.50	679.55
September 2016	725.75	651.00
October 2016	748.85	683.25
November 2016	728.00	585.00
December 2016	648.00	568.75
January 2017	694.45	590.70
February 2017	712.00	662.10
March 2017	710.70	666.00

Stock Performance

Base is considered to be 100 as on 1st April 2016

The performance of the Company's shares in comparison to BSE sensex is given in the chart below:



Registrar & Share Transfer Agent

TSR Darashaw Limited, Unit: Pidilite Industries Limited
6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011
Tel : 022 - 66568484
Fax : 022 - 66568494
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

Share Transfer System

The Company has delegated the authority to approve shares received for transfer in physical form as under:

No. of shares	Authorisation given to
Up to 4000	TSR Darashaw Limited
Up to 20000	Any one of the Sarva Shri N K Parekh, M B Parekh, Directors or the Company Secretary.
Above 20000	Share Transfer Committee comprising of the Directors viz, Sarva Shri N K Parekh, A B Parekh and A N Parekh.

Presently the share transfers which are received in physical form are processed and the share certificates duly transferred are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March 2017

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	89,673	97.38	2,17,32,119	4.24
5001 – 10000	1,643	1.78	1,23,99,456	2.42
10001– 20000	341	0.37	49,36,181	0.96
20001 – 30000	100	0.11	24,96,714	0.49
30001 – 40000	62	0.07	22,04,333	0.43
40001 – 50000	37	0.04	16,80,539	0.33
50001 – 100000	60	0.07	42,58,360	0.83
100001 and above	168	0.18	46,29,75,028	90.30
Total	92,084	100.00	51,26,82,730	100.00
No. of Shareholders and shares in physical mode	1540	1.67	28,46,449	0.56
No. of beneficial owners and shares in electronic mode	90,544	98.33	50,98,36,281	99.44
Total	92,084	100.00	51,26,82,730	100.00

Dematerialisation of shares & liquidity

As on 31st March 2017, 99.44% of total equity shares of the Company were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under **ISIN - INE318A01026.**

Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

Plant Locations

Major Plant locations-Mahad, Taloja, Karad (Maharashtra); Vapi, Surat (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi, Nalagarh (Himachal Pradesh); Secunderabad (Telangana); Guwahati (Assam).

Address for Correspondence

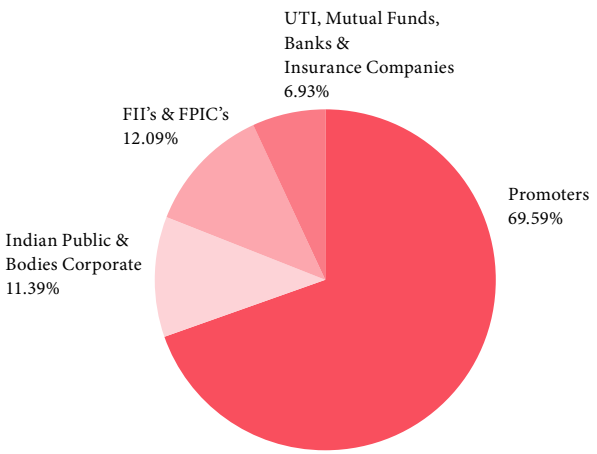
Registered Office:

Regent Chambers, 7th Floor, Jamnalal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021
Tel No: 022-2282 2708
CIN: L24100MH1969PLC014336

Corporate Office:

Ramkrishna Mandir Road,
Off. Mathuradas Vasanji Road,
Andheri (E), Mumbai - 400 059
Tel No : 022-28357000/7949
Fax No : 022-28216007
E-mail : investor.relations@pidilite.co.in
Website : www.pidilite.com

Shareholding Pattern as on 31st March 2017



Corporate Secretarial/Investors' Assistance Department

The Company's Secretarial Department headed by Smt. Savithri Parekh, Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact Smt. Savithri Parekh or Smt. Manisha Shetty at the Corporate Office in Mumbai for any assistance they may need.

Outstanding GDRs/ADRs/Warrants

The Company has no outstanding GDRs/ADRs/Warrants as on 31st March 2017.

Employee Stock Options

The information with regard to the Employee Stock Options are set out under Annexure to Directors' Report.

Consolidated Financial Statements

Independent Auditor's Report

to the members of Pidilite Industries Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of PIDILITE INDUSTRIES LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associate and its joint venture, comprising the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements/ financial information of the subsidiaries, associate and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at 31st March 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of 27 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 958.52 crores as at 31st March 2017, total revenues of ₹ 794.64 crores and net cash outflows amounting to ₹ 18.56 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 3.53 crores for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements/ financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

(b) The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 1.77 crores for the year ended 31st March 2017, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements/ financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

(c) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of 26 subsidiaries and an associate included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint venture company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture company incorporated in India, none of the directors of the Group companies, its associate company and joint venture company incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary companies' and associate company's incorporated in India, internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture.

ii. The Group, its associate and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate company and joint venture company incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors, by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

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

Place: Mumbai
Date: 18th May, 2017

Annexure "A" to Independent Auditor's Report

To the Members of Pidilite Industries Limited for the year ended 31st March 2017

(Referred to in paragraph 1f under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as "Parent") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 26 subsidiary companies and an associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

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

Place: Mumbai
Date: 18th May 2017

Consolidated Balance Sheet

as at 31st March 2017

(₹ in crores)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	4	**789.12**	755.74	619.38
(b) Capital Work-In-Progress	4	**147.71**	158.07	219.79
(c) Goodwill	5	**133.83**	133.42	124.42
(d) Other Intangible Assets	5	**352.30**	248.30	211.80
(e) Financial Assets				
(i) Investments	6	**53.29**	136.66	98.84
(ii) Loans	9	**8.43**	9.55	7.59
(iii) Other Financial Assets	11	**34.30**	28.96	14.05
(f) Current Tax Assets (net)	27(a)	**42.10**	40.32	34.38
(g) Deferred Tax Assets (net)	51	**3.76**	5.09	0.93
(h) Other Non-Current Assets	16	**75.36**	51.74	75.86
Total Non-Current Assets		**1,640.20**	1,567.85	1,407.04
2 Current Assets				
(a) Inventories	15	**720.86**	627.43	641.04
(b) Financial Assets				
(i) Investments	7	**1,389.81**	568.88	297.06
(ii) Trade Receivables	8	**768.54**	701.59	576.27
(iii) Cash and Cash Equivalents	13	**90.37**	122.79	69.43
(iv) Bank balances other than (iii) above	14	**9.57**	8.97	7.44
(v) Loans	10	**13.03**	11.77	18.70
(vi) Other Financial Assets	12	**48.99**	36.03	5.11
(c) Current Tax Assets (net)	27(b)	**0.28**	0.47	2.41
(d) Other Current Assets	17	**92.54**	73.19	63.41
Total Current Assets		**3,133.99**	2,151.12	1,680.87
TOTAL ASSETS		**4,774.19**	3,718.97	3,087.91
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	18	**51.27**	51.27	51.27
(b) Other Equity	19	**3,419.64**	2,586.72	2,173.70
Equity attributable to owners of the Company		**3,470.91**	2,637.99	2,224.97
Non-Controlling Interests	39	**127.32**	43.38	5.10
Total Equity		**3,598.23**	2,681.37	2,230.07
LIABILITIES				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	**4.85**	5.53	0.50
(ii) Other Financial Liabilities	23	**24.45**	7.38	2.85
(b) Provisions	25	**32.78**	29.27	23.92
(c) Deferred Tax Liabilities (net)	51	**91.47**	80.39	54.53
Total Non-Current Liabilities		**153.55**	122.57	81.80
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	**92.66**	74.49	57.92
(ii) Trade Payables	22	**390.32**	373.99	331.20
(iii) Other Financial Liabilities	24	**418.29**	353.90	306.75
(b) Other Current Liabilities	29	**90.04**	87.02	52.25
(c) Provisions	26	**14.14**	12.17	14.62
(d) Current Tax Liabilities (net)	28	**16.96**	13.46	13.30
Total Current Liabilities		**1,022.41**	915.03	776.04
TOTAL LIABILITIES		**1,175.96**	1,037.60	857.84
TOTAL EQUITY AND LIABILITIES		**4,774.19**	3,718.97	3,087.91
See accompanying notes to the consolidated financial statements	1 to 65			

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Consolidated Statement of Profit and Loss

for the year ended 31st March 2017

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
INCOME			
Revenue from Operations	30	**6,062.31**	5,701.60
Other Income	31	**112.25**	77.83
Total Income		**6,174.56**	5,779.43
EXPENSES			
Cost of Materials Consumed	32	**2,270.43**	2,295.42
Purchases of Stock-in-Trade		**399.86**	265.99
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	33	**(30.73)**	23.27
Excise Duty on sale of goods		**445.52**	340.43
Employee Benefits Expense	34	**645.27**	572.15
Finance Costs	35	**13.93**	13.27
Depreciation and Amortisation Expense	36	**115.14**	100.47
Other Expenses	37	**1,072.17**	1,030.86
Total Expenses		**4,931.59**	4,641.86
Share of Profit in Associate	38	**3.53**	3.25
Share of Profit in Joint Venture	38	**1.77**	(0.05)
Profit before Tax		**1,248.27**	1,140.77
Tax Expense			
Current Tax	51	**375.28**	310.23
Deferred Tax	51	**9.77**	23.31
Net Tax Expense		**385.05**	333.54
Profit for the year		**863.22**	807.23
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(2.21)**	(0.28)
Income tax relating to items that will not be reclassified to profit or loss	51	**0.04**	0.09
Total Other Comprehensive Loss		**(2.17)**	(0.19)
Total Comprehensive Income for the year		**861.05**	807.04
Total Profit for the year			
Attributable to:			
Shareholders of the Company		**859.99**	802.83
Non Controlling Interest		**3.23**	4.40
Other Comprehensive Income			
Attributable to:			
Shareholders of the Company		**(2.17)**	(0.19)
Non Controlling Interest		-	-
Total Comprehensive Income for the year			
Attributable to:			
Shareholders of the Company		**857.82**	802.64
Non Controlling Interest	39	**3.23**	4.40
Earnings Per Equity Share:			
Basic (₹)	43	**16.77**	15.66
Diluted (₹)	43	**16.77**	15.65
See accompanying notes to the consolidated financial statements	1 to 65		

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Statement of changes in Equity

for the year ended 31st March 2017

(₹ in crores)

a. Equity Share Capital

	Amount
Balance as at 1st April 2015	51.27
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme 2012* (Note 50)	0.00
Balance as at 31st March 2016	**51.27**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme 2012* (Note 50)	0.00
Balance as at 31st March 2017	**51.27**

* Issue of equity shares under Employee Stock Option Scheme 2012 amounts to ₹ 12,500 during the year 2015-16 and ₹ 7,400 during the year 2016-17.

b. Other Equity

	Reserves and Surplus									TOTAL
	Capital Reserve	Securities Premium Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	
Balance as at 1st April 2015	0.34	65.65	0.95	0.24	-	0.26	-	1,764.70	341.56	**2,173.70**
Profit for the year	-	-	-	-	-	-	-	-	802.83	**802.83**
Addition during the year	-	-	-	-	-	-	10.87	-	-	**10.87**
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-	-	-	-	(0.19)	**(0.19)**
Payment of dividends	-	-	-	-	-	-	-	-	(404.15)	**(404.15)**
Created during the year	-	-	-	-	0.15	-	-	-	(0.15)	-
Recognition of share-based payments (Note 46)	-	0.31	-	-	-	3.35	-	-	-	**3.66**
Transferred to Securities Premium on Options exercised during the year	-	0.31	-	-	-	(0.31)	-	-	-	-
Exercised during the year	-	-	-	-	-	0.09	-	-	-	**0.09**
Amortised during the year	-	-	-	-	-	3.61	-	-	-	**3.61**
Lapsed during the year	-	-	-	-	-	(0.04)	-	-	-	**(0.04)**
Balance as at 31st March 2016	0.34	65.96	0.95	0.24	0.15	3.61	10.87	1,764.70	739.90	**2,586.72**
Profit for the year	-	-	-	-	-	-	-	-	859.99	**859.99**
Addition during the year	-	-	-	-	-	-	(1.85)	-	-	**(1.85)**
Other Comprehensive Income for the year, net of Income Tax	-	-	-	-	-	-	-	-	(2.17)	**(2.17)**
Payment of dividends	-	-	-	-	-	-	-	-	(30.85)	**(30.85)**
Recognition of share-based payments (Note 46)	-	0.40	-	-	-	7.40	-	-	-	**7.80**
Transferred to Securities Premium on Options exercised during the year	-	0.40	-	-	-	(0.40)	-	-	-	-
Exercised during the year	-	-	-	-	-	0.33	-	-	-	**0.33**
Amortised during the year	-	-	-	-	-	7.56	-	-	-	**7.56**
Lapsed during the year	-	-	-	-	-	(0.09)	-	-	-	**(0.09)**
Balance as at 31st March 2017	0.34	66.36	0.95	0.24	0.15	11.01	9.02	1,764.70	1,566.87	**3,419.64**

See accompanying notes to the consolidated financial statements

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Consolidated Statement of Cash Flows

for the year ended 31st March 2017

(₹ in crores)

		31st March 2017		31st March 2016	
A	**CASH FLOWS FROM OPERATING ACTIVITIES**				
	Profit before tax for the year		**1,248.27**		1,140.77
	Adjustments for:				
	Share of profit from Associate	**(3.53)**		(3.25)	
	Share of loss from Joint Venture	**(1.77)**		0.05	
	Finance costs recognised in Statement of Profit and Loss	**13.93**		13.27	
	Interest income recognised in Statement of Profit and Loss	**(5.89)**		(5.07)	
	Dividend income recognised in Statement of Profit and Loss	**(7.15)**		(1.53)	
	Dividend from Associate	**1.12**		1.12	
	Loss/ (gain) on disposal of Property, Plant and Equipment	**2.08**		(1.81)	
	Net gain arising on financial assets designated at FVTPL	**(76.86)**		(48.08)	
	Allowance for doubtful debts	**4.27**		10.67	
	Depreciation and amortisation Expense	**115.14**		100.47	
	Net Foreign Exchange loss	**6.25**		9.78	
	Provision for Employee Benefits	**2.76**		2.72	
	Provision/ write back of warranties and others	**0.51**		(0.11)	
	Expense recognised in respect of equity-settled share-based payments	**7.80**		3.66	
	Operating profits before working capital changes		**1,306.93**		1,222.66
	Movements in working capital:				
	Increase in Trade Receivables	**(70.94)**		(101.34)	
	(Increase)/ decrease in Inventories	**(81.74)**		48.76	
	Decrease/(increase) in Non-Current Loans	**1.12**		(1.96)	
	(Increase)/ decrease in Current Loans	**(0.98)**		7.45	
	Increase in Other Non-Current Financial Assets	**(5.34)**		(16.58)	
	Increase in Other Current Financial Assets	**(12.90)**		(15.82)	
	(Increase)/ decrease in Other Non-Current Non Financial Assets	**(23.37)**		3.10	
	Increase in Other Current Non Financial Assets	**(19.49)**		(10.24)	
	Increase in Trade Payables	**15.27**		16.69	
	Increase in Other Current Financial Liabilities	**55.56**		31.66	
	Increase in Other Non-Current Financial Liabilities	**(0.07)**		2.62	
	Increase in Other Current Non Financial Liabilities	**3.02**		34.45	
	Cash generated from operations		**1,167.07**		1,221.45
	Taxes paid		**(373.32)**		(313.98)
	Net cash generated from Operating Activities [A]		**793.75**		**907.47**

Consolidated Statement of Cash Flows

For The Year Ended 31st March 2017

(₹ in crores)

		31st March 2017		31st March 2016	
B	**Cash Flows From Investing Activities**				
	Payments for purchase of Property, Plant and Equipment & other Intangible Assets	**(133.06)**		(170.43)	
	Proceeds from disposal of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**10.64**		4.58	
	Amount paid against BTA considerations (Refer Note 50)	**(107.69)**		(71.87)	
	Payments to acquire investments	**(3,157.41)**		(2,307.74)	
	Proceeds on sale of investments	**2,496.11**		2,050.01	
	Increase in bank deposits (having maturity of more than three months)	**(0.60)**		(1.54)	
	Interest received	**5.89**		4.32	
	Dividends received	**7.15**		1.53	
	Net cash used in Investing Activities [B]		**(878.97)**		**(491.14)**
C.	**Cash Flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company (₹ **7,400** as at 31st March 2017 and ₹ 12,500 as at 31st March 2016)	**0.00**		0.00	
	Net increase in short term borrowings	**6.19**		6.59	
	Net increase / (decrease) in long term borrowings	**(0.68)**		5.03	
	Proceeds from share capital issued to minority	**80.71**		33.88	
	Dividends paid on Equity Shares	**(31.63)**		(403.22)	
	Interest paid	**(13.93)**		(13.34)	
	Net Cash used in Financing Activities (C)		**40.66**		**(371.06)**
	Net increase / (decrease) in Cash and Cash Equivalents (A)+(B)+(C)		**(44.56)**		45.27
	Cash and Cash Equivalents at the beginning of the year	**99.76**		56.40	
	Bank Unrealised Gain/(Loss)	**1.05**		(0.86)	
	Cash and Cash Equivalents at the beginning of the year		**100.81**		**55.54**
	Cash and Cash Equivalents at the end of the year	**55.37**		99.76	
	Bank Unrealised Gain	**0.88**		1.05	
	Cash and cash equivalents at the end of the year		**56.25**		100.81
	Net increase / (decrease) in Cash and Cash Equivalents		**(44.56)**		**45.27**
	See accompanying notes to the consolidated financial statements				

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 18th May 2017

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 18th May 2017

Notes forming part of the consolidated financial statements

1 Corporate information

Since inception, Pidilite Industries Limited (the Company/ Parent), together with its subsidiaries has been a pioneer in consumer and industrial speciality chemicals in India. The equity shares of the Company are listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE).

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all period upto and including the year ended 31st March 2016, the Group prepared its consolidated financial statements in accordance with the requirements of Indian GAAP, i.e. comply with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with applicable rules and the relevant provisions of the Companies Act, 2013. These financial statements for the year ended 31st March 2017 are the Group's first financial statements under Ind AS and the same are prepared in accordance with Ind AS 101 on "First-time adoption of Indian Accounting Standards' - Refer to Note 2.20 for details of adoption of Ind AS.

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

a. Certain Financial Assets/ Liabilities (including derivative instruments) – at Fair value

b. Employee Stock Options - at Fair value

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Pidilite Industries Limited (the "Parent") and its subsidiaries (together referred to as "Group") and Group's share of profit in its associate and joint venture as at 31st March 2017. Control exists when the Group has:

- power over the investee;
- exposure or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Generally, there is a presumption that a majority of voting rights result in control. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Group ceases to control the subsidiary.

If the Group losses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity. Any investment retained is measured at fair value. Any resultant gain or loss is recognised in the Consolidated Statement of Profit and Loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March 2017.

The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Parent and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses in accordance with Ind AS 110 "Consolidated Financial Statements". Further, the carrying amount of the Parent's investments in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated on consolidation.

b) The consolidated financial statements include the share of profit / loss of an associate company and joint venture which have been accounted for using equity method as per Ind AS 28 "Investment in Associates and Joint Ventures". The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss (the loss being restricted to the cost of investment) of the investee after the acquisition date.

c) Profit or loss and each component of Other Comprehensive Income (the 'OCI') are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

d) The excess of cost to the Group of its investments in the subsidiary companies, joint venture and associate company over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries, joint venture and associate company as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

e) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year and each component of Other Comprehensive Income of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

f) The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

g) Goodwill arising on consolidation is not amortised but tested for impairment.

2.3 Business Combination

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

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

2.4 Goodwill

Goodwill is measured as the excess of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on business combination or acquisition of an associate and a joint venture is described at Note 2.5.

2.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and Other Comprehensive Income of the associate or Joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture); the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

2.6.1 Sale of goods and services

Revenue from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales include excise duty but exclude Sales Tax/ VAT. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

Revenue from sale of service is recognised as sale as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognised as Sales and are recorded as uncertified revenue and unbilled revenue. Incomplete services are recorded at cost as work in progress.

2.6.2 Dividend, Interest income and Royalty

Dividend income from investments is recognised when the Group's right to receive dividend is established provided it is probable that the economic benefits associated with the dividend will flow to the Group as also the amount of dividend can be measured reliably.

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

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

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

The Group's policy for recognition of revenue (rental income) from operating leases is described in Note 2.7.1.

2.7 Leasing

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

2.7.1 Group as Lessor

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

Amounts due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

Finance lease income is allocated over accounting periods so as to reflect constant periodic rate of return of the Group's net investment outstanding in respect of the leases.

2.7.2 Group as Lessee

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

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

2.8 Foreign Currencies

The functional currency of the Parent and its Indian Subsidiaries is the Indian Rupee, whereas the functional currency of Foreign Subsidiaries is the currency of their countries of domicile. In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the Consolidated Statement of Profit and Loss. For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

2.9 Share-based payment transactions of the Group

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.10 Taxation

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

2.10.1 Current Tax

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

2.10.2 Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

2.10.3 Current and Deferred Tax for the year

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

2.11 Property, Plant and Equipment

2.11.1 Property, Plant and Equipment acquired separately

Freehold land is stated at cost and not depreciated.

Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

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

2.11.2 Capital Work-In-Progress

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

2.11.3 Depreciation

Depreciation is recognised so as to write off the cost of assets (other than Freehold Land and Capital Work-In-Progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings	20 years
Leasehold improvements	5-20 years
Plant and machinery	5-10 years
Vehicles	4-8 years
Furniture	5-10 years
Office Equipment	3-10 years

2.12 Intangible Assets

2.12.1 Intangible assets acquired separately

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

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

2.12.2 Intangible assets acquired in a business combination

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

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

2.12.3 Internally generated Intangible Assets – Research and Development Expenditure

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

An internally generated intangible asset arising from development is recognised if and only if it meets the recognition criteria of intangible assets. The amount initially recognised is the sum total of expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is recognised in Consolidated Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.12.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

Type of Asset	Useful Life
Computer Software	5-10 years
Technical Knowhow	15 years
Non-Compete Fees	15 years
Copyrights	Indefinite Life
Trademarks	10 years-Indefinite Life

2.13 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use.

