Pidilite

31st August, 2018

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 2017-18

Please find enclosed herewith Annual Report for the financial year 2017-18 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

T + 91 22 2835 7000
2835 7952 / 2835 7365
F + 91 22 2830 4482
www.pidilite.com
CIN:L24100MH1969PLC014336

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

Pidilite











हम हैं
PIDILITE







ANNUAL REPORT
2017-18




A STORY OF GROWING TOGETHER
We believe growth is collective.
The growth story of Pidilite is written
with the stories of so many lives that
we have touched, each one as special.
We bring to you six such stories.
In their success, lies ours.



I am 86. I still love coming to work because this is my family.

I was a young man when I met the founder of Pidilite, Mr. B K Parekh.

My first day of work was the same day India got its independence. I was working with the Group even before Pidilite came into existence. Everything I learned, I learned here. At that time, there was no technology, and I had to be very meticulous; my memory was my super power. I would find ways to be cost-conscious for the company, which I treated as my own.

I was the first employee at Pidilite. I've been here for the longest time, and still continue to come to office for a few hours. I get a lot of respect from my colleagues, old and new. Seeing different generations working together is common at Pidilite – people don't just grow into their roles, they also grow here as individuals.

JAYSHANKAR BHAI
Employed with the Group since 70+ years

Fevicol *jodne ka kaam karta hai, aur humare parivaaron ko bhi jodke rakhta hai.*

We had a furniture workshop, which we transformed into an FCC* office. That is the influence FCC has had on my life.

Even our families have met and bonded over various FCC activities. My favourite activity is Shram Daan Divas, an initiative that gives carpenters the opportunity to come together for a noble cause. Instead of competing against each other, this unites us with a common goal and gives us a sense of community; I have not seen this anywhere else. We usually start preparations for Shram Daan Divas a month in advance. We treat it like any other festival in India.

Overall, the FCC platform has also helped me a lot, especially to increase and improve my business.

PRAMOD TIWARI *(Panditji)*

FCC Contractor since 11 years

**FCC stands for Fevicol Champions' Club launched by Pidilite in 2002.*





Jo bhi seekhne ko mila hai, woh sabse zyaada Pidilite *se hi mila hai.*

My grandfather was one of the masons who worked on the stonework at Gateway of India and Taj Hotel in Colaba. At that time, the wage for labourers was just 10 paise! I have preserved that coin as a memento. My grandfather has always been my role model.

When I started doing masonry at the Pidilite sites, everyone liked my work. I remember I also did stone work for the Pidilite office buildings. It makes me proud that I was a part of building Pidilite.

Everything I know about waterproofing and its techniques, I learned here. Because of the Company's trust in me and my work, I know business *accha hi chalega*. I think this has assured me to encourage my children to study further and follow their dreams. I want them to do what they like best and I am happy that I can support them.

CHHAJURAM MISTREE

Mason associated with Pidilite since 20 years

My relationship with Pidilite has always been one of trust, whether in business or personal life.

My dad began his association with Pidilite way back in 1987. Later in 2005, when I joined his business, Pidilite recommended that we enter a new geography – Vashi. At that time, Vashi was unheard of.

Pidilite trusted us with the job, and thanks to our partnership, we were able to create a strong base that they needed in that region. Since then, we have been given responsibility for other geographies too. Overall, Pidilite helped Prime to set up distribution and learn the trade. It constantly keeps up with latest technology, making it a joy for us to conduct business.

On a personal note, when my father fell ill and was hospitalized, Pidilite management was concerned and offered help that was required. This gesture was very touching and one that I will always remember.

RAJ KOTECHA
Prime Distributors

Distributor associated with Pidilite since 30 years


FEVICOL
HANDLE WITH CARE
FEVICOL
4 x 10 x 250 g
FEVICOL SH
SYNTHETIC RESIN ADHESIVE
Pidilite Industries Ltd.
WITH CARE
4 x 10 x 250 g
FEVICOL
SH
SYNTHETIC RESIN ADHESIVE
Pidilite Industries Ltd.
Pidilite
HANDLE WITH CARE
4 x 10 x 250 g
FEVICOL
SH
SYNTHETIC RESIN ADHESIVE



As a child I used Pidilite products for art and craft. It amazes me to see my son also enjoying the same.

Remember how we used to play with Fevicol? The pure joy of peeling it off our hands is a fond memory.

I remember Fevicol from my childhood days. I always loved scrapbooking and making cards for every occasion.