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

2.14 Inventories

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

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for and valued at net realisable value.

2.15 Provisions (other than Employee Benefits)

A provision is recognised when as a result of past event, the Group has a present legal or constructive obligation that can be reliably estimated, and, it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent assets are not recognised but disclosed in the Notes to the consolidated financial statements, where an inflow of economic benefits is probable.

2.16 Financial Instruments

2.16.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit and Loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit and Loss are recognised in Consolidated Statement of Profit and Loss.

2.16.2 Subsequent measurement of Financial Assets

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

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.

All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the "Other income" line item.

2.16.3 Impairment of Financial Assets

The Group recognises loss allowance using expected credit loss model financial assets which are not measured at Fair Value through Profit and Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Group measures loss allowance at an amount equal to lifetime expected credit losses. The Group computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.4 Financial Liabilities and equity instruments

2.16.4.1 Classification of debt or equity

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

2.16.4.2 Equity Instruments

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

2.16.4.3 Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method.

2.16.5 Derecognition of Financial Assets and Liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Group transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Group derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

2.16.6 Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to hedge its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at their fair value and changes at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately.

2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

2.18 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the chief operating decision maker (CODM) in deciding allocation of resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities" respectively.

2.19 Employee Benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme.

2.19.1 Defined Contribution Plans

The Group's contribution to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

2.19.2 Defined Benefit Plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected in the Consolidated Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected in retained earnings and is not reclassified to Profit and Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.19.3 Short Term and Other Long Term Employee Benefits

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

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

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

2.20 First-time Adoption – Mandatory Exceptions, Optional Exemptions

2.20.1 Overall Principle

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of 1st April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the exceptions and optional exemptions availed by the Group detailed below.

2.20.1.1 Past Business Combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April 2015. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Group has tested the goodwill for impairment at the transition date based on the condition as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

2.20.1.2 Deemed cost for Property, Plant and Equipment, Investment Property, and Intangible Assets

The Group has elected to fair value Land, Building and Plant & Machinery along with integrated patents, designs and drawings at Dahej (included in Capital Work in progress) as of the transition date. Accordingly, the Group has measured all other items of property, plant and equipment and intangible assets recognised as of 1st April 2015 at retrospective carrying values calculated in accordance with Ind AS 16.

2.20.1.3 Investments

The Group has elected to measure investments in equity shares of associate company and joint venture at deemed cost, which is previous GAAP carrying amount. Accordingly, under Ind AS, the Group has recognised investments as follows:

- Equity shares of associate company and joint venture – At deemed cost
- Unquoted equity shares of other companies- At fair value through profit and loss (FVTPL)
- Mutual Funds - At FVTPL

2.20.4 Cumulative Translation Differences on Foreign Operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.

3. Critical Accounting Judgements and key sources of Estimation Uncertainty

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

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

3.1 Critical judgments

3.1.1 Classification of Plus Call Technical Services L.L.C as a joint venture

Plus Call Technical Services L.L.C is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the L.L.C itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Plus Call Technical Services L.L.C is classified as joint venture of the Group.

3.1.2 Classification of entities as Subsidiaries wherein Group has ownership interest and voting rights of 50% or less

Pidilite MEA Chemicals L.L.C, Bamco Supply and Services Ltd, ICA Pidilite Pvt Ltd and Building System Solution Trading Limited Liability Company are subsidiaries of the Group even though the Group has ownership interest and voting rights of 50% or less in the subsidiaries respectively. However, based on the relevant facts and circumstances, control and management of these entities lie with the Group. The Group has the power to direct the relevant activities of these entities and therefore controls these entities.

3.2 Key accounting, judgements, assumptions and estimates

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

3.2.1 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions. (disclosed in note 51)

3.2.2 Business combinations and Intangible Assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

3.2.3 Property, Plant and Equipment

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

3.2.4 Fair value measurement of Capital Work in progress

Fair value of Land, Building and Plant & Machinery alongwith integrated patents, designs and drawings at Dahej (included in Capital Work-in-Progress) is based on valuations conducted by independent valuation experts.

3.2.5 Impairment of Goodwill and Other Intangible Assets

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

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

3.2.6 Employee related provisions

The costs of long term and short term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates. (disclosed in Note 48).

(₹ in crores)

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying Amounts:			
• Freehold Land	**71.29**	63.26	52.94
• Buildings	**227.75**	209.49	180.33
Plant & Equipment			
• Plant & Machinery	**418.92**	414.68	316.35
• Vehicles	**9.02**	9.74	8.43
• Furniture & Fixtures	**34.06**	31.73	26.40
• Office Equipment	**28.08**	26.84	34.93
	789.12	755.74	619.38
Capital Work-In-Progress	**147.71**	158.07	219.79
TOTAL	**936.83**	**913.81**	**839.17**

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Deemed Cost							
Balance as at 1st April 2015	52.94	241.58	806.04	21.24	61.00	88.76	**1,271.56**
Additions	10.27	35.95	153.87	2.96	11.83	10.21	**225.09**
Acquisitions through business combinations (refer Note 50)	-	-	2.24	0.32	0.04	0.28	**2.88**
Disposals/ Adjustments	-	(0.01)	(1.15)	(1.41)	(0.82)	(3.21)	**(6.60)**
Effect of foreign currency exchange differences	0.05	2.49	0.99	0.06	(0.12)	0.47	**3.94**
Balance as at 31st March 2016	63.26	280.01	961.99	23.17	71.93	96.51	**1,496.87**
Additions	15.05	32.70	77.56	1.31	9.67	10.18	**146.47**
Acquisitions through business combinations (refer Note 50)	-	-	0.37	0.06	0.12	0.20	**0.75**
Disposals/ Adjustments	(6.47)	(2.49)	(5.69)	(0.98)	(0.57)	(2.61)	**(18.81)**
Effect of foreign currency exchange differences	(0.55)	(3.99)	(5.20)	(0.22)	(1.39)	(0.10)	**(11.45)**
Balance as at 31st March 2017	**71.29**	**306.23**	**1,029.03**	**23.34**	**79.76**	**104.18**	**1,613.83**
Accumulated Depreciation and Impairment							
Balance as at 1st April 2015	-	(61.25)	(489.69)	(12.81)	(34.60)	(53.83)	**(652.18)**
Eliminated on disposal of assets	-	-	6.49	1.30	0.55	(2.91)	**5.43**
Depreciation expense	-	(9.07)	(63.44)	(1.88)	(6.26)	(12.54)	**(93.19)**
Effect of foreign currency exchange differences	-	(0.20)	(0.67)	(0.04)	0.11	(0.39)	**(1.19)**
Balance as at 31st March 2016	-	(70.52)	(547.31)	(13.43)	(40.20)	(69.67)	**(741.13)**
Eliminated on disposal of assets	-	0.38	5.45	0.84	0.32	1.86	**8.85**
Depreciation expense	-	(9.58)	(70.31)	(1.89)	(6.82)	(8.35)	**(96.95)**
Effect of foreign currency exchange differences	-	1.24	2.06	0.16	1.00	0.06	**4.52**
Balance as at 31st March 2017	-	**(78.48)**	**(610.11)**	**(14.32)**	**(45.70)**	**(76.10)**	**(824.71)**
Carrying Amount							
Balance as at 1st April 2015	52.94	180.33	316.35	8.43	26.40	34.93	**619.38**
Additions	10.27	35.95	153.87	2.96	11.83	10.21	**225.09**
Acquisitions through business combinations (refer Note 50)	-	-	2.24	0.32	0.04	0.28	**2.88**
Disposals/ Adjustments	-	(0.01)	(1.15)	(1.41)	(0.82)	(3.21)	**(6.60)**
Depreciation expense	-	(9.07)	(63.44)	(1.88)	(6.26)	(12.54)	**(93.19)**
Depreciation Eliminated on disposal of assets	-	-	6.49	1.30	0.55	(2.91)	**5.43**
Effect of foreign currency exchange differences	0.05	2.29	0.32	0.02	(0.01)	0.08	**2.75**
Balance as at 31st March 2016	63.26	209.49	414.68	9.74	31.73	26.84	**755.74**
Additions	15.05	32.70	77.56	1.31	9.67	10.18	**146.47**
Acquisitions through business combinations (refer Note 50)	-	-	0.37	0.06	0.12	0.20	**0.75**
Disposals/ Adjustments	(6.47)	(2.49)	(5.69)	(0.98)	(0.57)	(2.61)	**(18.81)**
Depreciation expense	-	(9.58)	(70.31)	(1.89)	(6.82)	(8.35)	**(96.95)**
Depreciation Eliminated on disposal of assets	-	0.38	5.45	0.84	0.32	1.86	**8.85**
Effect of foreign currency exchange differences	(0.55)	(2.75)	(3.14)	(0.06)	(0.39)	(0.04)	**(6.93)**
Balance as at 31st March 2017	**71.29**	**227.75**	**418.92**	**9.02**	**34.06**	**28.08**	**789.12**

(₹ in crores)

a) Assets given under operating lease included in Note 4 above are as under:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying amounts			
• Freehold land	**13.79**	13.79	13.79
• Buildings	**19.63**	27.12	10.24
TOTAL	33.42	40.91	24.03

	Freehold Land	Buildings	Total
Deemed cost			
Balance as at 1st April 2015	13.79	14.30	**28.09**
Additions	-	17.83	**17.83**
Disposals/ Adjustments	-	-	-
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2016	13.79	32.13	**45.92**
Additions	-	2.31	**2.31**
Disposals/ Adjustments	-	(9.80)	**(9.80)**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2017	**13.79**	**24.64**	**38.43**
Accumulated depreciation and impairment			
Balance as at 1st April 2015	-	(4.06)	**(4.06)**
Eliminated on disposal of assets	-	-	-
Depreciation expense	-	(0.95)	**(0.95)**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2016	-	(5.01)	**(5.01)**
Eliminated on disposal of assets	-	1.49	1.49
Depreciation expense	-	(1.49)	**(1.49)**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2017	-	**(5.01)**	**(5.01)**
Carrying Amount			
Balance as at 1st April 2015	13.79	10.24	**24.03**
Additions	-	17.83	**17.83**
Disposals/ Adjustments	-	-	-
Depreciation expense	-	(0.95)	**(0.95)**
Depreciation Eliminated on disposal of assets	-	-	-
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2016	13.79	27.12	**40.91**
Additions	-	2.31	**2.31**
Disposals/ Adjustments	-	(9.80)	**(9.80)**
Depreciation expense	-	(1.49)	**(1.49)**
Depreciation Eliminated on disposal of assets	-	1.49	**1.49**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2017	**13.79**	**19.63**	**33.42**

b) Buildings includes shares of co-operative societies of ₹ **0.01** crores (₹ 0.01 crores)

(₹ in crores)

c) Assets taken under finance lease included in Note 4 above are as under:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying amounts			
• Vehicles	-	-	-
• Office Equipment	**0.04**	-	-
TOTAL	**0.04**	-	-

	Vehicles	Office Equipment	Total
Deemed cost			
Balance as at 1st April 2015	0.28	0.02	**0.30**
Additions	-	-	-
Disposals/ Adjustments	-	(0.02)	**(0.02)**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2016	0.28	-	**0.28**
Additions	-	0.05	**0.05**
Disposals/ Adjustments	(0.28)	-	**(0.28)**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2017	-	**0.05**	**0.05**
Accumulated depreciation and impairment			
Balance as at 1st April 2015	(0.28)	(0.02)	**(0.30)**
Eliminated on disposal of assets	-	0.02	**0.02**
Depreciation expense	-	-	-
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2016	(0.28)	-	**(0.28)**
Eliminated on disposal of assets	0.28	-	0.28
Depreciation expense	-	(0.01)	**(0.01)**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2017	-	**(0.01)**	**(0.01)**
Carrying Amount			
Balance as at 1st April 2015	-	-	-
Additions	-	-	-
Disposals/ Adjustments	-	(0.02)	**(0.02)**
Depreciation expense	-	-	-
Depreciation Eliminated on disposal of assets	-	0.02	**0.02**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2016	-	-	-
Additions	-	0.05	**0.05**
Disposals/ Adjustments	(0.28)	-	**(0.28)**
Depreciation expense	-	(0.01)	**(0.01)**
Depreciation Eliminated on disposal of assets	0.28	-	**0.28**
Effect of foreign currency exchange differences	-	-	-
Balance as at 31st March 2017	-	**0.04**	**0.04**

(₹ in crores)

5 Goodwill and Other Intangible assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying Amounts:			
Goodwill			
• Goodwill on Consolidation	**22.89**	23.93	21.55
• Goodwill (acquired separately)	**110.94**	109.49	102.87
Total Goodwill (A)	**133.83**	133.42	124.42
Other Intangible Assets			
• Trademark	**215.25**	191.63	163.26
• Computer Software	**13.95**	14.18	16.48
• Copyrights	**31.05**	31.05	17.92
• Technical Knowhow Fees	**35.06**	8.84	10.68
• Commercial Knowhow Fees	**54.44**	-	-
• Non Compete Fees	**2.26**	2.60	3.46
• Intangible assets under development	**0.29**	-	-
Total Other Intangible Assets (B)	**352.30**	248.30	211.80
Total Intangible Assets (A) + (B)	**486.13**	381.72	336.22

(₹ in crores)

	Good-will	Trademark	Computer Software	Copy-rights	Technical Knowhow Fees	Commercial Knowhow Fees	Non Compete Fees	Intangible assets under development	TOTAL
Deemed Cost									
Balance as at 1st April 2015	124.42	163.26	40.89	17.92	23.05	-	5.68	-	**375.22**
Additions	4.16	0.79	2.32	15.86	-	-	-	-	**23.13**
Acquisitions through business combinations (refer Note 50)	5.13	26.15	0.10	-	-	-	-	-	**31.38**
Disposals/ Adjustments	-	-	(0.09)	(0.03)	-	-	-	-	**(0.12)**
Effect of foreign currency exchange differences	(0.29)	1.43	(0.05)	-	-	-	-	-	**1.09**
Balance as at 31st March 2016	133.42	191.63	43.17	33.75	23.05	-	5.68	-	**430.70**
Additions	-	0.45	4.33	-	-	-	-	0.27	**5.05**
Acquisitions through business combinations (refer Note 50)	2.08	24.54	-	-	31.41	59.94	0.50	-	**118.47**
Disposals/ Adjustments	-	-	(0.18)	-	-	-	-	-	**(0.18)**
Effect of foreign currency exchange differences	(1.67)	0.61	0.09	-	(0.19)	-	(0.01)	0.02	**(1.15)**
Balance as at 31st March 2017	**133.83**	**217.23**	**47.41**	**33.75**	**54.27**	**59.94**	**6.17**	**0.29**	**552.89**
Accumulated Amortisation and Impairment									
Balance as at 1st April 2015	-	-	(24.41)	-	(12.37)	-	(2.22)	-	**(39.00)**
Amortisation expense	-	-	(4.58)	-	(1.84)	-	(0.86)	-	**(7.28)**
Effect of foreign currency exchange differences	-	-	-	(2.70)	-	-	-	-	**(2.70)**
Balance as at 31st March 2016	-	-	(28.99)	(2.70)	(14.21)	-	(3.08)	-	**(48.98)**
Eliminated on disposal of assets	-	-	0.18	-	-	-	-	-	**0.18**
Amortisation expense	-	(2.25)	(4.59)	-	(5.02)	(5.50)	(0.83)	-	**(18.19)**
Effect of foreign currency exchange differences	-	0.27	(0.06)	-	0.02	-	-	-	**0.23**
Balance as at 31st March 2017	-	**(1.98)**	**(33.46)**	**(2.70)**	**(19.21)**	**(5.50)**	**(3.91)**	-	**(66.76)**

(₹ in crores)

	Good-will	Trademark	Com-puter Software	Copy-rights	Technical Know-how Fees	Commercial Knowhow Fees	Non Compete Fees	Intangible assets under development	TOTAL
Carrying Amount									
Balance as at 1st April 2015	124.42	163.26	16.48	17.92	10.68	-	3.46	-	**336.22**
Additions	4.16	0.79	2.32	15.86	-	-	-	-	**23.13**
Acquisitions through business combinations (refer Note 50)	5.13	26.15	0.10	-	-	-	-	-	**31.38**
Disposals/ Adjustments	-	-	(0.09)	(0.03)	-	-	-	-	**(0.12)**
Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-
Amortisation expense	-	-	(4.58)	-	(1.84)	-	(0.86)	-	**(7.28)**
Amortisation Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	(0.29)	1.43	(0.05)	(2.70)	-	-	-	-	**(1.61)**
Balance as at 31st March 2016	133.42	191.63	14.18	31.05	8.84	-	2.60	-	**381.72**
Additions	-	0.45	4.33	-	-	-	-	0.27	**5.05**
Acquisitions through business combinations (refer Note 50)	2.08	24.54	-	-	31.41	59.94	0.50	-	**118.47**
Disposals/ Adjustments	-	-	(0.18)	-	-	-	-	-	**(0.18)**
Amortisation expense	-	(2.25)	(4.59)	-	(5.02)	(5.50)	(0.83)	-	**(18.19)**
Amortisation Eliminated on disposal of assets	-	-	0.18	-	-	-	-	-	**0.18**
Effect of foreign currency exchange differences	(1.67)	0.88	0.03	-	(0.17)	-	(0.01)	0.02	**(0.92)**
Balance as at 31st March 2017	**133.83**	**215.25**	**13.95**	**31.05**	**35.06**	**54.44**	**2.26**	**0.29**	**486.13**

The Company has estimated the useful life for some of its Copyrights & Trademarks as indefinite on the basis of renewal of legal rights and the management's intention to keep it perpetually.

(₹ in crores)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Carrying Amounts:			
Goodwill on Consolidation			
• Pagel Concrete Technologies Pvt Ltd (PCTPL)	**1.18**	1.18	1.18
• Pidilite Bamco Ltd (Bamco)	**19.96**	21.42	19.31
• Bhimad Commercial Company Pvt Ltd (Bhimad)	**0.01**	0.01	0.01
• Madhumala Traders Pvt Ltd (Madhumala)	**0.01**	0.01	0.01
• Pidilite Industries Egypt SAE (PIE)	**1.73**	1.31	1.04
Total	**22.89**	23.93	21.55
Goodwill acquired separately*			
• Pidilite Industries Ltd	**86.11**	86.11	86.11
• Nitin Enterprises (Nitin)	**0.23**	0.23	0.23
• Building Envelope Systems India Ltd (BESI)	**0.55**	0.55	0.55
• Nina Waterproofing Systems Pvt Ltd	**5.13**	5.13	-
• ICA Pidilite Pvt Ltd (ICA)	**2.08**	-	-
• Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	**10.84**	11.33	10.18
• Pidilite USA Inc (PUSA)	**6.00**	6.14	5.80
Total	**110.94**	109.49	102.87
Total Goodwill	**133.83**	**133.42**	**124.42**

*Goodwill acquired in business combination is allocated, at acquisition date, to the cash-generating units that are expected to benefit from that business combination.

Allocation of goodwill to cash-generating units

Goodwill in the books of the Group pertains mainly to Consumer and Bazaar business (majorly consists of Consumer and Bazaar business of Parent). At the end of each reporting period, the Group reviews carrying amount of goodwill to determine whether there is any indication that goodwill has suffered any impairment loss. Accordingly, recoverable amount of goodwill is arrived basis projected cashflows from Consumer and Bazaar business. Recoverable amount of goodwill exceeds the carrying amount of goodwill in the books as on 31st March 2017. Further there are no external indications of impairment of goodwill. As a result, no impairment loss on goodwill is required to be recognised.

Projected cashflows from Consumer and Bazaar business (relates to Parent which represents significant portion of goodwill)

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management covering a five year period, and a discount rate of 12.5% per annum (as at 31st March 2016: 12.5% per annum; as at 1st April 2015: 12.5% per annum).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 9% per annum (as at 31st March 2016: 9% per annum; as at 1st April 2015: 9% per annum) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:	
Budgeted sales growth	Sales growth is assumed at 13.1% (CAGR), in line with current year projections. The values assigned to the assumption reflect past experience and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next five years is reasonably achievable.
Raw materials price inflation	Forecast for Material cost growth CAGR higher by 0.3% vs. sales growth, considering impact of commodity cost inflation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

6 Investments - Non-Current

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
Non-Current Investments						
A] Investment in Equity Instruments						
i) Quoted:						
a) Investment in Associates (fully paid up) (carrying amount determined using the Equity method of accounting)						
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18	74,51,540	1.18
• Add: Share in accumulated Profits/Reserves		**18.90**		16.74		13.86
Total (a)		**20.08**		17.92		15.04
Total Quoted (a)(i)		**20.08**		17.92		15.04
ii) Unquoted:						
(a) Investment in Joint Venture (at cost) (fully paid up) (carrying amount determined using the Equity method of accounting)						
In Equity Instruments						
• Equity Shares of AED 1000 each of Plus Call Technical Services L.L.C.	**57**	**0.22**	57	0.22		-
• Add: Share in accumulated Profits/Reserves		**1.72**		(0.05)		-
TOTAL (a)		**1.94**		0.17		-
(b) Investment in other entity (fully paid up) (at FVTPL)						
• Equity Shares of ₹ 10 each of Pal Peugeot Ltd	**1,21,300**	**0.12**	1,21,300	0.12	1,21,300	0.12
• Equity Shares of ₹ 10 each of Saraswat Co-operative Bank [Equity Shares of ₹ 10 each of Saraswat Co-operative Bank ₹ 2,500 as at 31st March 2016 (₹ 2,500 as at 1st April 2015)]	-	-	2,500	0.00	2,500	0.00
TOTAL (b)		**0.12**		0.12		0.12
Total Unquoted [(a)+(b)] (ii)		**2.06**		0.29		0.12
TOTAL Investment in Equity Instruments [(i)+(ii)] (A)		**22.14**		18.21		15.16
B] Investment in Promissory Note (at amortised cost) (Unquoted)						
• Convertible Promissory Note of Optmed Inc*	**1**	**4.85**	1	4.97	1	4.70
TOTAL (B)		**4.85**		4.97		4.70
C] Other Investments						
Deposits (at amortised cost)						
IL & FS Financial Services Ltd		**2.35**		1.77		-
Infrastructure Leasing & Financials Services Ltd		**10.98**		10.19		-
TOTAL (C)		**13.33**		11.96		-
D] Investments in Mutual Funds (Unquoted) (at FVTPL)						
• Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Growth Option	-	-	-	-	1,09,22,740	12.81
• Units of HDFC-FMP 370D Feb 2014 (1) Series 29-Growth	-	-	1,00,00,000	12.04	1,00,00,000	11.10
• Units of DSP- Black Rock FMP- S146-12M-reg	-	-	-	-	1,00,00,000	11.07
• Units of HDFC-FMP 369D Feb 2014 (2) Series 29-Growth	-	-	1,00,00,000	12.01	1,00,00,000	11.07
• Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular-Growth	-	-	-	-	1,00,00,000	11.05
• Units of ICICI Prudential FMP Series 73 366 days Plan A-Cumulative	-	-	1,00,00,000	11.99	-	-
• Units of ICICI Prudential FMP Series 73 368 days Plan D-Regular-Growth	-	-	-	-	1,00,00,000	11.00
• Units of ICICI Prudential FMP Series 73 368 days Plan D-Cumulative	-	-	1,00,00,000	11.95	-	-
• Units of Birla Sun Life Fixed Term Plan series KN (1099 days) GR Regular	-	-	-	-	1,00,00,000	11.00
• Units of HDFC-FMP 370D April 2014(2)Series 31-Regular-Growth	-	-	1,00,00,000	11.79	-	-
• Units of ICICI Prudential FMP Series 73 369 days Plan S-Cumulative	-	-	1,00,00,000	11.87	-	-

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
• Units of Reliance Fixed Horizon Fund XXV-Series28-Growth Plan	**1,00,00,000**	**13.09**	1,00,00,000	11.99	-	-
• Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth	-	-	50,00,000	6.00	-	-
• Units of HDFC-FMP 441D Feb 2014 (1) Series 29-Reg-Growth	-	-	1,00,00,000	12.00	-	-
TOTAL (D)		**13.09**		101.64		79.10
Total investments [A+B+C+D]		**53.41**		136.78		98.96
Less: Impairment in value of investments		**0.12**		0.12		0.12
TOTAL		**53.29**		**136.66**		**98.84**
• Aggregate carrying value of quoted investments		**20.08**		17.92		15.04
• Aggregate market value of quoted investments		**52.24**		37.37		48.77
• Aggregate carrying value of unquoted investments		**33.33**		118.86		83.92
• Aggregate amount of Impairment in value of investments		**0.12**		0.12		0.12

*The group invested in convertible promissory note of Optimed Inc., the conversion of which is subject to various covenants and an option to convert at the sole discretion of the group upon certain future event. Management has considered and valued this investment as a 'debt instrument' and believes that the valuation of the option can be done only after the occurence of the specific future event. Interest has been accrued on the promissory notes based on the terms of the notes.

7 Investments - Current

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
A] Investments in Mutual Funds (at FVTPL)						
• Units of HDFC-FMP 370D Feb 2014-1 Reg Growth	**1,00,00,000**	**12.98**	-	-	-	-
• Units of HDFC-FMP 369D Feb 2014-2- Regular Growth	**1,00,00,000**	**12.98**	-	-	-	-
• Units of HDFC FMP 370D April 2014 (2) Series 31-Regular-Growth	**1,00,00,000**	**12.73**	-	-	1,00,00,000	10.88
• Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth	**50,00,000**	**6.46**	-	-	50,00,000	5.54
• Units of HDFC-FMP 441D Feb 2014 (1) Series 29-Growth	**1,00,00,000**	**12.96**	-	-	1,00,00,000	11.05
• Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	-	-	-	-	1,00,00,000	11.05
• Units of ICICI Prudential FMP Series 73 366 days Plan A - Cum	**1,00,00,000**	**12.89**	-	-	-	-
• Units of ICICI Prudential FMP Series 73 368 days Plan D - Cum	**1,00,00,000**	**12.85**	-	-	-	-
• Units of ICICI Prudential FMP Series 73 369 days Plan A-Regular-Growth	**1,00,00,000**	**12.77**	-	-	1,00,00,000	10.91
• Units of DSP- Black Rock FMP- S146-12M-Reg-Growth	**1,00,00,000**	**13.00**	1,00,00,000	12.05	-	-
• Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular	**1,00,00,000**	**12.87**	1,00,00,000	11.94	-	-
• Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Cumulative	-	-	1,09,22,740	13.90	-	-
• Units of ICICI Prudential Mutual Fund	**36,63,08,114**	**36.63**	-	-	-	-
• Units of Birla Sun Life Saving Fund Inst.Growth	**27,39,323**	**87.29**	37,42,948	109.62	44,22,923	119.00
• Units of UTI Treasury Adv Fund-Institutional Plan - Direct Plan - Growth	**3,62,028**	**81.65**	2,40,628	49.67	-	-
• Units of SBI Premier Liquid Fund- Direct Plan-Growth	**3,47,688**	**88.74**	1,40,673	33.43	-	-
• Units of Kotak Treasury Adv Fund - Direct Plan - Growth	**3,63,21,092**	**95.74**	-	-	-	-
• Units of DSP BR Liquidity Fund - Dir- Growth	**1,91,001**	**44.42**	-	-	-	-
• Units of Reliance Liquid Fund -Treasury Plan-Direct Growth Plan	**45,660**	**18.11**	95,040	35.03	-	-
• Units of DSP BR Ultra Short Term Fund - Dir - G	**1,64,01,488**	**19.53**	-	-	-	-
• Units of HDFC Floating Rate IF-ST-WS-Grow	**51,24,050**	**14.53**	-	-	-	-
• Units of Reliance Money Manager Fund - Direct Growth Plan	**65,450**	**14.90**	-	-	-	-

	As at 31st March 2017		As at 31st March 2016		As at 31st April 2015	
	Qty	₹ in crores	Qty	₹ in crores	Qty	₹ in crores
• Units of IDFC Ultra Short Term - Direct Plan - Growth	**3,14,35,815**	**72.78**	-	-	-	-
• Units of ICICI Prudential Short Term Fund - Growth	**60,96,371**	**20.80**	60,96,371	18.87	60,96,371	17.45
• Units of ICICI Income Opportunities Fund - Direct Plan - Growth	**1,31,84,101**	**30.75**	-	-	-	-
• Units of ICICI Prudential Ultra Short Term - Direct Plan - Growth	**4,33,00,226**	**74.10**	-	-	2,89,02,735	40.69
• Units of IDFC Banking Debt Fund - Regular Plan - Growth	**91,03,616**	**12.68**	91,03,616	11.84	91,03,616	10.91
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	**4,81,11,596**	**53.96**	99,97,900	10.18	-	-
• Units of HDFC Short Term Opportunity Fund-Dir Gr	**1,77,04,254**	**32.05**	-	-	-	-
• Units of HDFC Medium Term Opportunity Fund - Dir Gr	**2,31,55,787**	**42.09**	-	-	-	-
• Units of Reliance Banking & PSU Fund -Dir - Gr	**5,52,03,331**	**65.32**	-	-	-	-
• Units of Birla Sun Life Treasury Optimizer Plan - Dir Gr	**15,28,949**	**32.16**	-	-	-	-
• Units of Birla Sun Life Short Term Fund	**64,44,650**	**40.31**	-	-	-	-
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	**2,67,44,404**	**51.43**	-	-	-	-
• Units of TATA Short Term Bond Fund - Direct Plan - Growth	**1,30,70,486**	**41.15**	-	-	-	-
• Units of HDFC Arbitrage Fund-Wholesale Plan-Direct Plan- Monthly Dividend	**4,82,06,123**	**50.60**	2,40,15,831	25.07	-	-
• Units of Kotak Equity Arbitrage Fund - Direct Plan - Fortnightly Dividend	**2,52,76,319**	**60.07**	-	-	-	-
• Units of ICICI Equity Arbitrage Fund - Direct - Dividend Payout	**2,42,83,637**	**35.42**	-	-	-	-
• Units of Birla SL Enhanced Arbitrage Fund - Direct - Dividend Payout	**4,53,81,919**	**50.11**	1,37,82,838	14.93	-	-
• Units of DWS-Guilt Fund-Regular-Growth	-	-	-	-	78,85,875	12.07
• Units of ICICI Prudential Blended Plan B-Regular-Growth	-	-	64,97,383	14.60	64,97,383	13.49
• Units of IDFC-Dynamic Bond Fund-Regular Plan-Growth	-	-	70,67,750	12.60	70,67,750	11.99
• Units of ICICI Prudential Dynamic Bond Fund-Regular-Growth	-	-	76,87,522	13.00	76,87,522	12.03
• Units of ICICI Prudential Ultra Short Term-Growth	-	-	3,79,45,617	58.08	-	-
• Units of Birla Dynamic Bond Fund-Retail-Growth-Reg plan	-	-	59,81,314	15.76	-	-
• Units of TATA Floater Fund-Regular Plan-Growth	-	-	87,917	20.03	-	-
• Units of HDFC-Liquid Fund-Growth	-	-	97,537	29.11	-	-
• Units of DHFL Pramerica Gilt Fund-Growth	-	-	78,85,875	12.95	-	-
• Units of HDFC FMP 92D March 2016-Regular Growth-Series 35	-	-	1,50,00,000	15.12	-	-
• Units of ICICI Prudential FMP Series 78 95 days Plan K-Cumulative	-	-	1,00,00,000	10.11	-	-
• Units of Reliance Fixed Horizon Fund XXX-Series 9-Growth Plan	-	-	1,00,00,000	10.09	-	-
Total (A)		**1,389.81**		557.98		287.06
B] Other Investments						
Deposits (at amortised cost)						
• IL & FS Financial Services Ltd	-	-	-	10.90	-	10.00
Total (B)	-	-	-	**10.90**	-	10.00
TOTAL [A+B]		1,389.81		568.88		297.06

(₹ in crores)

8 Trade Receivables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
• Secured, considered good	**60.93**	56.40	49.76
• Unsecured, considered good	**707.61**	645.19	526.51
• Considered doubtful	**35.87**	31.89	32.91
	804.41	733.48	609.18
Less: Allowance for doubtful debts	**35.87**	31.89	32.91
TOTAL	**768.54**	**701.59**	**576.27**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables days and the rates vary with the business of Parent and each Subsidiary.

(₹ in crores)

Movement in allowance for doubtful debts

	As at 31st March 2017	As at 31st March 2016
Balance at beginning of the year	**31.89**	32.91
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**3.98**	(1.02)
Balance at end of the year	**35.87**	**31.89**

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

9 Loans - Non Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered good			
Loans and Advances to Employees & Others*	**4.40**	7.09	7.59
Loans to Joint Venture*	**4.03**	2.46	-
TOTAL	**8.43**	**9.55**	**7.59**

*Loans given for business purpose.

10 Loans - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Loans and Advances to Employees & Others*	**13.03**	11.77	18.70
TOTAL	**13.03**	**11.77**	**18.70**

*Loans given for business purpose.

(₹ in crores)

11 Other Financial Assets - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit	**15.88**	19.25	12.19
Fixed Deposits with Banks* (Maturity more than 12 months from Balance Sheet date)	**1.90**	2.23	0.09
Other Receivables			
Unsecured, Considered good	**0.95**	7.48	1.77
Considered doubtful	**1.74**	1.74	-
	2.69	9.22	1.77
Less: Allowance for doubtful debts	**1.74**	1.74	-
	0.95	7.48	1.77
Retention Deposits	**15.57**	-	-
TOTAL	**34.30**	**28.96**	**14.05**

* Includes Fixed Deposit under lien

12 Other Financial Assets - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit			
Unsecured, Considered good	**3.10**	2.26	3.04
Considered doubtful	**0.49**	0.55	-
	3.59	2.81	3.04
Less: Allowance for doubtful debts	**0.49**	0.55	-
	3.10	2.26	3.04
Other Receivables	**6.92**	4.90	2.07
Retention Money Receivable	**9.26**	12.43	-
Uncertified Revenue from Works Contract	**29.71**	16.44	-
TOTAL	**48.99**	**36.03**	**5.11**

13 Cash and Cash Equivalents

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash and Cash Equivalents			
Cash on Hand	**1.93**	1.74	0.30
Cheques on Hand	**29.07**	19.04	19.79
Balance with banks			
In Current Account (refer Note a)	**46.40**	46.74	35.05
In EEFC Account	**9.66**	22.53	9.17
In Fixed Deposit Accounts with original maturity of 3 months or less	**3.31**	32.74	5.12
TOTAL	**90.37**	122.79	69.43
Cash and Cash equivalents (As above)	**90.37**	122.79	69.43
Cash credits and Bank Overdrafts (refer Note 21)	**(35.00)**	(23.03)	(13.03)
Cash and Cash equivalents (As per Statement of Cash Flows)	**55.37**	**99.76**	**56.40**
a. Balance with banks in Current Account includes debit balance of Cash Credit Accounts	**5.92**	3.89	3.23

(₹ in crores)

14 Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance with banks			
In Current Account (Balances with restriction on repatriation)	**0.50**	0.50	0.61
Other Bank Balance			
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**2.58**	1.61	0.42
In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (refer Note a)	**5.58**	4.73	5.21
Earmarked Account			
Dividend Payment Bank Account	**0.91**	2.13	1.20
TOTAL	**9.57**	8.97	7.44
a. Includes Fixed Deposit under lien.	**2.99**	2.56	2.23

15 Inventories (at lower of cost and net realisable value)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw Material and Packing Material	**273.72**	212.04	210.65
Work-in-Progress	**56.43**	55.56	53.05
Finished Goods	**296.70**	275.58	288.54
Stock-in-Trade (acquired for trading)	**90.47**	81.20	84.89
Stores and Spares	**3.54**	3.05	3.91
TOTAL	**720.86**	627.43	641.04
Included above Goods-in-Transit			
Raw Material and Packing Material	**19.00**	6.91	7.31
Work-in-Progress	**2.28**	1.56	1.79
Finished Goods	**40.65**	26.59	40.75
Stock-in-Trade (acquired for trading)	**2.68**	4.26	1.75
TOTAL	**64.61**	39.32	51.60

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **2,639.56** crores (2015-16: ₹ 2,584.68 crores).

b. The cost of Inventories recognised as an expense includes ₹ 0.74 crores (2015-16: ₹ 0.36 crores) in respect of write-downs of inventory to net realisable value.

c. The mode of valuation of inventories has been stated in Note 2.14.

16 Other Non-Current Assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Advances	**6.14**	5.89	26.91
Prepaid Expenses	**43.56**	21.97	21.55
Balance with Government Authorities*	**25.66**	23.88	22.45
Export Benefits receivable	-	-	4.95
TOTAL	**75.36**	51.74	75.86

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

(₹ in crores)

17 Others Current Assets

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Export Benefits receivable			
Unsecured, Considered good	**14.50**	12.20	3.43
Considered doubtful	**0.44**	0.25	-
	14.94	12.45	3.43
Less: provision for doubtful balances	**0.44**	0.25	-
	14.50	12.20	3.43
Balances with Government Authorities*			
Unsecured, Considered good	**42.43**	32.06	30.29
Considered doubtful	**0.06**	0.06	-
	42.49	32.12	30.29
Less: provision for doubtful balances	**0.06**	0.06	-
	42.43	32.06	30.29
Advances to vendors			
Unsecured, Considered good	**20.99**	18.18	20.41
Considered doubtful	**0.10**	0.15	-
	21.09	18.33	20.41
Less: provision for doubtful balances	**0.10**	0.15	-
	20.99	18.18	20.41
Prepaid Expenses	**14.62**	10.75	9.28
TOTAL	**92.54**	**73.19**	**63.41**

* Includes input tax credit, VAT receivable, etc.

(₹ in crores)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
18 Equity Share Capital			
Authorised Capital:			
70,00,00,000 Equity Shares of ₹ 1 each	**70.00**	70.00	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31st March 2016 and 1st April 2015)			
TOTAL	**70.00**	**70.00**	**70.00**
Issued, Subscribed and Paid up Capital:			
51,26,82,730 Equity Shares of ₹ 1 each, fully paid-up	**51.27**	51.27	51.27
(51,26,75,330 and 51,26,62,830 Equity Shares of ₹ 1 each as at 31st March 2016 and 1st April 2015)			
TOTAL	**51.27**	**51.27**	**51.27**

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

	Number of Shares	₹ in crores
Balance at 1st April 2015	51,26,62,830	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme 2012*	12,500	0.00
Balance at 31st March 2016	51,26,75,330	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme 2012*	7,400	0.00
Balance at 31st March 2017	**51,26,82,730**	**51.27**

*Issue of equity shares under Employee Stock Option Scheme 2012 amounts to ₹ 12,500 during the year 2015-16 and ₹ 7,400 during the year 2016-17.

b. **Terms/ Rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

During the year ended 31st March 2015, the Company paid the Final Dividend of ₹ 2.90 per equity share of ₹ 1 each for the financial year 2014-15.

During the year ended 31st March 2016, the Company had paid an Interim Dividend of ₹ 3.65 per equity share of ₹ 1 each and Final Dividend of ₹ 0.50 per equity share of ₹ 1 each for the financial year 2015-16.

The Board of Directors at its meeting held on 18th May 2017 declared a final dividend of ₹ 4.75 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

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

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,33,27,568**	**10.40**	5,67,77,568	11.07	5,67,77,568	11.07
Shri Narendrakumar Kalyanji Parekh	**5,17,32,178**	**10.09**	5,33,32,178	10.40	5,38,32,178	10.50
Shri Ajay Balvantray Parekh	**4,79,22,844**	**9.35**	4,89,98,844	9.56	4,89,98,844	9.56
Shri Sushilkumar Kalyanji Parekh	**4,23,58,636**	**8.26**	4,23,58,636	8.26	4,23,58,636	8.26
Genesis Indian Investment Co Ltd - General Sub fund	-	-	3,34,87,289	6.53	3,94,53,809	7.70
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.12**	2,62,24,280	5.12	2,62,24,280	5.12

(₹ in crores)

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date:

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Number of Shares	Number of Shares	Number of Shares
Equity Shares			
Allotted as fully paid bonus shares (in 2009-10)	-	-	25,30,67,306
Allotted on Conversion of FCCB (in 2011-12 and 2012-13)	**65,07,718**	65,07,718	65,07,718

e. The Company had issued on 6th December 2007, 400 Foreign Currency Convertible Bonds (FCCB) of US$100,000 each, which were convertible into Equity shares at any time upto 1st December 2012. The due date for redemption of FCCBs was 7th December 2012. As on 7th December 2012, the balance outstanding FCCBs aggregating 205 Bonds were redeemed by the Company.

f. Equity Shares reserved for issuance under Employee Stock Option Scheme/Plan (Note 46):

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Number of Shares	Number of Shares	Number of Shares
Equity shares of ₹ 1 each under Employee Stock Option Scheme 2012	**2,59,600**	2,67,000	2,79,500
Equity shares of ₹ 1 each under Employee Stock Option Plan 2016	**45,00,000**	45,00,000	-

19 Other Equity

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Capital Reserve	**0.34**	0.34	0.34
Securities Premium Reserve	**66.36**	65.96	65.65
Cash Subsidy Reserve	**0.95**	0.95	0.95
Legal Reserve	**0.24**	0.24	0.24
State Investment Reserve	**0.15**	0.15	-
Share Options Outstanding Account	**11.01**	3.61	0.26
Foreign Currency Translation Reserve	**9.02**	10.87	-
General Reserve	**1,764.70**	1,764.70	1,764.70
Retained Earnings	**1,566.87**	739.90	341.56
TOTAL	3,419.64	2,586.72	2,173.70

19.1 Capital Reserve

	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	**0.34**	0.34
Add/(Less): Additions/(Deductions) during the year	-	-
Closing Balance	0.34	0.34

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

(₹ in crores)

19.2	Securities Premium Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**65.96**	65.65
	Add: Premium on Shares issued against ESOP	**0.40**	0.31
	Closing Balance	**66.36**	**65.96**

Security premium account is created when shares are issued at premium. The Group may issue fully paid-up bonus shares to its members out of the security premium reserve account, and company can use this reserve for buy-back of shares.

19.3	Cash Subsidy Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**0.95**	0.95
	Add/(Less): Additions/(Deductions) during the year	-	-
	Closing Balance	**0.95**	**0.95**

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

19.4	Legal Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**0.24**	0.24
	Add/(Less): Additions/ (Deductions) during the year	-	-
	Closing Balance	**0.24**	**0.24**

According to Thai Civil and Commercial Code, the company is required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the Company pays out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

19.5	State Investment Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**0.15**	-
	Add/(Less): Additions/ (Deductions) during the year	-	0.15
	Closing Balance	**0.15**	**0.15**

State Investment Reserve represents subsidies received by Hybrid Coatings from state government for capital investment. It is not available for the distribution to shareholders as dividend.

(₹ in crores)

19.6	Share Options Outstanding Account	As at 31st March 2017	As at 31st March 2016
	Employees Stock Options Outstanding		
	Balance at the beginning of the year	**12.31**	0.37
	Add: Options granted during the year	**4.73**	12.30
	Less: Transferred to Securities Premium on Options exercised during the year	**(0.40)**	(0.31)
	Less: Lapsed during the year	**(0.80)**	(0.05)
	Closing Balance (A)	**15.84**	12.31
	Deferred Employees Stock Options Cost		
	Balance at the beginning of the year	**(8.70)**	(0.11)
	Add: Options granted during the year	**(4.73)**	(12.30)
	Add: Exercised during the year	**0.33**	0.09
	Add: Amortised during the year	**7.56**	3.61
	Add: Lapsed during the year	**0.71**	0.01
	Closing Balance (B)	**(4.83)**	(8.70)
	Closing Balance (A-B)	**11.01**	3.61

19.7	Foreign Currency Translation Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**10.87**	-
	Exchange difference arising on translatory foreign operations	**(1.85)**	10.87
	Closing Balance	**9.02**	10.87

Foreign Currency Translation Reserve arises as a result of translating the financial statement items from the functional currency into the group's presentational currency i.e. INR.