It makes me happy to relive those memories watching my son do the same. He and I spend hours working on DIY (do-it-yourself) projects.

I trusted Pidilite products ever since I was a child, and now my son too enjoys creating things with Pidilite's range of products.

ZALAK & VANSH SANGHAVI
Consumers across generations

From a hobbyist at home to a full-fledged career, my journey has been very colourful!

My love for art and craft was always strong. I used to paint handkerchiefs and pillow covers, enjoying my hobby from home. During the summer holidays, I would also get involved with art and craft summer workshops. There was a neighbourhood shop where I bought Fevicryl products. The shopkeeper connected me to Pidilite and that is how I got the opportunity to be professionally engaged with the Company.

Initially, I worked only part-time but now I enjoy a full-time career as a hobby professional. My projects, both at Pidilite and outside, have given me an opportunity to share my creativity and connect with others, which is truly satisfying.

Today, I have a career doing what I love!

JIGNASA DESAI
Hobby professional associated with Fevicryl since 15 years



TABLE OF CONTENTS

15 Company Information

16 Management Discussion and Analysis

26 Our Performance

29 Economic Value Added (EVA)

30 10 Years Financial Performance

34 Directors' Report

44 Social & Community Service Initiatives

54 Annexure to the Directors' Report

78 Business Responsibility Report

83 Auditor's Report

88 Balance Sheet

89 Profit & Loss Account

91 Cash Flow Statement

93 Notes

144 Corporate Governance Report & Compliance Certificate

152 Information for Shareholders

155 Consolidated Financial Statements

Board of Directors

M B Parekh
Executive Chairman

N K Parekh
Vice Chairman

Bharat Puri
Managing Director

B S Mehta
Director

Ranjan Kapur
Director
(Ceased to be a director w.e.f. 27-01-2018 due to demise)

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

Piyush Pandey
Director
(w.e.f. 11-04-2018)

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

P. Ganesh
(w.e.f. 20.11.2017)

Solicitors & Advocates

Wadia Ghandy & Co

Auditors

Deloitte Haskins & Sells

Internal Auditors

Mahajan & Aibara

Bankers

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

STANDALONE FINANCIALS

Net Sales of the Company grew by

9.8% ↑

On a comparable basis (after reflecting impact of GST for the full year) **Net Sales** grew by

12.0% ↑

With sales volume & mix growth of 11.2%.

"EBIDTA" (earnings before interest, taxes, depreciation, exceptional items and foreign exchange differences) excluding non-operating income growth was lower at 5.3% on the back of input cost led contraction in gross margins and advertising and sales promotion cost increase.

Profit before exceptional item and tax increased by 7.4%.

Profit after tax grew by 23.4% and includes excess tax provision of ₹ 46.5 crores of earlier years now written back, whereas profit after tax for previous year was after impairment of investments in subsidiaries of ₹ 94.3 crores.

CONSOLIDATED FINANCIALS

Consolidated net sales grew by

8.0%. ↑

On a comparable basis (after reflecting impact of GST for the full year and excluding sales of Cyclo division of Pidilite USA Inc., which was sold by Pidilite USA Inc. in June, 2017) **consolidated net sales** grew by

11.5%. ↑

On a constant currency basis, the sales (excluding Cyclo division of Pidilite USA, Inc) of overseas subsidiaries declined by 1.2% over last year. On an overall basis, the overseas **subsidiaries reported profit before tax** (excluding Cyclo division of Pidilite USA, Inc) of ₹ 6.3 crores as compared to loss of ₹ 13.3 crores last year.

The **domestic subsidiaries** (excluding CIPY Poly Urethanes Pvt Ltd which was acquired in the fourth quarter) reported

21.6% ↑

growth in Sales and

29.1% ↑

growth in EBITDA. Profit before tax is ₹ 28.5 crores as compared to ₹17.2 crores last year.