19.7	General Reserve	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**1,764.70**	1,764.70
	Add: Transferred from Statement of Profit and Loss	-	-
	Closing Balance	**1,764.70**	1,764.70

The General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income, items included in the General Reserve will not be reclassified subsequently to profit or loss.

19.9	Retained Earnings	As at 31st March 2017	As at 31st March 2016
	Balance at the beginning of the year	**739.90**	341.56
	Profit for the year	**859.99**	802.83
	Other Comprehensive Income for the year, net of income tax	**(2.17)**	(0.19)
	Payment of Dividend	**(25.63)**	(335.79)
	Tax on Dividend	**(5.22)**	(68.36)
	Transferred to State Investment Reserve	-	(0.15)
	Closing Balance	**1,566.87**	739.90

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

(₹ in crores)

20 Borrowings - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured- Term loan from Bank	-	1.70	-
Unsecured- Term loan from Bank	**4.85**	3.83	0.50
TOTAL	**4.85**	**5.53**	**0.50**

a) Unsecured term loan from bank carries an interest rate of SLIBOR+0.8% (international) as at 31st March 2017 and 31st March 2016 and 12% p.a. (Domestic) as at 1st April 2015. The maturity date varies from 1st March 2017 to 30th November 2019.

b) Secured term loan carries an interest rate at 12% p.a. as at 31st March 2016. The maturity date is 1st March 2017.

21 Borrowings - Current

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	Secured - at amortised cost			
1)	**Loans repayable on demand from banks**			
	i) Working Capital Demand Loan	**11.66**	27.71	-
	ii) Cash Credit	-	1.12	5.78
	iii) Bank Overdraft	**1.36**	0.34	-
2)	**Short Term Loans from Banks - Buyer's Credits**	**2.56**	2.12	-
3)	**Amount due on Factoring**	**1.36**	0.02	11.01
	Unsecured - at amortised cost			
1)	**Loans repayable on demand from banks**			
	i) Working Capital Demand Loan	**42.08**	3.94	15.89
	ii) Bank Overdraft	**33.64**	21.57	7.25
2)	**Term loans from banks**	-	17.67	17.12
3)	**Loans from financial institution**	-	-	0.87
	TOTAL	**92.66**	**74.49**	**57.92**

Secured

1) i) Secured working capital demand loan carries interest rate of 8.90% p.a.-9.85% p.a.(domestic) as at 31st March 2017; 9.85% p.a. (domestic), 3.00% p.a.-3.1% p.a. (international) as at 31st March 2016; and 3.00% p.a.-3.1% p.a. (international) as at 1st April 2015. Group company has a working capital facility line of credit with a maximum permissible limit of ₹ 38.89 crores (USD 0.6 crores). The current line of credit is secured totally by Working Capital (Receivables, Inventory and others). The line of credit prior to 2017 was partly guaranteed by holding company to the extent of ₹ 12.96 crores (USD 0.2 crores).

ii) Secured cash credit facility interest rate varies from 10-12% p.a. as at 31st March 2017 and 31st March 2016. The working Capital Loan from Banks (Cash Credit Accounts) are secured by way of first charge on the stock of Raw Material, Finished Goods, Packing Material, Stock in Process, Bills Receivable and Book Debts and by way of second charge on the entire Plant and Machinery of the Company including Stores and Spares. Further, these loans are secured by way of an Equitable Mortgage on the Land and Building of the Company's unit at Kondivita, Mumbai.

iii) Secured bank overdraft carries interest rate of SLIBOR +0.7% (international) at 31st March 2017 and 31st March 2016. For a group company Bank Overdraft facility is secured by corporate gurantee from holding company of ₹ 15.55 crores (USD 0.24 crores) and mortgage bond over stocks and Debtors.

2) Secured buyer's credit facility which carries interest rate of 2.50% p.a. (domestic) as at 31st March 2017 and 31st March 2016. The maturity period varies from 1st April 2016 to 31st July 2017. These are secured by first charge by way of hypothecation of the company's entire stocks of materials, such other moveables including book-debts, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.

3) Secured amount due on factoring which carries interest rate(including factoring cost) of 11.75% p.a.(domestic) as at 31st March 2017, 24% p.a.-25% p.a. (international) as at 31st March 2016 and 1st April 2015. The maturity period varies between 1st April 2017 to 30th June 2017 and the invoice due dates.

Unsecured

1) i) Unsecured working capital demand loan carries interest rate of 3.1% p.a. and SELIC+6% p.a. (international) as at 31st March 2017, 31st March 2016 and 1st April 2015.

ii) Unsecured bank overdraft carries interest rate of 9.40% p.a. - 11.30% p.a. (domestic), EIBOR +2.2% and SLIBOR +0.7% (international) as at 31st March 2017; 9.40% - 11.30% p.a (domestic), 4.1% p.a., EIBOR +2.2% and SLIBOR +0.7% (international) as at 31st March 2016; and 11.30% p.a. (domestic), 4.1% p.a. and EIBOR +2.2% (international) as at 1st April 2015.

2) Unsecured term loans from banks which carries interest rate of LIBOR+ 4.00% p.a. (international) as at 31st March 2016 and 3.91% p.a. (international) as at 1st April 2015. The maturity period varies from 1st July 2015 to 31st July 2016.

3) Unsecured loans from financial institutions carries an interest rate of 4.1% p.a. (international) as at 1st April 2015.

(₹ in crores)

22 Trade Payables

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	**16.83**	9.40	14.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	**373.49**	364.59	316.81
TOTAL	**390.32**	**373.99**	**331.20**

23 Other Financial Liabilities - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
BTA payable (refer Note 50)	**1.97**	0.81	-
Contingent Consideration Payable (refer Note 50)	**16.96**	-	-
Employees related liabilities	**5.52**	6.57	2.85
TOTAL	**24.45**	**7.38**	**2.85**

24 Other Financial Liabilities - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unclaimed Dividend	**0.91**	1.69	0.75
BTA payable (refer Note 50)	**4.62**	9.33	-
Contingent Consideration Payable (refer Note 50)	**11.31**	-	-
Payables on purchase of fixed assets	**6.16**	2.91	7.25
Trade/ Security Deposit received	**83.78**	75.27	70.99
Liabilities for expenses	**284.15**	242.50	201.61
Foreign Currency Forward Contract Liability	**0.87**	1.44	0.07
Retention deposits payable	**0.36**	0.32	-
Employees related liabilities	**26.13**	20.44	26.08
TOTAL	**418.29**	**353.90**	**306.75**

25 Provisions - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits			
Gratuity (net) (refer Note 48)	**2.86**	1.11	-
Compensated Absences	**23.64**	22.67	18.48
Anniversary Awards	**0.88**	0.81	0.76
Premature Death Pension Scheme	**0.86**	0.62	0.51
Total Disability Pension Scheme	**0.14**	0.12	0.11
Provision for warranty expenses (refer Note 59)	**0.32**	0.17	-
Others	**4.08**	3.77	4.06
TOTAL	**32.78**	**29.27**	**23.92**

(₹ in crores)

26 Provisions - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Employee Benefits:			
Gratuity (net) (refer Note 48)	**3.16**	1.63	5.23
Compensated Absences	**10.77**	10.30	9.17
Anniversary Awards	**0.12**	0.11	0.10
Premature Death Pension Scheme	**0.01**	0.10	0.10
Total Disability Pension Scheme	**0.02**	0.01	0.02
Provision for warranty expenses (refer Note 59)	**0.06**	0.02	-
TOTAL	**14.14**	12.17	14.62

27 (a) Current Tax Assets (net) - Non-Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance Payment of Taxes (Net of Provisions)	**42.10**	40.32	34.38
TOTAL	**42.10**	40.32	34.38

(b) Current Tax Assets (net) - Current

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance Payment of Taxes (Net of Provisions)	**0.28**	0.47	2.41
TOTAL	**0.28**	0.47	2.41

28 Current Tax Liabilities (net)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for Tax (Net of Advance Tax)	**16.96**	13.46	13.30
TOTAL	**16.96**	13.46	13.30

29 Other Current Liabilities

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Statutory remittances	**52.20**	46.62	34.36
Advance from customers	**28.25**	30.90	6.77
Other Liabilities	**9.59**	9.50	11.12
TOTAL	**90.04**	87.02	52.25

30 Revenue from Operations

	For the year ended 31st March 2017	For the year ended 31st March 2016
Revenue From Operations		
Sale of Products		
Finished Goods	**5,084.54**	4,912.68
Traded Goods	**765.00**	594.91
Sale of Services	**183.89**	165.94
TOTAL (A)	**6,033.43**	5,673.53
Other Operating Revenue		
Scrap Sales	**10.66**	11.63
Export Incentives	**15.50**	13.50
Others	**2.72**	2.94
TOTAL (B)	**28.88**	28.07
Revenue from operations (A+B)	**6,062.31**	5,701.60

(₹ in crores)

31 Other Income

	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest on:		
Bank Deposit (at amortised cost)	**2.72**	0.81
Overdue Trade Receivables	**1.00**	1.94
Others	**2.17**	2.32
Dividend on:		
Current Investments (at FVTPL)	**7.15**	1.53
Other Non-Operating Income:		
Windmill Income	**4.39**	4.42
Insurance claim received	**-**	0.07
Liabilities no longer required written back	**8.61**	1.59
Rental Income from Operating Leases	**2.35**	2.62
Net gain/(loss) arising on financial assets designated as at FVTPL	**76.86**	48.08
Miscellaneous Income	**7.00**	14.45
TOTAL	**112.25**	**77.83**

32 Cost of Materials Consumed

	For the year ended 31st March 2017	For the year ended 31st March 2016
Inventory at the beginning of the year	**212.04**	210.65
Add: Purchases	**2,332.11**	2,296.81
	2,544.15	2,507.46
Less: Inventory at the end of the year	**273.72**	212.04
TOTAL	**2,270.43**	**2,295.42**

33 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	For the year ended 31st March 2017	For the year ended 31st March 2016
Inventories at the end of the year		
Stock-in-Trade	**90.47**	81.20
Work-in-Progress	**56.43**	55.56
Finished Goods	**296.70**	275.58
(A)	**443.60**	412.34
Inventories at the beginning of the year		
Stock-in-Trade	**81.20**	84.89
Work-in-Progress	**55.56**	53.05
Finished Goods	**275.58**	288.54
(B)	**412.34**	426.48
TOTAL (B)-(A)	**(31.26)**	**14.14**
Increase / (Decrease) of Excise Duty on inventory of Finished Goods	**0.53**	9.13
TOTAL	**(30.73)**	**23.27**

34 Employee Benefits Expense

	For the year ended 31st March 2017	For the year ended 31st March 2016
Salaries and Wages	**589.69**	528.93
Contribution to Provident and Other Funds (refer Note 48)	**31.08**	23.60
Share based payments to employees (refer Note 46)	**7.80**	3.66
Staff Welfare Expenses	**16.70**	15.96
TOTAL	**645.27**	**572.15**

(₹ in crores)

35 Finance Costs

	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest expense on:		
Borrowings	**6.72**	7.53
Dealer Deposits & others	**7.21**	5.74
TOTAL	**13.93**	13.27

36 Depreciation and Amortisation Expense

	For the year ended 31st March 2017	For the year ended 31st March 2016
Depreciation on Property, Plant and Equipment (refer Note 4)	**96.95**	93.19
Amortisation of Other Intangible Assets (refer Note 5)	**18.19**	7.28
TOTAL	**115.14**	100.47

37 Other Expenses

		For the year ended 31st March 2017	For the year ended 31st March 2016
Consumption of Stores and Spares		**18.85**	16.66
Clearing, Forwarding and Octroi Duty		**242.47**	239.50
Power and Fuel		**50.51**	46.59
Water Charges		**2.70**	2.38
Rent		**43.19**	39.58
Rates and Taxes		**6.35**	2.60
Insurance		**5.89**	5.25
License Fees		-	1.69
Repairs:			
Buildings	**9.32**		5.04
Machinery	**14.82**		11.38
Others	**13.84**		6.16
		37.98	22.58
Directors' Fees		**0.35**	0.31
Advertisement and Publicity		**193.52**	193.21
Legal, Professional and Consultancy Fees		**38.66**	47.84
Communication Expenses		**17.41**	17.44
Printing and Stationery		**7.39**	8.75
Travelling and Conveyance Expenses		**91.81**	88.64
Bad Debts		**3.42**	0.11
Provision for Doubtful Debts		**4.27**	10.67
Processing and Packing Charges		**68.16**	67.06
Sales Commission		**19.51**	15.18
Payments to Auditor (refer Note 42)		**2.04**	1.63
Donations		**0.52**	0.41
Corporate Social Responsibility Expenses (refer Note 60)		**19.17**	13.05
Loss on Fixed Assets Sold/ Discarded (net)		**2.10**	-
Net Loss on Foreign Currency Transactions and Translation		**8.22**	4.81
Miscellaneous Expenses		**187.68**	184.92
TOTAL		**1,072.17**	1,030.86

38 Associates and Joint Ventures

a) (i) Details of Associate

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the group		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Vinyl Chemicals (India) Ltd	Trading in chemicals	India	**40.64%**	40.64%	40.64%

(₹ in crores)

(ii) Financial information in respect of Associate

Particulars	As at 31st March 2017	As at 31st March 2016
Group's share of profit/ (loss)	**3.54**	3.25
Group's share of Other Comprehensive Income	**(0.01)**	(0.02)
Group's share of Total Comprehensive Income	3.53	3.23

(iii) Reconciliation with Carrying amount of investment

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Net assets of the Associate excluding dividend adjustment	**46.51**	41.19	34.10
Share in accumulated Profits/Reserves (%)	**40.64%**	40.64%	40.64%
Share in accumulated Profits/Reserves	**18.90**	16.74	13.86
Investment in Equity Share Capital	**1.18**	1.18	1.18
Total Investment	20.08	17.92	15.04

b) (i) Details of Joint Venture

Name of Joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the group		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Plus Call Technical Services L.L.C	Flooring, tiling, painting, concrete work and related contracting activities	United Arab Emirates	**40.00%**	40.00%	NA

(₹ in crores)

(ii) Financial information in respect of Joint Venture

Particulars	As at 31st March 2017	As at 31st March 2016
Group's share of profit/ (loss)	**1.77**	(0.05)
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	1.77	(0.05)

(₹ in crores)

39 Non-Controlling Interest

	As at 31st March 2017	As at 31st March 2016
Balance at the beginning of the year	**43.38**	5.10
Share of Profit for the year	**3.23**	4.40
Non-Controlling Interests arising on the acquisition of:		
Pidilite Lanka (Pvt) Ltd	-	3.29
ICA Pidilite Pvt Ltd (formerly known as Wood Coat Pvt Ltd)	**80.67**	-
Nina Lanka Construction Technologies Pvt Ltd	**0.04**	-
Additional non-controlling interests arising on increase in capital of:		
Nina Waterproofing Systems Pvt Ltd	-	26.30
Building Envelope Systems India Ltd	-	4.29
Total	127.32	43.38

Non-wholly owned subsidiaries of the group that have material non-controlling interests:

Name of Associate	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the group		
		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Nina Waterproofing Systems Pvt Ltd	India	**30%**	30%	30%
ICA Pidilite Pvt Ltd	India	**50%**	50%	50%
Building Envelope Systems India Ltd	India	**40%**	40%	40%

(₹ in crores)

Name of subsidiaries	Profit / (Loss) allocated to non-controlling interests		Accumulated non-controlling interest		
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Nina Waterproofing Systems Pvt Ltd	**1.79**	2.69	**31.35**	28.98	0.09
ICA Pidilite Pvt Ltd	**0.23**	-	**80.67**	-	-
Building Envelope Systems India Ltd	**0.29**	0.31	**7.26**	6.56	1.95
Individually immaterial subsidiaries with non-controlling interests	**0.92**	1.40	**8.04**	7.84	3.06
TOTAL	3.23	4.40	127.32	43.38	5.10

(₹ in crores)

40 Contingent Liabilities and Commitments

		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
A)	**Contingent liabilities not provided for:**			
1.	Claims against the Group not acknowledged as debts comprises of:			
	a) Income Tax demand against the Group not provided for and relating to issues of deduction and allowances in respect of which the Group is in appeal	**20.77**	20.04	14.00
	b) Excise Duty claims disputed by the Group relating to issues of classifications	**36.65**	10.65	5.11
	c) Sales Tax claims disputed by the Group relating to issues of declaration forms and classifications	**170.25**	145.55	68.77
	d) Federal Taxes (PIS, COFINS and other taxes) claims disputed by the Group related to denial of input credit	**6.28**	0.73	3.83
	e) Other Matters (relating to disputed electricity duty, Gram Panchayat Tax, open access charges, etc.)	**4.24**	3.98	3.16
2.	Guarantees given by Banks in favour of Government and others*	**71.09**	68.35	20.73
	*Guarantees given are for business purpose			
B)	**Commitments:**			
	Estimated amount of contracts, net of advances, remaining to be executed on Property, Plant and Equipment and not provided for	**27.69**	19.19	46.10

41 Research & Development Expenditure

	For the year ended 31st March 2017	For the year ended 31st March 2016
Capital expenditure included in Property, Plant and Equipment	**5.40**	3.11
Revenue expenditure charged to Statement of Profit and Loss	**36.61**	30.20
TOTAL	**42.01**	**33.31**

42 Details of Payments to Auditor (Net of Service Tax)

	For the year ended 31st March 2017	For the year ended 31st March 2016
Audit fees	**1.32**	1.17
Other Services:		
Limited Review	**0.27**	0.20
Certification Fees	**0.16**	0.18
Reimbursement of expenses	**0.03**	0.04
Others*	**0.26**	0.04
TOTAL	**2.04**	**1.63**

* Fees paid to network firm.

(₹ in crores)

43 Earnings Per Share (EPS)

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

	As at 31st March 2017	As at 31st March 2016
Basic:		
Profit attributable to shareholders of the Company (₹ in crores)	**859.99**	802.83
Weighted average number of equity shares in calculating basic EPS	**51,26,75,918**	51,26,67,202
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**16.77**	15.66
Diluted:		
Profit for the year (₹ in crores)	**859.99**	802.83
Weighted average number of equity shares in calculating basic EPS	**51,26,75,918**	51,26,67,202
Add: Effect of Employee Stock Option Scheme	**2,76,900**	2,33,800
Weighted average number of equity shares in calculating diluted EPS	**51,29,52,818**	51,29,01,002
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**16.77**	15.65

44 Related Party Disclosures

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

(i)	**Relationships:**		
	a.	Vinyl Chemicals (India) Ltd	Associate
	b.	Parekh Marketing Ltd	Significant Influence
	c.	Kalva Marketing and Services Ltd	Significant Influence
	d.	Pargro Investments Pvt Ltd	Significant Influence
	e.	Plus Call Technical Services L.L.C	Joint Venture
(ii)	**Key Management Personnel:**		
	a.	Shri M B Parekh	Executive Chairman
	b.	Shri Bharat Puri	Managing Director
	c.	Shri A B Parekh	Whole Time Director
	d.	Shri A N Parekh	Whole Time Director
	e.	Shri N K Parekh (Joint Managing Director upto 31st March 2015)	Non-Executive Vice Chairman
	f.	Shri Sabyasachi Patnaik	Whole Time Director
	g.	Shri J L Shah (Upto 19th May 2015)	Whole Time Director
(iii)	**Close member of Key Management Personnel:**		
	a.	Smt. Mala M Parekh	Wife of Executive Chairman

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2017 are as follows:

	Nature of Transaction	Remuneration/ Commission to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Pargro Investment Pvt Ltd	Smt. Mala M Parekh	**Total**
a	Sales and Related Income		**82.67**	**NIL**	**NIL**	**NIL**	**82.67**
			(83.75)	(NIL)	(NIL)	(NIL)	(83.75)
b	Purchases and Other Related Services		**NIL**	**282.45**	**NIL**	**NIL**	**282.45**
			(NIL)	(286.69)	(NIL)	(NIL)	(286.69)
c	Remuneration/ Commission to Directors:						
	- Shri M B Parekh	**3.78**					**3.78**
		(3.54)					(3.54)
	- Shri N K Parekh	**NIL**					**NIL**
		(1.27)					(1.27)
	- Shri Bharat Puri	**12.73**					**12.73**
		(11.89)					(11.89)
	- Shri A B Parekh	**5.68**					**5.68**
		(4.97)					(4.97)
	- Shri A N Parekh	**4.81**					**4.81**
		(4.35)					(4.35)
	- Shri J L Shah	**NIL**					**NIL**
		(0.10)					(0.10)
	- Shri Sabyasachi Patnaik	**2.25**					**2.25**
		(1.79)					(1.79)
	Total Remuneration/ Commission	**29.25**					**29.25**
		(27.91)					(27.91)
d	Purchase of Fixed Assets		**0.16**	**NIL**	**NIL**	**NIL**	**0.16**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
e	Advance paid		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.03)	(NIL)	(NIL)	(NIL)	(0.03)
f	Rent Paid / (Received)		**NIL**	**NIL**	**(0.02)**	**0.66**	**0.64**
			(NIL)	(NIL)	(NIL)	(0.62)	(0.62)
g	Reimbursement of expenses made		**0.02**	**NIL**	**NIL**	**NIL**	**0.02**
			(0.03)	(NIL)	(NIL)	(NIL)	(0.03)
	- Debtors		**13.98**	NIL	**0.01**	**NIL**	**13.99**
			(14.46)	(NIL)	(NIL)	(NIL)	(14.46)
	- Creditors		**0.01**	**20.66**	**NIL**	**NIL**	**20.67**
			(NIL)	(14.58)	(NIL)	(NIL)	(14.58)
	- Net Outstanding Receivable/(Payable)		**13.97**	**(20.66)**	**0.01**	**NIL**	**(6.68)**
			(14.46)	((14.58))	(NIL)	(NIL)	((0.12))

(₹ in crores)

(v) Compensation of key management personnel of the Company:

	For the year ended 31st March 2017	For the year ended 31st March 2016
Short-term employee benefits	**29.24**	27.91
Share-based payments	**0.01**	-
Total compensation paid to key management personnel	**29.25**	**27.91**

45 Segment information

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

(₹ in crores)

Revenue	**Year 2016-17**				**Year 2015-16**			
Business Segments	**Consumer & Bazaar Products**	**Industrial Products**	**Others**	**Total**	**Consumer & Bazaar Products**	**Industrial Products**	**Others**	**Total**
Revenue								
Segment Revenue	**5,132.29**	**963.37**	**49.03**	**6,144.69**	4,805.41	945.96	46.47	5,797.84
Less: Inter Segment Revenue (at cost plus fixed margin)	**1.73**	**80.65**	-	**82.38**	3.30	92.88	0.06	96.24
Net Revenue	**5,130.56**	**882.72**	**49.03**	**6,062.31**	4,802.11	853.08	46.41	5,701.60
Revenue								
India				**5,060.05**				4,751.51
Outside India				**1,002.26**				950.09
Segment Result	**1,256.45**	**165.25**	**(4.06)**	**1,417.64**	1,182.25	155.43	(1.50)	1,336.18
Unallocable Expenses				**(194.12)**				(205.27)
Unallocable Income				**20.34**				13.33
Operating Income				**1,243.86**				1,144.24
Finance Cost				**(13.93)**				(13.27)
Interest / Dividend Income				**13.04**				6.60
Share of Profit of Associates/ Joint Ventures				**5.30**				3.20
Profit Before Tax				**1,248.27**				1,140.77
Tax Expense				**385.05**				333.54
Profit for the year				**863.22**				807.23
Other Comprehensive Income				**(2.17)**				(0.19)
Total Comprehensive Income				**861.05**				807.04
Non Controlling Interest				**3.23**				4.40
Total Comprehensive Income attributable to shareholders				**857.82**				802.64
The above includes:								
Depreciation and Amortisation (allocable)	**70.94**	**13.55**	**2.25**	**86.74**	56.38	12.82	1.80	71.00
Depreciation and Amortisation (unallocable)				**28.40**				29.47
Capital expenditure (including Capital Work-in-Progress) (allocable)	**233.96**	**21.70**	**0.56**	**256.22**	163.43	22.39	2.38	188.20
Capital Expenditure (unallocable)				**4.15**				32.57
Capital Expenditure				**260.37**				220.77
India				**226.42**				180.51
Outside India				**33.95**				40.26

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

(₹ in crores)

Segment Assets & Liabilities	31st March 2017				31st March 2016				1st April 2015			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Segment Assets	**2,478.43**	**426.39**	**40.74**	**2,945.56**	2,118.21	388.02	38.71	2,544.94	1,429.73	388.25	45.39	1,863.37
Unallocable Assets				**1,828.63**				1,174.03				1,224.54
Total Assets				**4,774.19**				3,718.97				3,087.91
India				**4,368.36**				3,098.59				2,577.55
Outside India				**405.83**				620.38				510.36
Segment Liabilities	**981.35**	**151.58**	**8.19**	**1,141.12**	802.30	151.21	4.78	958.29	607.08	141.52	6.03	754.63
Unallocable Liabilities				**162.16**				122.69				108.31
Total Liabilities				**1,303.28**				1,080.98				862.94
Capital Employed				3,470.91				2,637.99				2,224.97

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

46 Employee Stock Option Scheme

a) **Details of employee share options**

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

The ESOS 2012 allows the issue of options to Eligible employees of the Company. Each option comprises one underlying equity share. Earlier 49,000 options were granted in the year 2013-14 and in aggregate 33,000 options were exercised. The exercise price of each option shall be ₹ 1/- per equity share. The options vest in the manner as specified in ESOS - 2012. Options may be exercised within 5 years from the date of vesting.

Employee Stock Option Plan 2016 covering grant of 45,00,000 options (including 2,50,000 options to be granted to Eligible Employees/ Directors of the Subsidiary Companies) was approved by the shareholders through Postal Ballot. Result of the Postal Ballot was declared on 2nd April 2016. The exercise price shall be ₹ 1/- per option or such other higher price as may be fixed by the Board or Committee. Options to be granted under the Plan shall vest not earlier than one year but not later than a maximum of six years from the date of grant of such options. In the case of Eligible Employee who has not completed 3 years of employment as on date of the grant of options then the options which are due for vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the employee concerned or as may be approved by the Nomination and Remuneration Committee. Vested options will have to be exercised within 3 years from the date of respective vesting.

The following share based payment arrangements were in existence during the current & prior years:

	Option series	Number	Grant date	Expiry date	Exercise price (₹)	Fair value (₹)
1	Granted on 27th July 2015-ESOS 2012	1,00,000	27.07.2015	10.04.2017	1.00	521.11
		1,00,000	27.07.2015	10.04.2018	1.00	521.11
2	Granted on 29th January 2016-ESOS 2012	14,400	29.01.2016	29.01.2017	1.00	532.20
		14,400	29.01.2016	29.01.2018	1.00	532.20
		2,500	29.01.2016	29.01.2018	1.00	525.01
		2,500	29.01.2016	29.01.2019	1.00	525.01
3	Granted on 29th July 2016-ESOS 2012	6,000	29.07.2016	29.07.2017	1.00	722.31
		9,000	29.07.2016	29.07.2018	1.00	722.31
4	Granted on 29th July 2016-ESOP 2016	23,600	29.07.2016	29.07.2017	1.00	730.61
		23,600	29.07.2016	29.07.2018	1.00	730.61
5	Granted on 9th November 2016-ESOS 2012	1,500	09.11.2016	09.11.2017	1.00	661.86
		1,500	09.11.2016	09.11.2018	1.00	661.86

b) Fair value of share options granted

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

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

c) Movements in share options during the year

Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
	Options (Nos)	Weighted average exercise price per option (₹)	Options (Nos)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOS 2012	**2,33,800**	**₹ 1**	14,500	₹ 1
Granted during the year				
- ESOS 2012	**18,000**	**₹ 1**	2,33,800	₹ 1
- ESOP 2016**	**47,200**	**₹ 1**	-	-
Vested during the year - ESOS 2012*	**7,400**	**₹ 1**	12,500	₹ 1
Exercised during the year - ESOS 2012*	**7,400**	**₹ 1**	12,500	₹ 1
Lapsed during the year* **				
- ESOS 2012 (granted on 29th January 2016)	**14,000**	**₹ 1**	2,000	**₹ 1**
- ESOP 2016 (granted on 29th July 2016)	**700**	**₹ 1**	-	**₹ 1**
Options outstanding at the end of the year				
- ESOS 2012	**2,30,400**	**₹ 1**	2,33,800	**₹ 1**
- ESOP 2016	**46,500**	**₹ 1**	-	**₹ 1**
Options available for grants:				
- ESOS 2012	**29,200**	**₹ 1**	33,200	**₹ 1**
- ESOP 2016	**44,53,500**	**₹ 1**	-	**₹ 1**
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 676.25**		₹ 569.00
Range of exercise price for options outstanding at the end of the year	-	**₹ 1**	-	₹ 1

* ESOS 2012 granted on 29th January 2016; vested on 29th January 2017; allotted on 3rd March 2017.

** Includes 4,700 Options granted to the Eligible Employees of the subsidiary Companies.

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

47 Financial Instruments

(A) Capital Management

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

(B) Categories of financial instruments

(₹ in crores)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
Investments in Mutual Funds/ Other Investments	**1,403.02**	659.74	366.28
Foreign exchange forward contracts	**0.05**	-	0.01
Measured at amortised cost			
Investments in Deposits	-	10.90	10.00
Trade Receivables	**768.54**	701.59	576.27
Cash and cash equivalents	**90.37**	122.79	69.43
Bank balances other than above	**9.57**	8.97	7.44
Loans	**21.46**	21.32	26.29
Other Financial Assets	**83.24**	64.99	19.15
Total Financial Assets	**2,376.25**	1,590.30	1,074.87
Financial Liabilities			
Measured at fair value through profit or loss (FVTPL)			
Foreign exchange forward contracts	**0.87**	1.44	0.07
Measured at amortised cost (including trade payables)			
Borrowings	**97.51**	80.02	58.42
Trade Payables	**390.32**	373.99	331.20
Others	**441.87**	359.84	309.53
Total Financial Liabilities	**930.57**	815.29	699.22

(C) Financial risk management objectives

The Group's Treasury functions provide services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Group undertakes transactions denominated in foreign currencies; consequently exposure to exchange rate fluctuation arise. Exchange rate exposure are managed within approved policy parameter utlising forward foreign exchange contracts. Compliance with policies and exposure limits is a part of Internal Financial Controls. The group does not enter into or trade in financial instruments, including derivatives financial instruments, for speculative purposes.

(D) Market risk

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

(E) Foreign currency risk management

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

	Foreign Currency Exposure (in FC)			Foreign Currency Exposure (₹ in crores)		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Amounts recoverable / (advance) in foreign currency on account of the following:						
EUR	**16,95,381.40**	13,57,171.39	9,44,516.49	**11.73**	10.18	6.39
GBP	-	-	(6,785.00)	-	-	(0.06)
USD	**89,32,188.19**	79,47,316.65	96,53,352.82	**57.89**	52.69	60.44
ZAR	-	(59,733.18)	41,593.82	-	(0.03)	0.02
SGD	**3,29,603.35**	-	-	**1.53**	-	-
Amounts (payable) / advance in foreign currency on account of the following:						
AED	**(3,37,617.57)**	83,979.25	55,759.96	**(0.62)**	0.15	0.10
AUD	**59,405.04**	(57,123.00)	48,095.00	**0.29**	(0.29)	0.23
BDT	**16,14,341.40**	16,94,341.40	27,07,360.66	**0.13**	0.14	0.22
CHF	**1,639.35**	1,639.35	37,185.15	**0.01**	0.01	0.24
EGP	**3,250.00**	950.00	(3,857.00)	-	-	-
EUR	**10,98,694.86**	(4,21,236.94)	7,08,378.17	**7.60**	(3.17)	4.79
GBP	**1,09,951.94**	44,300.00	(30,313.64)	**0.89**	0.42	(0.28)
GHC	-	-	(34,153.21)	-	-	(0.06)
JPY	-	(16,05,000.00)	5,58,000.00	-	(0.09)	0.03
SGD	**(80,362.50)**	(2,450.00)	(2,450.00)	**(0.37)**	(0.01)	(0.01)
USD	**(38,83,645.36)**	(77,94,233.61)	(1,38,40,071.39)	**(25.22)**	(51.68)	(86.65)
ZAR	**2,760.17**	17,584.51	1,466.51	-	0.01	-

(i) Foreign currency risk management

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

	USD impact	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Impact on profit or loss for the year (refer Note (a) below)	**0.87**	1.17
	EUR impact	
	For the year ended 31st March 2017	For the year ended 31st March 2016
Impact on profit or loss for the year (refer Note (b) below)	**0.05**	0.25

(a) This is mainly attributable to the exposure outstanding on USD receivables and payables at the end of the reporting period.

(b) This is mainly attributable to the exposure to outstanding Euro receivables and payables at the end of the reporting period.

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

(ii) Forward foreign exchange contracts

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

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

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

Mode of taking Cover: Based on the outstanding details of import payable and exports receivable (in weekly baskets) the net trade import exposure is arrived at (i.e. Imports – Exports = Net trade exposures). The Net trade import exposure arrived at is netted off with the outstanding forward cover as on date and with the surplus foreign currency balance available in EEFC A/Cs. Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period.

Outstanding contracts	Average exchange rates (₹)			Foreign Currency		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
USD - Buy	**64.81**	66.30	62.61	**62,03,064.00**	69,00,000.00	41,49,388.75
GBP - Buy	**81.31**	-	-	**35,152.26**	-	-
EUR - Sale	**69.18**	75.02	-	**2,45,263.85**	79,848.60	-
EUR - Buy	**71.43**	-	-	**59,691.06**	-	-

Outstanding contracts	Nominal Amounts (₹ in crores)			Fair value assets / (Liabilities) (₹ in crores)		
	31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
USD - Buy	**40.21**	45.75	25.98	**(0.86)**	(1.43)	(0.06)
GBP - Buy	**0.29**	-	-	**(0.00)**	-	-
EUR - Sale	**1.70**	0.60	-	**0.03**	(0.01)	-
EUR - Buy	**0.43**	-	-	**0.01**	-	-
TOTAL				**(0.82)**	**(1.44)**	**(0.06)**

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

At 31st March 2017, the aggregate amount of loss under forward foreign exchange contracts recognised in Statement of Profit and Loss is ₹ 0.62 crores (₹ 1.38 crores as at 31st March 2016). Aggregate amount of loss in reserves is ₹ 0.06 crores as at 1st April 2015.

(F) Credit risk management

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

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

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

(G) Liquidity risk management

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

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

(1) Liquidity risk tables

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

(₹ in crores)

	Less than 1 year	1-5 years	Total	Carrying Amount
As at 31st March 2017				
Non-interest bearing				
Trade Payables	**390.32**	-	**390.32**	**390.32**
Other Financial Liabilities	**333.64**	**24.45**	**358.09**	**358.09**
TOTAL	**723.96**	**24.45**	**748.41**	**748.41**
Fixed interest rate instruments				
Trade/ Security Deposit received	**83.78**	-	**83.78**	**83.78**
Variable interest rate instruments				
Borrowings	**92.66**	**4.85**	**97.51**	**97.51**
Derivative financial liabilities towards foreign exchange forward contracts	**0.87**	-	**0.87**	**0.87**
As at 31st March 2016				
Non-interest bearing				
Trade Payables	373.99	-	373.99	373.99
Other Financial Liabilities	277.19	7.38	284.57	284.57
TOTAL	651.18	7.38	658.56	658.56
Fixed interest rate instruments				
Trade/ Security Deposit received	75.27	-	75.27	75.27
Variable interest rate instruments				
Borrowings	74.49	5.53	80.02	80.02
Derivative financial liabilities towards foreign exchange forward contracts	1.44	-	1.44	1.44
As at 1st April 2015				
Non-interest bearing				
Trade Payables	331.20	-	331.20	331.20
Other Financial Liabilities	235.69	2.85	238.54	238.54
TOTAL	566.89	2.85	569.74	569.74
Fixed interest rate instruments				
Trade/ Security Deposit received	70.99	-	70.99	70.99
Variable interest rate instruments				
Borrowings	57.92	0.50	58.42	58.42
Derivative financial liabilities towards foreign exchange forward contracts	0.07	-	0.07	0.07

(H) Fair value measurements

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

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Financial assets / financial liabilities	Fair value			Fair value hierarchy	Valuation technique(s) and key input(s)
		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015		
1	Foreign currency forward contracts	**Assets - ₹ 0.05 crores; and Liabilities - ₹ 0.87 crores**	Liabilities - ₹ 1.44 crores	Assets - ₹ 0.01 crores; and liabilities- ₹ 0.07 crores	Level 2	Mark to market values acquired from banks, with whom the Group contracts.
2	Investment in Mutual Funds	**Various listed funds - aggregate fair value of ₹ 1,402.90 crores**	Various listed funds - aggregate fair value of ₹ 659.62 crores	Various listed funds - aggregate fair value of ₹ 366.16 crores	Level 1	Quoted bid prices in active market

(ii) Financial instruments measured at amortised cost:

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

48 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined Contribution Plans

- Employers' Contribution to Employees' State Insurance

- Employers' Contribution to Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

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

(₹ in crores)

		For the year ended 31st March 2017	For the year ended 31st March 2016
(i)	Contribution to Provident Fund	**21.06**	12.90
(ii)	Contribution to Employees' Superannuation Fund	**0.89**	0.67
(iii)	Contribution to Employees' State Insurance Scheme	**0.53**	0.37
(iv)	Contribution to Employees' Pension Scheme 1995	**6.24**	5.98
(v)	Contribution to National Pension Scheme	**0.61**	0.44
	TOTAL	**29.33**	**20.36**

(B) Defined Benefit Plans

(a) Gratuity

(b) Compensated Absences

(c) Anniversary Awards

(d) Premature Death Pension Scheme

(e) Total Disability Pension Scheme

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

		Valuations as at		
		31st March 2017	31st March 2016	1st April 2015
(i)	Discount Rate (per annum)	**6.9% - 11.30%**	7.75% - 12.4%	7.75% - 12.4%
(ii)	Rate of increase in Compensation levels (per annum)	**4.5% - 9.00%**	6.50% - 7.00%	6.5% - 7.00%
(iii)	Expected Rate of Return on Assets	**6.9% - 11.30%**	7.75% - 12.4%	7.75% - 12.4%
(iv)	Attrition Rate	**upto 5 yrs - 19%, 5 - 10 yrs -9%, Above 10 yrs - 8%**	upto 5 yrs - 19%, 5 - 10 yrs -9%, Above 10 yrs - 8%	upto 5 yrs - 19%, 5 - 10 yrs -9%, Above 10 yrs - 8%
(v)	Retirement Age	**60 years**	60 years	60 years

(vi) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(vii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

(viii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

A note on other risks:

1 **Investment risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

2 **Interest Risk –** LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

3 **Longevity Risk –** Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non-risk.

4 **Salary risk** - The liability is calculated taking into account the salary increases, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

		31st March 2017		31st March 2016	
		Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(i)	**Changes in Present value of Obligation**				
1	Present value of defined benefit obligation at the beginning of the year	**49.24**	**2.05**	46.16	0.42
2	Obligation as per Business Transfer Agreement	-	**0.18**	-	1.11
3	Current Service Cost	**4.23**	**0.39**	3.86	0.17
4	Interest Cost	**3.41**	**0.20**	3.16	0.13
5	**Actuarial (Gains)/Loss**				
	Actuarial (gains)/ losses arising from changes in demographic assumption	-	**0.03**	-	0.12
	Actuarial (gains)/ losses arising from changes in financial assumption	**1.97**	**0.05**	-	(0.06)
	Actuarial (gains)/ losses arising from changes in experience adjustment	**1.07**	**0.23**	0.65	0.09
6	Past Service cost	-	**0.45**	-	-
7	Benefits Paid	**(2.57)**	**(0.24)**	(4.59)	(0.11)
8	Acquisition/Business Combination	-	-	-	0.15
9	Present value of defined benefit obligation at the end of the year	**57.35**	**3.34**	49.24	2.02
(ii)	**Changes in Fair value of Plan Assets**				
1	Fair value of plan assets at the beginning of the year	**48.78**	-	42.84	-
2	Expected Return on Plan Assets	**3.78**	-	3.32	-
3	Actuarial Gain/(Loss)	**0.25**	-	0.34	-
4	Employer's Contributions	**4.46**	-	6.87	-
5	Benefits Paid	**(2.57)**	-	(4.59)	-
6	Fair value of plan assets at the end of the year	**54.70**	-	48.78	-
(iii)	**Net Benefit Asset /(Liability)**				
1	Defined benefit obligation	**57.35**	**3.37**	49.24	2.02
2	Fair value of plan assets	**54.70**	-	48.78	-
3	Net Benefit Asset /(Liability)	**2.65**	**3.37**	0.46	2.02
(iv)	**Expenses recognised in the Statement of Profit and Loss**				
1	Current Service Cost	**4.23**	**0.39**	3.87	0.17
2	Past Service Cost	-	**0.45**	-	-
3	Interest cost on benefit obligation (Net)	**(0.37)**	**0.20**	(0.16)	0.13
4	Total Expenses recognised in the Statement of Profit and Loss	**3.86**	**1.04**	3.71	0.30

(₹ in crores)

		31st March 2017		31st March 2016	
		Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(v)	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**				
1	Actuarial (gains)/ losses arising from changes in demographic assumption	-	**0.03**	-	0.12
2	Actuarial (gains)/ losses arising from changes in financial assumption	**1.97**	**0.05**	-	(0.06)
3	Actuarial (gains)/ losses arising from changes in experience adjustment	**1.07**	**0.23**	0.65	0.09
4	Return on plan asset	**(0.25)**	-	(0.34)	-
Recognised in Other Comprehensive Income		**2.79**	**0.31**	**0.31**	**0.15**

(₹ in crores)

		31st March 2017		31st March 2016	
		Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(vi)	**Sensitivity Analysis**				
	Defined Benefit Obligation				
	Discount Rate				
a	Discount Rate - 100 basis points	**60.68**	**3.55**	52.01	2.19
b	Discount Rate + 100 basis points	**54.37**	**3.23**	46.76	1.95
	Salary Rate				
a	Rate - 100 basis points	**54.33**	**3.23**	46.71	1.94
b	Rate + 100 basis points	**60.66**	**3.55**	52.02	2.19

Note on Sensitivity Analysis

1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

3 There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

49 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

	Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group		
			As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a.	Fevicol Company Ltd (Fevicol)	India	**100.00%**	100.00%	100.00%
b.	Bhimad Commercial Company Pvt Ltd (Bhimad)	India	**100.00%**	100.00%	100.00%
c.	Madhumala Traders Pvt Ltd (Madhumala)	India	**100.00%**	100.00%	100.00%
d.	Pagel Concrete Technologies Pvt Ltd (PCTPL)	India	**80.00%**	80.00%	80.00%
e.	Nitin Enterprises (Nitin)	India	**99.99%**	99.99%	99.99%
f.	Building Envelope Systems India Ltd (BESI)	India	**60.00%**	60.00%	60.00%
g.	Percept Waterproofing Services Ltd (PWSL)	India	**80.00%**	80.00%	80.00%
h.	Hybrid Coatings (Hybrid)	India	**60.00%**	60.00%	60.00%
i.	Pidilite International Pte Ltd (PIPL)	Singapore	**100.00%**	100.00%	100.00%
j.	Pidilite Middle East Ltd (PMEL)	United Arab Emirates	**100.00%**	100.00%	100.00%
k.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	Brazil	**100.00%**	100.00%	100.00%
l.	Pidilite USA Inc (PUSA)	USA	**100.00%**	100.00%	100.00%
m.	Pidilite MEA Chemicals L.L.C (Jupiter)*	Dubai	**100.00%**	100.00%	100.00%
n.	PT Pidilite Indonesia (PTPI)	Indonesia	**100.00%**	100.00%	100.00%
o.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	Bangladesh	**100.00%**	100.00%	100.00%
p.	Pidilite Innovation Centre Pte Ltd (PICPL)	Singapore	**100.00%**	100.00%	100.00%
q.	Pidilite Industries Egypt SAE (PIE)	Egypt	**100.00%**	100.00%	100.00%
r.	Pidilite Bamco Ltd (Bamco)	Thailand	**100.00%**	100.00%	100.00%
s.	Pidilite Chemical PLC (PCPLC)	Ethiopia	**100.00%**	100.00%	100.00%
t.	PIL Trading (Egypt) Company (PTC)	Egypt	**100.00%**	100.00%	100.00%
u.	Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	China	**100.00%**	100.00%	100.00%
v.	Bamco Supply and Services Ltd (BSSL)*	Thailand	**49.00%**	49.00%	49.00%
w.	Nina Waterproofing Systems Pvt Ltd (Nina)	India	**70.00%**	70.00%	70.00%
x.	ICA Pidilite Pvt Ltd (ICA) (formerly known as Wood Coat Pvt Ltd)*	India	**50.00%**	100.00%	-
y.	Building System Solution Trading Limited Liability Company (BSST)*	Qatar	**100.00%**	100.00%	-
z.	Pidilite Lanka (Pvt) Ltd (PLPL)	Sri Lanka	**76.00%**	76.00%	-
aa.	Nebula East Africa Pvt Ltd (Nebula)	Kenya	**100.00%**	-	-
ab.	Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)**	Sri Lanka	**70.00%**	-	-

* Jupiter, BSSL, ICA and BSST are subsidiaries of the Group even though the Group has 49%, 49%, 50% and 49% ownership interest and voting rights in the subsidiaries respectively. However, based on the relevant facts and circumstances, control and management of these entities lie with the Group. The Group has the power to direct the relevant activities of these entities and therefore controls these entities.

** Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka) is a 100% subsidiary of Nina Waterproofing Systems Pvt Ltd (Nina).

50 Business Combinations

1 Subsidiaries acquired

Financial Year	Name of subsidiary acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred (₹ in crores)
During 2016-17	ICA Pidilite Pvt Ltd	Distribution of Wood Finish	25th April 2016	50%	131.00
During 2015-16	Nina Waterproofing Systems Pvt Ltd	Waterproofing services	17th April 2015	70%	82.02

2 Consideration transferred

(₹ in crores)

	2016-17	2015-16
	ICA Pidilite Pvt Ltd	Nina Waterproofing Systems Pvt Ltd
Cash (i)	104.14	82.02
Contingent consideration (ii)	26.86	-
Total (A)	**131.00**	**82.02**

(i) In case of ICA Pidilite Pvt Ltd, out of the total consideration of ₹ 104.14 crores, the Group has made a payment of ₹ 103.78 crores to the seller and the balance ₹ 0.36 crores will be paid based on No Objection to be received from Dealers & Distributors.

In case of Nina Waterproofing Systems Pvt Ltd, out of ₹ 82.02 crores, the Group has made a payment of ₹ 75.79 crores to the seller and the balance (holdback amount) ₹ 6.23 crores will be paid by the Group to the Seller progressively over a period of 3 years (i.e. by 16th April 2018). Further as per agreement, an amount of Net Working Capital, i.e. Receivables, Inventories, Retention Monies receivables, etc which would not have been fully realised with in a period of three year i.e. by 16th April 2018, shall be deducted by the Group from the Holdback amount payable to seller.

(ii) As per the agreements, a maximum earn out value (contingent consideration) of ₹ 45 crores would be payable based upon achievement of defined milestone of Net Sales and Gross Margins over a period of 3 years starting closure of financial year 2016-17. The fair value of the said contingent consideration is ₹ 26.86 crores based on a valuation report obtained from an independent valuer. Interest of ₹ 1.41 crores has been accrued for the current financial year 2016-17 on the contingent consideration payable.

3 Assets acquired and liabilities recognised and goodwill arising on date of acquisition

	2016-17	2015-16
	ICA Pidilite Pvt Ltd (Refer Note A)	Nina Waterproofing Systems Pvt Ltd (Refer Note B)
Tangible Assets	0.75	2.88
Intangible Assets		-
Trade Mark	24.53	26.15
Computer Software	-	0.10
Technology Knowhow Fees	31.41	-
Commercial knowhow Fees	59.95	-
Non Compete Fees	0.50	-
Inventories	11.68	35.14
Non-Current Assets and Loans and Advances	-	7.80
Current Assets and Loans and Advances	0.28	40.32
Total Assets Acquired (B)	129.10	112.39

(₹ in crores)

	2016-17	2015-16
	ICA Pidilite Pvt Ltd (Refer Note A)	Nina Waterproofing Systems Pvt Ltd (Refer Note B)
Employee Liabilities	0.18	0.32
Current Liabilities	-	33.70
Gratuity Liability Assumed*	-	1.11
Deferred Tax Liability	-	0.37
Total Liabilities taken over (C)	0.18	35.50
(D) Net Assets Acquired (B) - (C)	128.92	76.89
Goodwill (E) = (A) - (D)	**2.08**	**5.13**

*Gratuity liability assumed represents gratuity payable to employees transferred to the company as at 17th April 2015 over and above the total purchase consideration, pursuant to the BTA.

Note A:

Pursuant to a BTA entered into by the company with ITALCOATS, Mr Pratik M Mehta & Mr Mahendra N Mehta (collectively, referred as "Seller", ICA Pidilite Pvt Ltd acquired the Wood Finish Distribution Business (the "Business") from a "Seller" as a going concern and on a slump sale basis, with effect from 25th April 2016.

Note B:

During the previous year, pursuant to a Business Transfer Agreement (BTA) entered into by the subsidiary with Nina Concrete Systems Pvt Ltd (NCSPL), Nina Waterproofing Systems Pvt Ltd acquired the waterproofing Business (the "Business"), including all its assumed assets and assumed liabilities, of NCSPL, as a going concern and on a slump sale basis for a lump-sum consideration, with effect from 17th April 2015.

(₹ in crores)

51 Taxes

1 Deferred Tax

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred Tax Assets (net)	**3.76**	5.09	0.93
Deferred Tax Liabilities (net)	**(91.47)**	(80.39)	(54.53)
TOTAL	(87.71)	(75.30)	(53.60)

a 2016-17

Particulars	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	57.54	(1.07)	-	**56.47**
Intangible assets	46.63	15.64	-	**64.90**
FVTPL financial assets	3.59	1.78	-	**5.37**
Provisions	(1.01)	(0.48)	-	**(1.49)**
Allowance for Doubtful Debts	(11.66)	(0.79)	-	**(12.45)**
Acquired on Business Combination	0.37	-	-	**0.37**
Defined Benefit Obligation	(10.37)	(1.88)	0.04	**(12.26)**
Share issue and buyback costs	(1.30)	(2.56)	-	**(3.86)**
Inventory Provisions	(4.13)	(0.79)	-	**(4.92)**
Other Provisions	(2.83)	0.01	-	**(2.82)**
Total (i)	76.81	9.86	0.04	**89.31**
Tax Losses	(1.14)	(0.09)	-	**(1.23)**
Others	(0.37)	-	-	**(0.37)**
Total (ii)	(1.51)	(0.09)	-	**(1.60)**
TOTAL (I)+(II)	75.30	9.77	0.04	87.71

b 2015-2016

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	49.42	8.12	-	**57.54**
Intangible Assets	27.66	20.58	-	**46.63**
FVTPL Financial Assets	0.56	3.02	-	**3.58**
Provisions	(0.47)	(0.54)	-	**(1.01)**
Allowance for Doubtful Debts	(9.39)	(2.27)	-	**(11.66)**
Acquired on Business Combination	-	0.37	-	**0.37**
Defined Benefit Obligation	(8.73)	(1.64)	0.09	**(10.37)**
Share issue and buyback costs	(0.14)	(1.16)	-	**(1.30)**
Inventory Provisions	(2.47)	(1.66)	-	**(4.13)**
Other Provisions	(1.73)	(1.11)	-	**(2.83)**
Total (i)	54.71	23.71	0.09	**76.81**
Tax losses	(1.11)	(0.03)	-	**(1.14)**
Others	-	(0.37)	-	**(0.37)**
Total (ii)	(1.11)	(0.40)	-	**(1.51)**
TOTAL (I)+(II)	53.60	23.31	0.09	75.30

(₹ in crores)

2 Income Taxes relating to Continuing Operations

a Income Tax recognised in Profit or Loss

	As at 31st March 2017	As at 31st March 2016
Current tax		
In respect of the current year	**386.97**	310.33
In respect of prior years	**(11.69)**	(0.10)
Total	**375.28**	310.23
Deferred tax		
In respect of the current year	**9.77**	23.31
Total income tax expense recognised in the current year relating to continuing operations	**385.05**	333.54

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at 31st March 2017	As at 31st March 2016
Profit before tax from continuing operations	**1,184.32**	1,136.53
Income Tax Rate (%)	**34.48**	34.37
Income Tax expense	**408.40**	390.66
Effect of income that is exempt from taxation	**(3.90)**	(1.79)
Effect of expenses that are not deductible in determining taxable profit	**36.49**	(3.35)
Effect of concessions (research and development,other allowances and deductions)	**(37.69)**	(55.44)
Foreign tax paid non eligible for credit	**0.68**	0.24
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**(0.09)**	(0.22)
Effect of the Company being taxed at lower tax rate (minimum alternate tax) as the profits under tax laws are lower than the book profits	**0.39**	-
Others	**(7.54)**	3.53
Total	**396.74**	333.64
Adjustments recognised in the current year in relation to the current tax of prior years	**(11.69)**	(0.10)
Income tax expense recognised in profit or loss (relating to continuing operations)	**385.05**	333.54

c Income Tax recognised in Other Comprehensive Income

	As at 31st March 2017	As at 31st March 2016
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**0.04**	0.09
Total Income Tax recognised in Other Comprehensive Income	**0.04**	0.09

(₹ in crores)

52 First-time Ind AS adoption reconciliations

Effect of Ind-AS adoption on the Balance Sheet as at 31st March 2016 and 1st April 2015

	Note	As at 31st March 2016			As at 1st April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non Current Assets							
(a) Property, Plant and Equipment	a, b, q	779.32	(23.58)	755.74	642.27	(22.89)	619.38
(b) Capital Work-In-Progress	c	400.15	(242.08)	158.07	461.81	(242.02)	219.79
(c) Goodwill	d, q	124.02	9.40	133.42	124.42	-	124.42
(d) Other Intangible Assets	e	227.90	20.40	248.30	211.80	-	211.80
(e) Financial Assets							
(i) Investments	f, p, q	117.81	18.85	136.66	90.74	8.10	98.84
(ii) Loans	q	12.12	(2.57)	9.55	7.59	-	7.59
(iii) Others		28.96	-	28.96	14.05	-	14.05
(f) Current Tax Assets (net)		40.32	-	40.32	34.38	-	34.38
(g) Deferred Tax Assets (net)	m	3.22	1.87	5.09	1.04	(0.11)	0.93
(h) Other Non-Current Assets	b	30.91	20.83	51.74	54.82	21.04	75.86
Total Non-Current Assets		**1,764.73**	**(196.88)**	**1,567.85**	**1,642.92**	**(235.88)**	**1,407.04**
Current Assets							
(a) Inventories	q	629.01	(1.58)	627.43	641.04	-	641.04
(b) Financial Assets							
(i) Investments	f	531.18	37.70	568.88	279.18	17.88	297.06
(ii) Trade Receivables	g, q	729.40	(27.81)	701.59	586.11	(9.84)	576.27
(iii) Cash and cash equivalents		122.79	-	122.79	69.43	-	69.43
(iv) Bank balances other than (iii) above		8.97	-	8.97	7.44	-	7.44
(v) Loans	q	12.85	(1.08)	11.77	18.70	-	18.70
(vi) Others	h, q	36.21	(0.18)	36.03	5.10	0.01	5.11
(c) Current Tax Assets net		0.47	-	0.47	2.41	-	2.41
(d) Other Current Assets	b	72.98	0.21	73.19	63.20	0.21	63.41
Total Current Assets		**2,143.86**	**7.26**	**2,151.12**	**1,672.61**	**8.26**	**1,680.87**
Total Assets		**3,908.59**	**(189.62)**	**3,718.97**	**3,315.53**	**(227.62)**	**3,087.91**

(₹ in crores)

Effect of Ind AS adoption on the balance sheet as at 31st March 2016 and 1st April 2015

	Note	As at 31st March 2016			As at 1st April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
EQUITY							
(a) Equity Share Capital		51.27	-	51.27	51.27	-	51.27
(b) Other Equity		2,731.64	(144.92)	2,586.72	2,219.31	(45.61)	2,173.70
Total Equity		**2,782.91**	**(144.92)**	**2,637.99**	**2,270.58**	**(45.61)**	**2,224.97**
Minority Interests	s	42.74	0.64	43.38	5.10	-	5.10
LIABILITIES							
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	q	9.36	(3.83)	5.53	0.50	-	0.50
(ii) Others	q	14.54	(7.16)	7.38	2.85	-	2.85
(b) Provisions		29.27	-	29.27	23.92	-	23.92
(c) Deferred Tax Liabilities (net)	m	70.21	10.18	80.39	57.67	(3.14)	54.53
Total Non-Current Liabilities		**123.38**	**(0.81)**	**122.57**	**84.94**	**(3.14)**	**81.80**
Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	q	75.43	(0.94)	74.49	57.92	-	57.92
(ii) Trade Payables	q	379.98	(5.99)	373.99	331.20	-	331.20
(iii) Others	h, q	360.65	(6.75)	353.90	306.68	0.07	306.75
(b) Other Current Liabilities		87.02	-	87.02	52.25	-	52.25
(c) Provisions	i	43.02	(30.85)	12.17	193.56	(178.94)	14.62
(d) Current Tax Liabilities (net)		13.46	-	13.46	13.30	-	13.30
Total Current Liabilities		**959.56**	**(44.53)**	**915.03**	**954.91**	**(178.87)**	**776.04**
Total Liabilities		**1,082.94**	**(45.34)**	**1,037.60**	**1,039.85**	**(182.01)**	**857.84**
Total Equity and Liabilities		**3,908.59**	**(189.62)**	**3,718.97**	**3,315.53**	**(227.62)**	**3,087.91**

(₹ in crores)

53 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March 2016

	Note	For the year ended 31st March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Income				
Revenue from Operations	n, q	5,709.88	(8.28)	5,701.60
Other Income	f, h	50.99	26.84	77.83
Total Income		**5,760.87**	**18.56**	**5,779.43**
Expenses				
Cost of Materials Consumed	q	2,298.62	(3.20)	2,295.42
Purchases of Stock-in-Trade (Traded goods)		265.99	-	265.99
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	q	21.69	1.58	23.27
Excise Duty on sale of goods		340.43	-	340.43
Employee Benefits Expense	j, k, q	574.32	(2.17)	572.15
Finance Costs		13.27	-	13.27
Depreciation and Amortisation Expense	a, b, d, e, q	133.10	(32.63)	100.47
Other Expenses	b, c, g, h, l, n, q	1,034.96	(4.10)	1,030.86
Total Expenses		**4,682.38**	**(40.52)**	**4,641.86**
Share of Profit in Associate	p	2.93	0.32	3.25
Share of Profit in Joint Venture	q	-	(0.05)	(0.05)
Profit before Tax		**1,081.42**	**59.35**	**1,140.77**
Tax Expense				
Current Tax	j	310.14	0.09	310.23
Deferred Tax	m	11.97	11.34	23.31
Net Tax expense		**322.11**	**11.43**	**333.54**
Profit after tax		**759.31**	**47.92**	**807.23**
Other Comprehensive Income				
i. **Items that will not be reclassified to profit or loss**				
Remeasurement of the defined benefit plans	j	-	(0.28)	(0.28)
ii. **Income tax relating to items that will not be reclassified to profit or loss**	j	-	0.09	0.09
Total Comprehensive Income for the year		**759.31**	**47.73**	**807.04**
Attributable to:				
Shareholders of the Company		755.55	47.09	802.64
Non Controlling Interest	s	3.76	0.64	4.40

(₹ in crores)

54 Reconciliation of total equity as at 31st March 2016 and 1st April 2015

	Notes	As at 31st March 2016	As at 1st April 2015
Total equity (shareholders' funds) under previous GAAP		2,782.91	2,270.58
Dividend not recognised as liability until declared under Ind AS	i	30.85	178.94
Fair valuation of investments under Ind AS	f	54.33	26.06
Fair valuation of Land, Building, Plant & Machinery under Ind AS 101 adoption	c	(242.08)	(242.02)
Impairment of Financial Assets - Based on expected credit loss model	g	(11.86)	(9.84)
Changes in value of Tangible assets as per Ind AS	a	(1.39)	(1.64)
Changes in value of Goodwill as per Ind AS	d, q	11.62	-
Changes in value of Other Intangible Assets as per Ind AS	e	20.40	-
Fair valuation of derivative instruments under Ind AS	h	0.06	(0.08)
Deferred Tax impact	m	(8.30)	3.04
Ind AS impact on minority interest	s	(0.65)	-
Share of profit in Associate	p	1.60	1.28
Others		0.50	(1.35)
Total adjustment to equity		(144.92)	(45.61)
Total equity under Ind AS		**2,637.99**	**2,224.97**

55 Reconciliation of total comprehensive income for the year ended 31st March 2016

	Notes	31st March 2016
Profit as per previous GAAP		755.55
Adjustments:		
Fair valuation of investments under Ind AS	f	28.27
Reversal of administrative expenses written off from CWIP during the quarter, under Indian GAAP	c	(0.06)
Impairment of Financial Assets - Based on expected credit loss model	g	(2.02)
Changes in Amortisation under Ind AS	d, e	32.02
Remeasurement of defined benefit obligation recognised in Other Comprehensive Income under Ind AS	j	0.19
Changes in Depreciation under Ind AS	a	0.25
Share-based payment costs recognised based on fair value method	k	0.16
Fair valuation of derivative instruments under Ind AS	h	0.14
Share of profit in Associate	p	0.32
Deferred Tax impact on above adjustments	m	(11.34)
Ind AS impact on minority interest		3.76
Others		(0.01)
Total effect of transition to Ind AS		51.68
Profit for the year as per Ind AS		807.23
Other Comprehensive Income for the year (net of tax)	j	(0.19)
Total comprehensive income under Ind AS		**807.04**

(₹ in crores)

56 Reconciliation of total comprehensive income for the year ended 31st March 2016

	Note	For the year ended 31st March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net Cashflows from Operating activities	j, l, q	902.48	4.99	907.47
Net Cashflows from Investing activities	c, o, q	(491.02)	(0.12)	(491.14)
Net Cashflows from Financing activities	o, q	(356.31)	(14.75)	(371.06)
Net Increase / (Decrease) in Cash and Cash Equivalents		**55.15**	**(9.88)**	**45.27**
Cash and Cash Equivalent at the beginning of the period	o	70.05	(13.65)	56.40
Effects of exchange rate changes on the balance of cash held in foreign currencies		(1.91)	-	(1.91)
Cash and Cash Equivalent at the end of the period		**123.29**	**(23.53)**	**99.76**

Notes to the Reconciliations

57 Notes to the reconciliations

a Tangibles

Property, Plant and Equipment were revisited as per Ind AS. On the date of transition to Ind AS, there is a reduction in value of opening block of Property, Plant and Equipment as at 31st March 2016 by ₹ 1.39 crores and as at 1st April 2015, by ₹ 1.64 crores. During the year 2015-16, depreciation relating to such Property, Plant and Equipment have been reversed to the extent of ₹ 0.25 crores.

b. Leasehold land classified to prepaid

Under previous GAAP, leasehold land was included in the property, plant and equipment. Under Ind AS, leases not classified as finance leases are regrouped under prepaid expenses, as at 31st March 2016 ₹ 21.04 crores and as at 1st April 2015 ₹ 21.25 crores. Depreciation to the extent of ₹ 0.21 crores pertaining to leasehold land has been reversed and the same is expensed under the head "Rent". This has no impact on statement of profit and loss or on total equity.

c. CWIP

Under previous GAAP, capital work in progress was measured at cost. On transition to Ind AS, the Company has elected to fair value Land, Building and Plant & Machinery, alongwith integrated patents, designs and drawings at Dahej (included in Capital Work in progress) as of the transition date. Resultant reduction in value of CWIP is ₹ 242.08 crores as at 31st March 2016 and ₹ 242.02 crores as at 1st April 2015. During the year 2015-16, administrative expenses which were included in Capital Work-in-Progress in previous GAAP, and which cannot be capitalised under Ind AS are expensed amounting to ₹ 0.06 crores.

d. Goodwill

Under previous GAAP, goodwill was amortised based on its useful life. Under Ind AS, goodwill is not amortised. On transitioning to Ind AS, amortisation expense pertaining to Goodwill has been reversed, resulting in an increase in carrying amount of Goodwill by ₹ 11.62 crores as at 31st March 2016

e. Other Intangibles

Under previous GAAP, other intangible assets were amortised based on their useful life. Under Ind AS, the company has estimated the useful lives of Trademarks and Copyrights to be indefinite. On transitioning to Ind AS, amortisation expense pertaining to Trademarks and Copyrights have been reversed, resulting in an increase in carrying amount of Trademark and copyrights by ₹ 19.63 crores and ₹ 0.77 crores respectively as at 31st March 2016

f. Investments

Under previous GAAP, investments in mutual funds were measured at lower of cost or fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. Changes in fair value of these investments are recognised in profit or loss. On transition to Ind AS, these financial assets have been measured at their fair values which is higher than cost as per previous GAAP, resulting in net increase in carrying amount as at 31st March 2016 by ₹ 54.33 crores and as at 1st April 2015 by ₹ 26.06 crores. During the year 2015-16, increase in marked to market gain on account of fair valuation of investments of ₹ 28.27 crores.

g. Trade receivable - ECL

Under previous GAAP, provision for doubtful debts was made as per management policy based on ageing of debtors. Under Ind AS, the company applies expected credit loss (ECL) model for recognising impairment loss on these financial assets on the date of transition. The resultant changes in provision for doubtful debts are recognised in profit or loss. On transition to Ind AS, provision of doubtful debts is remeasured as per ECL model, which is higher than provision as per previous GAAP, resulting in net increase in carrying amount of provision for doubtful debts as at 31st March, 2016 by ₹ 11.86 crores and as at 1st April 2015 by ₹ 9.84 crores. During the year 2015-16, increase in provision as per ECL is ₹ 2.02 crores.

h. Deferred premium on forward contracts

Under previous GAAP, deferred premium on forward contracts was recognised under Other Current Assets. Under Ind AS, forward contracts are recognised as financial assets / liabilities and measured at FVTPL on the date of transition. Changes in fair value of forward contracts are recognised in profit or loss. As a result, deferred premium amounting to ₹ 0.39 crores as at 31st March 2016 and ₹ 0.29 crores as at 1st April 2015 is derecognised as an asset. Exchange difference on forward contracts is reversed to the extent of ₹ 1.52 crores for the year ended 31st March 2016 and ₹ 0.02 crores as at 1st April 2015. On transition to Ind AS, these forward foreign exchange contracts are recognised under Other Financial Assets/ Liabilities. These have been measured at their fair values as at 31st March 2016 at ₹ 1.44 crores under Other FInancial Liabilities (as at 1st April 2015 at ₹ 0.01 crores under Other Financial Assets and ₹ 0.07 crores under Other Financial Liabilities). During the year 2015-16, mark to market loss on account of fair valuation of forward contracts is ₹ 1.38 crores.