INITIATIVE

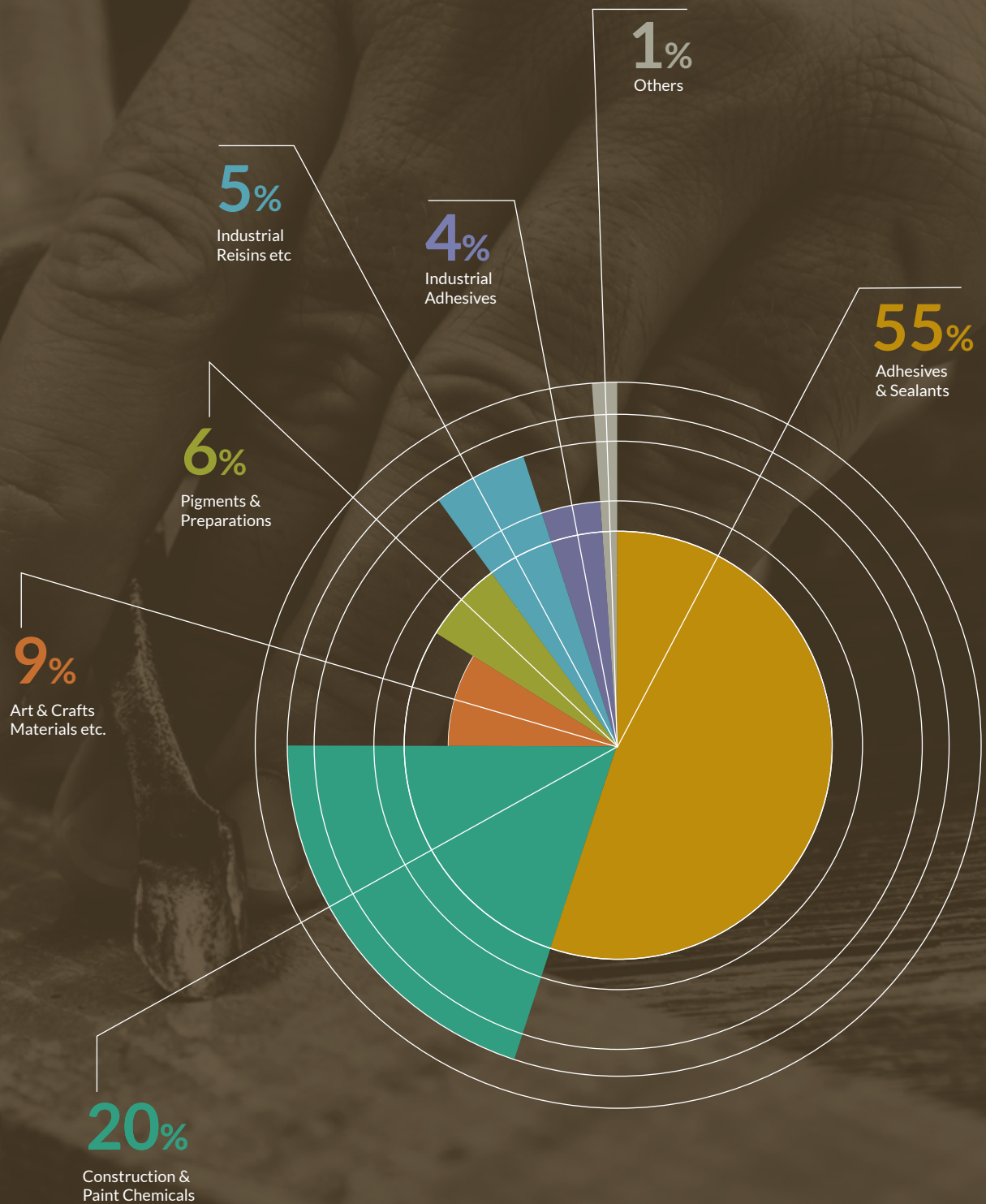
The Company and **Jowat SE** have entered into a technical collaboration aimed at providing a **comprehensive range of Thermoplastic Hot Melt adhesives** for catering to the requirements of joineries and industrial consumers. The Company will also handle the sales and distribution of the entire range of Jowat adhesives in India and certain other neighboring countries including Nepal, Sri Lanka and Bangladesh. Jowat SE is well known for its high end adhesives used by modular and other wooden furniture manufacturers and industrial customers in packaging. The products are also used by automotive, textile and other segments, for a wide variety of applications.

NEW ACQUISITION

The Company alongwith Fevicol Company Ltd. (wholly owned subsidiary of the Company) jointly acquired **70% stake** in equity shares of **CIPY Poly Urethanes Pvt. Ltd**. ('CIPY'). CIPY was incorporated on 29th November, 1994 and it is engaged in the business of **manufacturing and selling of floor coatings using polyurethanes,** epoxies, polyurea and polyaspartic polymers. This acquisition will help to participate in the growth of the resin flooring and floor coatings market. CIPY reported **₹ 26.7 crores** of sales and **₹ 2.2 crores of EBITDA** from the date of acquisition till 31st March 2018.

PERFORMANCE BY INDUSTRY SEGMENT

BUSINESS SEGMENT %



CONSUMER & BAZAR PRODUCTS (STANDALONE)

Branded Consumer & Bazaar Products Segment contributed

84%

of the sales of the Company and grew by

12.1% ↑

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

13.9% ↑

Construction (including project business) and **Paint Chemicals** contributed to

20%

of the sales of the Company and grew by

14.6% ↑

Art & Craft Materials etc. contributed to

9%

of the sales of the Company and grew by

3.6% ↑

INDUSTRIAL PRODUCTS (STANDALONE)

Industrial Products contributed

15%

of the sales of the Company and grew by

7.6% ↑

Industrial Adhesives includes adhesives used in packaging, footwear, cigarette and automotive industry. This category contributed

4%

of sales and grew by

9.3% ↑

Industrial Resins etc. contributed

5%

of the sales of the Company and grew by

2.5% ↑

Pigments and Preparations contributed to

6%

of the sales of the Company and grew by

10.6% ↑

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 Isopropyl Alcohol in the same plant. Import of VAM continues to remain more viable as opposed to in-house manufacture.

ADVERTISING CAMPAIGNS & COMMUNICATIONS

Fevicol Marine launched its new TV advertisement in an entertaining and humorous manner. It captures the spirit of India, showcasing Fevicol Marine's durable bond even when exposed to water with the tagline ***'Asli* Waterproof Adhesive'.** The advertisement was launched across TV, Digital and Cinema halls.





Dr. Fixit launched its new theme based campaign **'5-point waterproofing' featuring Amitabh Bachchan.** The TV advertisement is aimed at creating awareness about five sources of leakage in a house and prompts the viewers to ask for Dr. Fixit 5-point waterproofing while constructing a new home.



DIGITAL COMMUNICATION

The newly designed corporate website **www.pidilite.com** offers quick and easy navigation to essential information, a clean uncluttered design, improved functionality and rich content.

The Company has increased its focus on using digital platform as a medium for marketing its brands; new evolved digital marketing avenues are being used to increase brand salience.

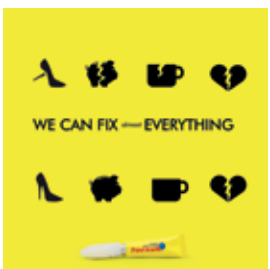
Fevicol used topical and humorous creatives on digital media to further enhance its iconic image.

Fevikwik used creative witty posts on social media creating awareness among consumers about the uncommon use of Fevikwik to repair broken articles.















A co-branded TV advertisement was made using shots of the movie **Bahubali 2 – The Conclusion** and Dr. Fixit advertisement. The excitement around the movie was leveraged in digital space by making clever memes, and on-ground by advertising in cinema halls where the movie was being screened.

Fevikwik the instant adhesive brand launched a series of TV advertisements titled ***'Khushiyo ke chand pal'.*** It features a woman, who fixes various broken objects like a toy, metal bell, remote control and is appreciated unexpectedly by her family members.

Fevicol launched a TV campaign for the variant **Fevicol Ezeespray,** demonstrating the ease and speed of using innovative spray adhesive in a witty and playful manner with the tagline ***'wohi majboot jod, spray mein bhi'.***

NEW PRODUCT LAUNCHES

Fevicryl Fabric Colours was launched, with new brand graphics and bottle shape, for multiple fabric surfaces like apparel, home décor and accessories. Available in 31 shades, these colors help retain the natural texture of fabric.

M-Seal Super Phataphat a softer, easy to mix and easy to apply putty, offering smoother finish.

Fevicryl 3D Neon Liners an easy to use, convenient pen format liner, available in four neon shades for creative outlining and DIY art.







BRAND ACTIVATIONS



Fevikwik organized branded van activations in 31 districts of Uttar Pradesh and Bihar. Through a magic show the brand engaged with the audience and educated them about the different substrates on which Fevikwik can be used.

Fevicryl campaign **"#Turn On The Neon"** created awareness through digital platform and on ground activities.

Mr. Neo a larger than life mascot in shape of the neon pen liner helped connect with consumers and create excitement among end users.