Net impact in the Statement of Profit and Loss is ₹ 0.14 crores for the year ended 31st March 2016.

Net impact in Total Equity and Balance Sheet is increase of ₹ 0.06 crores as at 31st March 2016 and reduction of ₹ 0.08 crores as at 1st April 2015.

i. Short term provisions - Reversal of equity dividend provided

Under previous GAAP, dividend on equity shares, which was recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at 31st March 2016 of ₹ 30.85 crores (₹ 178.94 crores as at 1st April 2015), but does not affect profit before tax and total profit for the year ended 31st March 2016.

j. Actuarial gains and losses

Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset, are recognised in the Other Comprehensive Income under Ind AS instead of profit or loss. The actuarial gains for the year ended 31st March 2016 were ₹ 0.28 crores, with tax ₹ 0.09 crores thereon. This change does not effect total equity, but there is an increase in profit before tax of ₹ 0.28 crores and in total profit of ₹ 0.19 crores for the year ended 31st March 2016.

k. Fair valuation of ESOP

Under previous GAAP, the cost of equity settled employee share based payments was reccognised using the intrinsic value method. This did not result in recognising any expense in profit or loss in respect of these share based payments because the fair value of the shares on the grant date equaled the exercise price. Under Ind AS, the cost of equity settled employee share based payments was recognised based on the fair value of the options as on grant date. As on transition date, there is a reduction in the provision for Employee Stock Options Outstanding to the extent of ₹ 0.16 crores as at 31st March 2016 (as at 1st April 2015 ₹ 0.01 crores). The change does not affect total equity, but there is an increase in the profit before tax as well as total profit for the year ended 31st March 2016 of ₹ 0.16 crores.

l. Reversal of provision for diminution in value of investments

Under Ind AS, investments in mutual funds were measured at cost. Impairment, if any, was provided for, against cost of investments. Under Ind AS, these investments are measured at fair value. Amount provided for impairment during the financial year ended 31st March 2016 amounting to ₹ 0.07 crores is reversed. There is no deferred tax impact on such reversal, but there is an increase in profit before tax and total profit for the year ended 31st March 2016 by ₹ 0.07 crores.

m. Deferred Tax impact

Deferred tax impacts for the above adjustments, are a net increase in Deferred Tax Liabilities as at 31st March 2016 by ₹ 8.30 crores and reduction in Deferred Tax Liability as at 1st April 2015 by ₹ 3.04 crores. During the year 2015-16, increase in provision for Deferred Tax Liability is ₹ 11.34 crores.

n. Cash discount

Cash discount has been reduced from revenue as per Ind AS, amounting to ₹ 3.47 crores for the year ended 31st March 2016. The same amount is reduced from Other Expenses. This does not affect profit or equity.

o. Bank overdraft included in Cash and cash equivalents

Under Ind AS, bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system are included in Cash and Cash Equivalents for the purpose of presentation of statement of cash flows. Whereas under previus GAAP there was no similar guidance and hence, bank overdrafts were considered similar to other borrowings and the movements therein were reflected in cashflows from Financing activities. The effect of this is that bank overdrafts and cash credits of ₹ 23.03 crores as at 31st March 2016 and ₹ 13.03 crores as at 1st April 2015 have been considered as part of Cash and Cash equivalents. This also includes effect of Balance with Banks in Current Account (balances with restriction on repatriation) of ₹ 0.50 crores as at 31st March 2016 and ₹ 0.61 crores as at 1st April 2015, which were included in Cash & Cash Equivalents under previous GAAP. Consequently, the cash outflow from financing activities for the year ended 31st March 2016 prepared as per Ind As is lower to the extent of this net movement of ₹ 9.88 crores.

p. Share of profit in Associates

Share of profit in Associates has been recalculated as per Ind AS and the differential amount of share of profit in associate has been added to consolidated profits of the Group amounting to ₹ 0.32 crores for the year ended 31st March 2016. Impact on total equity is increase of ₹ 1.60 crores as at 31st March 2016 and ₹ 1.28 crores as at 1st April 2015.

q. Share of profit in Joint ventures

Under previous GAAP, Plus Call was classified as a jointly controlled entity and accounted for using the proportionate consolidation method.

Based on assessment under Ind AS 111 Joint Arrangements, Plus call has been classified as a joint venture and has been accounted for using equity method.

For the purpose of applying equity method, the initial investment regarded as deemed cost, as at the date of transition, has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

The following assets and liabilities of Plus Call had been proportionately consolidated under previous GAAP @ 40%.

(₹ in crores)

Particulars	As at 31st March 2016
Property, Plant and Equipment	1.15
Goodwill	2.22
Non Current Loans	2.57
Inventories	1.58
Trade Receivables	15.95
Current Loans	1.08
Other Current Assets	0.18
Non Current Borrowings	3.83
Other Non Current Liabilities	7.16
Current Borrowings	0.94
Trade Payables	5.99
Other liabilities	6.69

Under Ind AS, the investment in Plus Call Technical Services L.L.C has been recognised at ₹ 0.17 crores as at 31st March 2016.

The following are the income and expenses of Plus Call Technical Services L.L.C for the year ended 31st March 2016. These had been proportionately consolidated @ 40% under previous GAAP.

Particulars	For the year ended 31st March 2016
Revenue from operations	4.81
Cost of materials consumed	1.62
Employee benefits expense	1.73
Depreciation and amortisation expense	0.18
Other expense	1.33
Profit for the year	(0.05)

Under Ind AS, share of Plus Call Technical Services L.L.C ₹ 0.05 crores for the year ended 31st March 2016 using equity method has been recognised. These changes do not affect total equity as at 31st March 2016, profit before tax or total profit for the year ended 31st March 2016.

Further below cashflows of Plus Call Technical Services L.L.C for the year ended 31st March 2016 which were proportionately consolidated @ 40% under previous GAAP have not been considered in the consolidated statement of cash flows for the year ended 31st March 2016 prepared as per Ind AS since Plus call has been accounted for using equity method.

Particulars	For the year ended 31st March 2016
Cashflow from Operating Activities	(1.39)
Cashflow from Investing Activities	(3.37)
Cashflow from Financing Activities	4.77

r. Impact on Foreign Currency Translation Reserve

Foreign Currency Translation Reserve has been recalculated as per Ind AS and the differential amount of Foreign Currency Translation Reserve has been added to consolidated reserves of the Group amounting to ₹ 2 crores for the year ended 31st March 2016.

s. Impact on minority interest

Share of minority interest has been recalculated as per Ind AS and the resultant reduction in share of minority interest amounts to ₹ 0.64 crores for the year ended 31st March 2016.

t. Other Comprehensive Income

Under previous GAAP, there was no concept of Other Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other Comprehensive Income.

u. Excise Duty

Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the consolidated statement of profit and loss. The change does not affect total equity as at 1st April 2015 and 31st March 2016, profit before tax or total profit for the year ended 31st March 2016.

58 Operating Lease

a) Operating Lease payment recognised in Statement of Profit and Loss amounting to ₹ **10.77** crores (₹ 39.36 crores)

b) General description of the leasing arrangement:

i) Future lease rentals are determined on the basis of agreed terms.

ii) At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing.

The Group has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 11 months to 3 years and may be renewed for a further period based on mutual agreement of the parties.

(₹ in crores)

Future minimum lease payments	For the year ended 31st March 2017	For the year ended 31st March 2016
not later than one year	**7.72**	7.49
later than one year and not later than five years	**8.42**	6.06
later than five years	**4.55**	-

Finance Lease

The Group has entered into finance lease arrangements for certain equipment and vehicles, which provide the company an option to purchase the assets at the end of the lease period.

Future minimum lease payments	For the year ended 31st March 2017	For the year ended 31st March 2016
not later than one year	**0.02**	0.04
later than one year and not later than five years	**0.02**	-
later than five years	-	-

59 Details of provisions

The Group has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1st April 2016	Additions	Utilisation	Reversal (withdrawn as no longer required)	Foreign Currency translation	As at 31st March 2017
Provision for Employee related claims	**1.81**	**0.62**	**0.54**	-	**(0.22)**	**2.11**
	(3.21)	-	(1.27)	-	(0.12)	(1.82)
Provision for other contingencies (regulatory tax related claims)	**2.12**	**0.05**	**0.93**	-	**(0.20)**	**1.44**
	(0.86)	(1.34)	-	-	(0.08)	(2.12)
Provision for Warranty Expenses	**0.19**	**0.19**	-	-	-	**0.38**
	-	(0.19)	-	-	-	(0.19)
TOTAL	**4.12**	**0.86**	**1.47**	-	**(0.42)**	**3.93**
	(4.07)	(1.53)	(1.27)	-	(0.20)	(4.13)

Of the above, the following amounts are expected to be incurred within a year:

Particulars	As at 31st March 2017	As at 31st March 2016
Provision for Employee related claims	-	0.20
Provision for Warranty Expenses	**0.06**	0.02

(₹ in crores)

60 Disclosure on Specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 30th March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below for Parent and Indian Subsiadiary Companies:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as at 8th November 2016	0.07	0.53	**0.60**
(-) Permitted Payments	0.01	0.37	**0.38**
(-) Amount deposited in Bank	0.06	0.09	**0.15**
Closing cash in hand as at 30th December 2016	-	0.07	0.07

61 Other Information

During the year:

(a) The name of the subsidiary Woodcoat Pvt Ltd was changed to ICA Pidilite Pvt Ltd

(b) Pidilite International Pte Ltd and Pidilite Middle East Ltd, Wholly owned subsidiaries of the Company, have acquired shares of Nebula East Africa Pvt Ltd (NEAPL), a Company incorporated in Kenya. With this acquisition, the wholly owned subsidiaries of the Company jointly hold 100% of the paid up share capital.

(c) Nina Waterproofing Systems Pvt Ltd, a subsidiary of the Company has incorporated a subsidiary in Srilanka in the name of Nina Lanka Construction Technologies (Pvt) Ltd

62 Recent accounting pronouncements

a) **Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1st April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company is evaluating the requirements of the aforesaid amendments and the effect on the financial statements is being evaluated.

63 Events after reporting period

There was no significant event after the end of the reporting period which require any adjustment or disclosure in the financial statement other than the proposed dividend of ₹ 4.75 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 18th May 2017. The same amounts to ₹ 293.10 crores including dividend distribution tax of ₹ 49.58 crores subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

64 Approval of financial statements

The consolidated financial statements are approved for issue by the Audit Committee at its meeting held on 17th May 2017 and by the Board of Directors on 18th May 2017.

65 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schwedule III to the Companies Act, 2013

(₹ in crores)

	Net assets, i.e., Total Assets - Liabilities		Share of Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Pidilite Industries Limited	83.87	2,911.21	91.85	789.82	91.25	(1.98)	91.85	787.84
Indian Subsidiaries								
Bhimad Commercial Company Pvt Ltd (Bhimad)	0.00	0.01	-	-	-	-	-	-
Building Envelope Systems India Ltd (BESI)	0.52	17.89	(1.83)	(15.73)	-	-	(1.83)	(15.73)
Fevicol Company Ltd (Fevicol)	0.00	0.05	-	-	-	-	-	-
Hybrid Coatings (Hybrid)	-	-	-	-	-	-	-	-
Madhumala Traders Pvt Ltd (Madhumala)	0.00	0.01	-	-	-	-	-	-
Nina Waterproofing Systems Pvt Ltd (Nina)	3.60	124.95	4.16	35.75	6.45	(0.14)	4.15	35.61
Nitin Enterprises (Nitin)	0.42	14.42	(3.03)	(26.02)	-	-	(3.03)	(26.02)
Pagel Concrete Technologies Pvt Ltd (PCTPL)	0.03	1.17	-	-	-	-	-	-
Percept Waterproofing Services Ltd (PWSL)	0.63	22.03	2.40	20.67	0.46	(0.01)	2.41	20.66
ICA Pidilite Pvt Ltd (ICA)	4.65	161.39	0.06	0.50	1.84	(0.04)	0.05	0.46
Foreign Subsidiaries								
Pidilite Bamco Ltd (Bamco)	1.08	37.45	(0.25)	(2.18)	-	-	(0.25)	(2.18)
Bamco Supply and Services Ltd (BSSL)	0.15	5.23	0.10	0.85	-	-	0.10	0.85
Building System Solution Trading Limited Liability Company (BSST)	0.05	1.61	0.09	0.76	-	-	0.09	0.76
Pidilite MEA Chemicals L.L.C (Jupiter)	1.45	50.23	2.42	20.79	-	-	2.42	20.79
Pidilite Chemical PLC (PCPLC)	0.04	1.54	(0.07)	(0.56)	-	-	(0.07)	(0.56)
Pidilite Industries Egypt SAE (PIE)	0.36	12.59	0.11	0.96	-	-	0.11	0.96
Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	0.02	0.86	(0.04)	(0.34)	-	-	(0.04)	(0.34)
Pidilite Innovation Centre Pte Ltd (PICPL)	0.24	8.36	(0.26)	(2.21)	-	-	(0.26)	(2.21)
Pidilite International Pte Ltd (PIPL)	0.37	12.99	(0.16)	(1.35)	-	-	(0.16)	(1.35)
Pidilite Lanka (Pvt) Ltd (PLPL)	0.53	18.24	1.06	9.13	-	-	1.06	9.13
Pidilite Middle East Ltd (PMEL)	0.19	6.54	(0.01)	(0.11)	-	-	(0.01)	(0.11)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	1.46	50.59	2.50	21.49	-	-	2.51	21.49
Pidilite USA Inc (PUSA)	2.81	97.57	0.35	3.04	-	-	0.35	3.04
PIL Trading (Egypt) Company (PTC)	0.08	2.75	0.04	0.35	-	-	0.04	0.35
PT Pidilite Indonesia (PTPI)	0.05	1.59	(0.06)	(0.49)	-	-	(0.06)	(0.49)
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	1.03	35.60	0.22	1.90	-	-	0.22	1.90
Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)	0.03	1.06	0.11	0.91	-	-	0.11	0.91
Nebula East Africa Pvt Ltd (Nebula)	0.01	0.30	-	(0.01)	-	-	(0.00)	(0.01)
Non-Controlling Interest	**(3.67)**	**(127.32)**	**(0.38)**	**(3.23)**	**-**	**-**	**(0.38)**	**(3.23)**
Vinyl Chemicals (India) Ltd (Associate)	**-**	**-**	**0.41**	**3.53**	**-**	**-**	**0.41**	**3.53**
Plus Call Technical Services L.L.C (Joint Venture)	**-**	**-**	**0.21**	**1.77**	**-**	**-**	**0.21**	**1.77**
TOTAL	100.00	3,470.91	100.00	859.99	100.00	(2.17)	100.00	857.82

Information on Subsidiary Companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Sr. No.			Names of the subsidiaries							
			Pidilite International Pte Ltd*	Pidilite Middle East Ltd*	Pidilite MEA Chemicals L.L.C*	Pidilite Speciality Chemicals Bangladesh Pvt Ltd*	Pidilite Bamco Ltd*	PT Pidilite Indonesia*	Pidilite USA Inc*	Pidilite Innovation Centre Pte Ltd*
			1	2	3	4	5	6	7	8
1	Reporting Currency		US Dollars	AED	AED	Taka	Baht	IDR	US Dollars	Singapore Dollars
2	Exchange Rate as on 31st March 2017		64.81	17.68	17.68	0.8148	1.89	0.0049	64.81	46.48
3	Share Capital	Foreign Currency	2,23,61,494	7,90,01,692	3,00,000	35,26,94,637	3,50,00,000	11,15,15,10,000	1,47,80,000	9,95,155
	(includes Share application Money)	Indian ₹ in crores	144.92	139.70	0.53	28.74	6.62	5.43	95.79	4.63
4	Reserves & Surplus	Foreign Currency	4,47,516	(4,71,75,984)	(5,44,06,223)	21,68,41,687	6,46,57,358	(7,80,23,39,427)	(2,88,248)	3,00,232
		Indian ₹ in crores	2.90	(83.42)	(96.21)	17.67	12.22	(3.80)	(1.87)	1.40
5	Total Assets	Foreign Currency	2,28,62,329	3,18,46,908	4,89,07,003	71,08,80,913	12,94,04,385	3,48,83,99,706	2,17,61,450	18,58,296
		Indian ₹ in crores	148.17	56.31	86.48	57.92	24.46	1.70	141.04	8.64
6	Total Liabilities	Foreign Currency	53,319	21,200	2,84,74,257	14,13,44,588	2,97,47,027	13,92,29,133	72,69,698	5,62,909
		Indian ₹ in crores	0.35	0.04	50.35	11.52	5.62	0.07	47.11	2.62
7	Investments	Foreign Currency	-	-	-	-	-	-	7,50,000	-
	(except in case of subsidiaries)	Indian ₹ in crores	-	-	-	-	-	-	4.86	-
8	Turnover	Foreign Currency	7,97,432	16,481	4,18,89,988	95,38,94,885	21,86,23,561	76,51,40,709	3,76,72,960	28,94,226
		Indian ₹ in crores	5.17	0.03	74.07	77.72	41.33	0.37	244.16	13.45
9	Profit / (Loss) Before Taxation	Foreign Currency	6,85,253	(2,46,09,700)	(1,24,69,018)	13,86,76,947	1,52,37,665	(29,68,28,709)	2,34,247	(12,963)
		Indian ₹ in crores	4.44	(43.52)	(22.05)	11.30	2.88	(0.14)	1.52	(0.06)
10	Provision For Tax	Foreign Currency	93,013	-	-	4,70,25,584	34,42,658	(1,93,43,053)	99,871	37,516
	(including Deferred Tax)	Indian ₹ in crores	0.60	-	-	3.83	0.65	(0.01)	0.65	0.17
11	Profit / (Loss) After Taxation	Foreign Currency	5,92,239	(2,46,09,700)	(1,24,69,018)	9,16,51,363	1,17,95,007	(27,74,85,656)	1,34,376	(50,479)
		Indian ₹ in crores	3.84	(43.52)	(22.05)	7.47	2.23	(0.14)	0.87	(0.23)
12	Proposed Dividend	Foreign Currency	-	-	-	-	-	-	-	-
		Indian ₹ in crores	-	-	-	-	-	-	-	-
13	% of shareholding*		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2017

Information on Subsidiary Companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Sr. No.			Names of the subsidiaries								
			Pidilite Industries Egypt SAE*	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda*	Bamco Supply and Services Ltd*	PIL Trading (Egypt) Company*	Pidilite Industries Trading (Shanghai) Co Ltd	Pidilite Chemical PLC	Building System Solution Trading Limited Liability Company	Nebula East Africa Pvt Ltd	Pidilite Lanka (Pvt) Ltd
			9	10	11	12	13	14	15	16	17
1	Reporting Currency		EGP	Brazilian Reais	Baht	EGP	RMB	Birr	Qatari Rial	KES	LKR
2	Exchange Rate as on 31st March 2017		3.56	20.63	1.89	3.56	9.43	2.81	17.77	0.62	0.43
3	Share Capital	Foreign Currency	4,56,36,911	6,94,60,777	10,00,000	54,40,000	9,58,005	62,69,600	2,00,000	50,00,000	30,30,22,000
	(includes Share application Money)	Indian ₹ in crores	16.25	143.28	0.19	1.94	0.90	1.76	0.36	0.31	12.95
4	Reserves & Surplus	Foreign Currency	(2,54,20,622)	(5,47,28,509)	2,68,23,464	(87,62,763)	5,02,080	(11,04,629)	(11,19,329)	(1,71,623)	53,85,022
		Indian ₹ in crores	(9.05)	(112.89)	5.07	(3.12)	0.47	(0.31)	(1.99)	(0.01)	0.23
5	Total Assets	Foreign Currency	4,02,93,583	3,10,60,759	2,94,46,143	82,45,152	16,89,289	1,84,20,387	10,67,233	54,92,442	68,14,50,279
		Indian ₹ in crores	14.35	64.07	5.57	2.94	1.59	5.17	1.90	0.34	29.13
6	Total Liabilities	Foreign Currency	2,00,77,294	1,63,28,490	16,22,679	1,15,67,915	2,29,204	1,32,55,416	19,86,562	6,64,065	37,30,43,257
		Indian ₹ in crores	7.15	33.68	0.31	4.12	0.22	3.72	3.53	0.04	15.94
7	Investments	Foreign Currency	-	-	-	-	-	-	-	-	-
	(except in case of subsidiaries)	Indian ₹ in crores	-	-	-	-	-	-	-	-	-
8	Turnover	Foreign Currency	4,95,66,843	4,88,42,296	4,67,80,655	1,04,55,437	23,51,396	7,40,906	11,72,948	10,02,398	62,63,91,360
		Indian ₹ in crores	17.65	100.75	8.84	3.72	2.22	0.21	2.08	0.06	26.77
9	Profit / (Loss) Before Taxation	Foreign Currency	(75,00,335)	4,00,600	51,38,706	(34,78,931)	2,36,399	(11,56,212)	(8,75,566)	(1,71,623)	1,07,87,645
		Indian ₹ in crores	(2.67)	0.83	0.97	(1.24)	0.22	(0.32)	(1.56)	(0.01)	0.46
10	Provision For Tax	Foreign Currency	(2,38,852)	1,02,053	11,82,889	(35,146)	92,261	-	-	-	45,87,974
	(including Deferred Tax)	Indian ₹ in crores	(0.09)	0.21	0.22	(0.01)	0.09	-	-	-	0.20
11	Profit / (Loss) After Taxation	Foreign Currency	(72,61,483)	2,98,547	39,55,817	(34,43,785)	1,44,138	(11,56,212)	(8,75,566)	(1,71,623)	61,99,671
		Indian ₹ in crores	(2.59)	0.62	0.75	(1.23)	0.14	(0.32)	(1.56)	(0.01)	0.26
12	Proposed Dividend	Foreign Currency	-	-	-	-	-	-	-	-	-
		Indian ₹ in crores	-	-	-	-	-	-	-	-	-
13	% of shareholding*		100.00%	100.00%	49.00%	100.00%	100.00%	100.00%	100.00%	100.00%	76.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2017

Information on Subsidiary Companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Sr. No.			Names of the subsidiaries								
			Nina Lanka Construction Technologies (Pvt) Ltd	Fevicol Company Ltd	Madhumala Traders Pvt Ltd	Bhimad Commercial Company Pvt Ltd	Pagel Concrete Technologies Pvt Ltd	Building Envelope Systems India Ltd	Percept Waterproofing Services Ltd	Nina Waterproofing Systems Pvt Ltd	ICA Pidilite Pvt Ltd
			18	19	20	21	22	23	24	25	26
1	Reporting Currency		LKR	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹
2	Exchange Rate as on 31st March 2017		0.43								
3	Share Capital	Foreign Currency	35,00,000								
	(includes Share application Money)	Indian ₹ in crores	0.15	0.21	0.01	0.01	0.10	8.35	6.00	1.00	4.57
4	Reserves & Surplus	Foreign Currency	(3,92,762)								
		Indian ₹ in crores	(0.02)	1.45	5.25	5.25	(0.43)	8.77	4.07	103.50	156.82
5	Total Assets	Foreign Currency	2,58,70,612								
		Indian ₹ in crores	1.11	1.66	5.26	5.26	0.00	18.37	33.96	185.21	207.70
6	Total Liabilities	Foreign Currency	2,27,63,374								
		Indian ₹ in crores	0.97	-	-	-	0.33	1.25	23.89	80.71	46.31
7	Investments	Foreign Currency	-								
	(except in case of subsidiaries)	Indian ₹ in crores	-	-	-	-	-	-	-	13.33	-
8	Turnover	Foreign Currency	-								
		Indian ₹ in crores	-	-	0.41	0.41	-	7.06	43.68	151.98	101.83
9	Profit / (Loss) Before Taxation	Foreign Currency	(3,92,762)								
		Indian ₹ in crores	(0.02)	-	0.41	0.41	-	0.78	3.76	9.98	0.35
10	Provision For Tax	Foreign Currency									
	(including Deferred Tax)	Indian ₹ in crores		-	-	-	-	0.06	1.35	3.86	(0.14)
11	Profit / (Loss) After Taxation	Foreign Currency	(3,92,762)								
		Indian ₹ in crores	(0.02)	-	0.41	0.41	-	0.72	2.41	6.12	0.49
12	Proposed Dividend	Foreign Currency									
		Indian ₹ in crores		-	-	-	-	-	-	-	-
13	% of shareholding*		100.00%	100.00%	100.00%	100.00%	80.00%	60.00%	80.00%	70.00%	50.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2017

Information on Associates

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies)

(₹ in crores)

	Name of Associate	Vinyl Chemicals (India) Ltd
1	Latest audited Balance Sheet Date	**31st March 2017**
2	Share of Associate held by the Company at the year end	
	• Number	**7,451,540**
	• Amount of Investment in Associate	**0.75**
	• Extent of Holding %	**40.64%**
3	Description of how there is significant influence	**Associate**
4	Reason why Associate is not consolidated	**refer Note 2.5**
5	Networth attributable to Shareholding as per latest audited Balance Sheet	**20.76**
6	Profit/Loss for the year	
	(i) Considered in Consolidation	**3.53**
	(ii) Not Considered in Consolidation	**5.16**

Information on Joint Venture

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint venture)

(₹ in crores)

	Name of Joint Venture	Plus Call Technical Services L.L.C
1	Latest unaudited Balance Sheet Date	**31st March 2017**
2	Share of Joint venture held by the Company at the year end	
	• Number	**120**
	• Amount of Investment in Joint venture	**0.21**
	• Extent of Holding %	**40.00%**
3	Description of how there is significant influence	**Not Applicable**
4	Reason why Joint venture is not consolidated	**refer Note 2.5**
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet	**1.93**
6	Profit/Loss for the year	
	(i) Considered in Consolidation	**1.77**
	(ii) Not Considered in Consolidation	**2.65**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SAVITHRI PAREKH
Company Secretary

BHARAT PURI
Managing Director

M B PAREKH
Executive Chairman

Place: Mumbai
Date: 18th May 2017

Notes



“I was so upset when a stud fell off my brand new handbag. Thank God for Fevikwik, just one drop and the bag was fixed in no time, flawlessly.”

-Bijal Parmar



“I love ship collectibles, but the tiny pieces keep coming off. Now, it’s no more a hassle. Fevikwik helps me put them back together, instantly.”

-Pramod Belure



"This mug is a gift from my BFF – it nearly broke yesterday! Fortunately, Fevikwik made my day by fixing it flawlessly."

-Siddhi Sharma



"This antique has been in our family for generations now. My heart sank when it accidently got chipped off. To my surprise, Fevikwik magically fixed it."

-Seema Vyas

Pidilite Industries Limited
Registered Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

www.pidilite.com

Design
Pidilite Design Studio
Print
Parksons Graphics

Notice

NOTICE is hereby given that the FORTY EIGHTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, the 31st August 2017 at 11.00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
   a. the audited financial statements of the Company for the financial year ended 31st March 2017 together with the reports of Board of Directors and Auditors' thereon.
   b. the audited consolidated financial statements of the Company for the financial year ended 31st March 2017 together with the report of Auditors' thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri N K Parekh (DIN: 00111518), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A N Parekh (DIN: 00111366), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of auditors of the Company, to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the 45th Annual General Meeting (AGM) held on 25th September 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117364W) as the auditors of the Company to hold office till the conclusion of the 49th AGM to be held in the year 2018, be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration in consultation with the auditors."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors M/s. V J Talati & Co., Cost Accountants, (Registration No. 00213) appointed by the Board of Directors of the Company, on the recommendation of Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March 2018, be paid the remuneration as set out in the explanatory statement annexed to notice convening this meeting and the same is hereby ratified and approved."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 18th May 2017

SAVITHRI PAREKH
SECRETARY

Registered Office:
Regent Chambers, 7th floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021
Tel: 91 22 2835 7000 Fax: 91 22 2821 6007
Email: investor.relations@pidilite.co.in
Website: www.pidilite.com
CIN: L24100MH1969PLC014336

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, to be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped not less than 48 hours before the commencement of the meeting i.e. 11:00 am on Tuesday 29th August 2017.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. A proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.

4. An instrument appointing proxy is valid only if it properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.

5. The proxy – holder shall prove his identity at the time of attending the Meeting.

6. Members, proxies and authorized representatives are requested to bring the Attendance slips, which is enclosed herewith duly filled & signed, are requested to hand it over at the entrance.

7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

8. A statement pursuant to section 102(1) of the Companies Act, 2013, setting out all material facts relating to Special Business to be transacted at the meeting is annexed herewith and the same should be taken as part of this Notice.

9. Notes given in the Notice to the extent applicable also forms part of explanatory statement.

10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office and Corporate Office of the Company during normal business hours on all working days except Saturdays upto the date of the AGM.

11. Route Map of Venue of the Meeting is attached.

12. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. www.pidilite.com

13. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) a brief profile of Shri N K Parekh and Shri A N Parekh, nature of their expertise in specific

functional areas, names of companies in which they hold directorships and memberships/ chairmanships of committees of directors, their shareholding and relationships between directors inter se, is set out and the same forms part of this Notice.

14. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 25th August 2017 to Thursday, 31st August 2017 (both days inclusive).

15. The dividend on equity shares as recommended by the Board of Directors, if declared at the AGM, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 31st August 2017. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to the Company/ Registrar & Share Transfer Agents (R & T Agents).

17. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSR Darashaw Ltd. for assistance in this regard.

18. The Members are requested to inform of any change in their addresses immediately to:
    (i) R & T Agents in case of shares held in Physical Form or
    (ii) Depository Participants (DP) in case of shares held in Electronic Form.

19. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

20. Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary Form SH-13 can be obtained from the R & T Agents.

21. Members are requested to bring their copy of the Annual Report with them at the meeting as additional copies of the same will not be made available at the meeting.

22. Members are requested to send their queries, if any, at least ten days in advance at the Registered Office address, so that the information can be made available at the meeting, subject to permission of the Chairman.

23. A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed /unpaid dividend up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in the prescribed Form No. II to the Registrar of Companies, Maharashtra.

    B. The Company has transferred unclaimed / unpaid dividend (including the Interim Dividend declared during the Financial Year 2001-2002) in respect of Financial Years ended 31st March 1995 to 31st March 2009 to the Investor Education and Protection Fund (IEPF).

    C. Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were made

applicable with effect from 7th September 2016, also contain similar provisions for transfer of such amounts to IEPF. Accordingly, all unclaimed/unpaid dividend, as well as the principal redemption amount of preference shares, as applicable, remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

D. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account.

E. The Company has sent notice to all the members whose Dividends are lying unpaid/ unclaimed against their name for seven consecutive years or more. Members are requested to claim the same. In case the dividends are not claimed by the said date, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

F. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

G. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 2nd September 2016 (date of last AGM) on the website of the Company (www.pidilite.com) as also on the Ministry of Corporate Affairs website.

Members who have not yet encashed their Dividend Warrants for the years ended 31st March, 2010 to 31st March 2016 are requested to contact the R & T Agents, M/s. TSR Darashaw Ltd., Unit: Pidilite Industries Limited, 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. It may be noted that once the unclaimed dividend is transferred to the IEPF, as above, no claim shall lie in respect thereof against the Company.

24. In March 2008, some of the members of Vinyl Chemicals (India) Limited (VCIL) were allotted 6% Secured Redeemable Preference Shares of Rs.10 each (Preference Shares) by the Company pursuant to the Scheme of Demerger of VAM Manufacturing Unit of VCIL into the Company. The said Preference Shares were redeemed on 5th September 2008 and the Company had despatched Preference Dividend-cum-Redemption Warrants to all Preference Shareholders without surrender of the Preference Share Certificates.

    The unclaimed Preference redemption amount and the dividend pertaining to the same has been transferred to the IEPF and hence no claim shall lie in respect thereof against the Company.

25. Voting through electronic means/ballot paper

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules issued thereunder and Regulation 44 of Listing Regulations, members are provided with the facility to cast their vote by electronic means through the remote e-voting platform provided by National Securities Depository Limited (NSDL) on all resolutions set out in this Notice. Resolutions passed by the members through ballot papers or e-voting is/are deemed to have been passed as if they have been passed at the AGM.

II. The process for remote e-voting is specified below. The facility for voting through ballot paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

III. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

IV. **The instructions for e-voting are as under:**

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

(i) Open email and open PDF file viz; "Pidilite Industries remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL:

https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/ PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.

(vii) Select "EVEN" (Electronic Voting Event Number) of Pidilite Industries Limited.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) The Institutional shareholders (i.e. Other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to shethmm_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depositories.]

(i) EVEN (Electronic Voting Event Number, user ID and initial password is provided in the enclosed Attendance Slip.

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

V. In case any queries, please refer to "Frequently Asked Questions" (FAQs) for members and "remote e-voting user manual for members" available at the "Downloads" section of the website www.evoting.nsdl.com or call on toll free no. : 1800-222-990

VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24th August 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No.)

VIII. The remote e-voting period commences from Monday, 28th August 2017 at 9.00 a.m. and ends on Wednesday, 30th August 2017 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 24th August 2017 (cut-off date) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/modify it subsequently or cast the vote again.

IX. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on 24th August 2017, the cut off date.

X. Shri M M Sheth, Practising Company Secretary (Membership No. FCS 1455 CP No.729) or failing him, Smt. Ami M Sheth (Membership No. ACS 24127 CP No. 13976) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XI. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than 48 hours of conclusion of the meeting a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

XII. The Results alongwith the Scrutinizer's Report shall be placed on the Company's website www.pidilite.com and on the website of NSDL within 48 hours of conclusion of the 48th AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 6

The Board of Directors, on the recommendation of Audit Committee has approved the appointment and remuneration of an amount not exceeding ₹ 1,65,000/- (Rupees One Lakh Sixty Five Thousand only), plus applicable taxes, for the financial year ending 31st March, 2018 payable to the Cost Auditor M/s. V J Talati & Co., Cost Accountants to conduct the audit of the cost records of the Company for the aforesaid financial year. In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2018.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The Board recommends the resolution for approval by the members.

Item No. 7

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956.

In order to make the Articles of Association of the Company in tandem with the relevant sections/ provisions under the Companies Act, 2013 and rules made thereunder, it is proposed to replace the existing Articles of Association of the Company by a new set of AOA. Accordingly, in lieu of amendments to various articles in the existing Articles of Association, it is considered prudent and desirable to adopt a new set of Articles of Association of the Company, in substitution for, and to the exclusion of the existing Articles of Association of the Company. The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares.

Pursuant to Section 14 of the Companies Act, 2013, the consent of the members of the Company by way of a Special Resolution is required for adoption of a new set of Articles of Association of the Company. Accordingly, this matter has been placed before the members for approval.

The Directors recommend the aforesaid resolution for the approval by the members as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution.

A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day upto the date of the Annual General Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 18th May 2017

SAVITHRI PAREKH
SECRETARY

Registered Office:
Regent Chambers, 7th floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021
Tel: 91 22 2835 7000 Fax: 91 22 2821 6007
Email: investor.relations@pidilite.co.in
Website: www.pidilite.com
CIN: L24100MH1969PLC014336

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AT THE ANNUAL GENERAL MEETING [under Regulation 36(3)] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

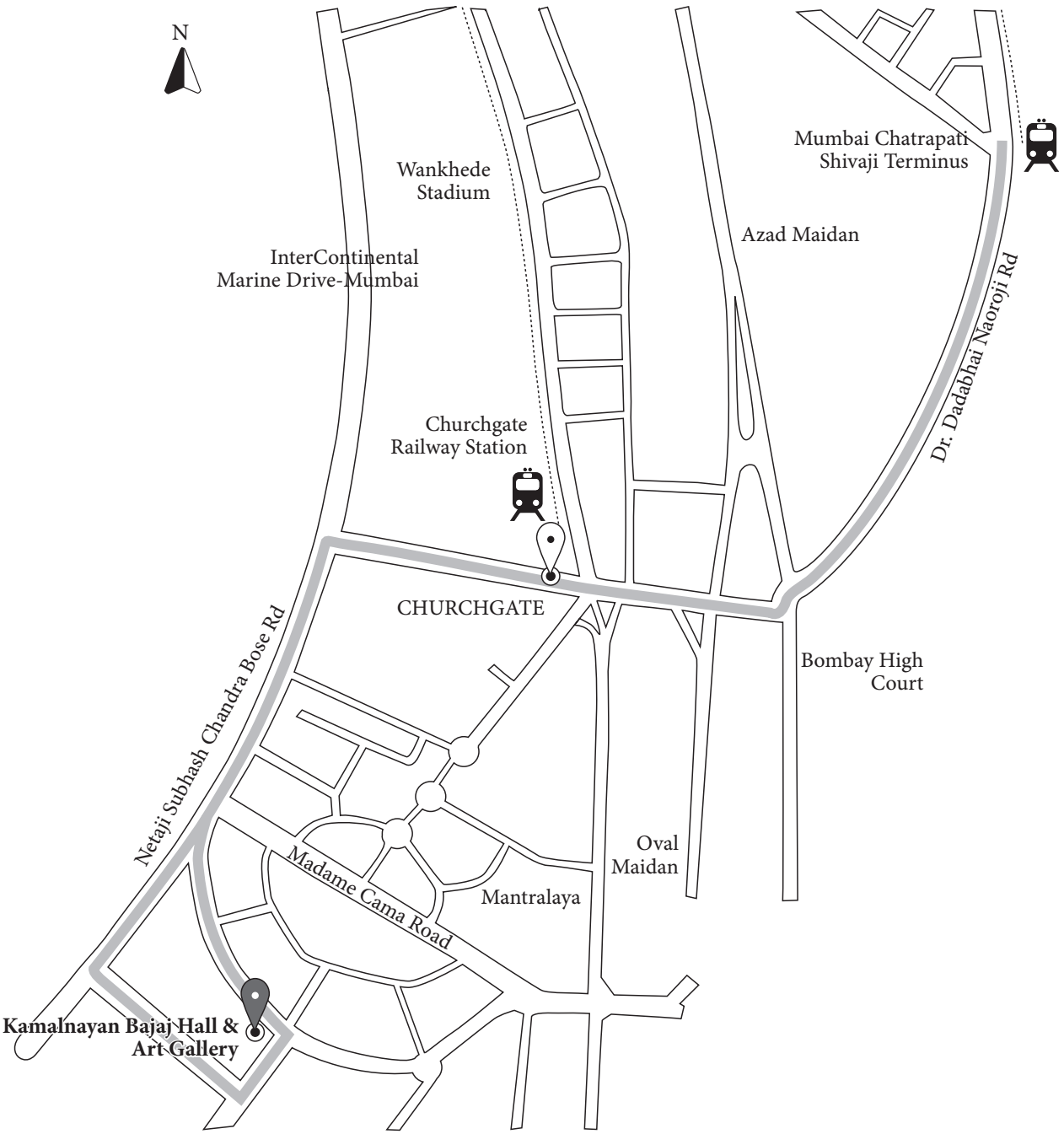
Shri N K Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1969. He is a qualified Technologist for Dyes and Intermediates and a qualified Chemical Engineer [(B.Sc., B.Sc (Tech), M.S. Chem. Engg. (U.S.A)] and has business experience in the industry for over 53 years. He is the Vice Chairman of the Company. He is a Director of Vinyl Chemicals (India) Ltd. He is a member of Stakeholders Relationship Committee of Vinyl Chemicals (India) Ltd. and also of the Company. He holds 5,17,32,178 equity shares in the Company as on 31st March 2017.
Shri N K Parekh is related to Shri A N Parekh, Whole Time Director of the Company.

Shri A N Parekh is a Promoter Director of the Company and has been working with the Company since 1996. Shri A N Parekh is a Chemical Engineer with the qualification of B. S. Chem. Engg. (U.S.A) and having total business experience of 23 years. He joined the Company in Sales and Marketing Department and was promoted to the position of Sr. Vice President. He has been a Whole Time Director of the Company since 1st July 2005. He holds 32,62,910 equity shares in the Company as on 31st March 2017. Shri A N Parekh is related to Shri N K Parekh, Vice Chairman of the Company.

Note: For other details, such as number of meetings of the Board attended during the year, remuneration drawn etc. please refer to Corporate Governance Report.

Route map to the AGM Venue of:

Pidilite Industries Ltd.
48th Annual General Meeting
Thursday, 31st August 2017 at 11:00 am



Venue:

Kamalnayan Bajaj Hall,
Bajaj Bhavan, Jamnalal Bajaj Marg,
Nariman Point,
Mumbai - 400 021
Ph.: 022 2202 3626

Pidilite Industries Limited

Registered Office: Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021.
Tel: 91 22 28357000, Fax: 91 22 28216007, Email: investor.relations@pidilite.co.in, Website: www.pidilite.com
CIN: L24100MH1969PLC014336

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

Email Id:

Folio No./Client ID:

DP ID:

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

1) Name: _____

Address: _____

Email ID: _____ or failing him;

2) Name: _____

Address: _____

Email ID: _____ or failing him;

3) Name: _____

Address: _____

Email ID: _____

as my/our proxy to attend and vote for me/ us and on my/our behalf at the FORTY EIGHT ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 31st August 2017 at 11:00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of audited financial statements of the Company together with the reports of Board of Directors and Auditors' thereon and audited consolidated financial statements of the Company for the year ended 31st March 2017.
2. Declaration of dividend on Equity Shares.
3. Re-appointment of Shri N K Parekh as a Director.
4. Re-appointment of Shri A N Parekh as a Director.
5. Ratification of appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors.
6. Ratification of payment of remuneration to M/s. V J Talati & Co., Cost Auditors.
7. Adoption of new Articles of Association of the Company.

Signed this _____ day of _____ 2017.

Signature of the Shareholder _____

Affix Revenue Stamp

Signature of first proxy holder | Signature of second proxy holder | Signature of third proxy holder

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company, not less than **FORTY EIGHT HOURS** before the commencement of the Meeting.

KIRAN - 3210 3232 • E-mail : kpltd@vsnl.com
07/17

Pidilite Industries Ltd

CIN: L24100MH1969PLC014336
Regd. Office : Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai - 400 021.
Tel.: 91 22 28357000; Fax: 91 22 28216007; **Email:** investor.relations@pidilite.co.in; **Website:** www.pidilite.com

ATTENDANCE SLIP
(To be presented at the entrance)

Annual General Meeting on Thursday, 31st August, 2017 at 11.00 a.m. (IST)
at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021

I/we hereby record my/our presence at the 48th Annual General Meeting of the Company to be held on Thursday, 31st August, 2017 at 11.00 a.m. (IST) at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

D.P. Id*		Folio No.	
Client Id*		No. of Share/(s) held	

NAME OF THE MEMBER	NAME OF THE PROXY

SIGNATURE OF THE ATTENDING MEMBERPROXY

E-VOTING PARTICULARS

ELECTRONIC VOTING EVENT NUMBER (EVEN)	USER ID	PASSWORD

NOTE: Please refer to the instructions printed under the Notes to the Notice of the 48th Annual General Meeting. The e-voting period commences on Monday, 28th August, 2017 at 9.00 a.m. (IST) and ends on Wednesday, 30th August, 2017 at 5.00 p.m. (IST). The e-voting module shall be disabled by NSDL for voting thereafter.

*Applicable for investors holding shares in electronic form.