Fevicol MR brought alive the Slime mania for children in India during summers of 2017. The campaign included on-ground activations in schools, summer camps and retail outlets and was supported through **digital web-episodes and a TV contest.** The TV spots showed popular children characters on Nickelodeon, Motu and Patlu playing with slime and inviting children to make their own slime for an opportunity to be seen on TV. The campaign was appreciated by parents, teachers and children.



Fevicol Champions' Club celebrated **Shram Daan Diwas** across India on December 20, 2017. Around 51,200 contractors and carpenters visited 800 needy institutions and donated a day of their labour to repair broken furniture.

Fevicol MR Slime Campaign won a **Silver in Best Branded Content** on Television and **Bronze in Best use of Kids Channel** at the exchange4media.com Prime Time Awards 2018.

The Fevicol MR Slime Campaign won a **Silver at the Maddies** 2017-2018 for Best Use of TV.

Dr. Fixit won the bronze at **Maddies** 2017-2018 for best use of cinema for the co-branded promotion with **Bahubali 2.**

M-Seal Sanitary Counter Top Unit won the **Bronze** Award in **Outstanding Merchandising Achievement Awards 2018** conducted by Point of Purchase Advertising International.

Dun & Bradstreet Corporate Awards 2017 felicitated the best performing companies in India across 50+ sectors; the Company was selected as the **winner in the Chemical Sector.**

The Economic Times –Brand Equity "Most Trusted Brands": Fevicol ranks at **3rd** position amongst the household care brands in India.

Fevikwik Gel -Total Control won various awards for The Stick-Men Innovation.

- **Bronze at EMVIES 2017** for best media innovation.
- **Gold at the MADDIES 2017** for in-app advertising.

Fevikwik Gel campaign the "stick figures-total control" won a **Blue Elephant** at the prestigious **Kyoorius** awards in the digital platform category.

At **Abby** awards organized by Goa Fest, **Fevikwik Gel – Stick-Men** innovation won two awards ; a **Bronze** in Creative Abby-Digital Display Advertising and a **Silver**, Mobile Abby in Mobile Banners category.





“*Mere dadaji ne yahan* 55 years *kaam kiya hai*, which inspired me to be a part of Pidilite.”

MOHAN KADAM
Employed with Pidilite since 28 years



“Thanks to FCC, we carpenters are able to meet and develop a sense of *bhaichaara* (community).”

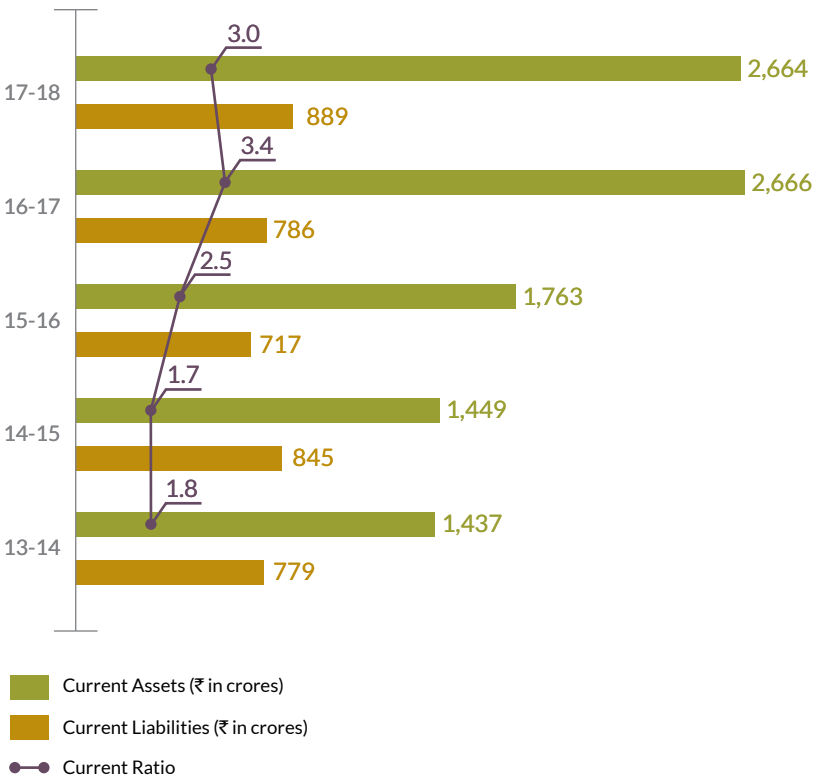
KISHORE GOHEL
FCC Contractor since 13 years

DISTRIBUTION OF REVENUE (2017-18)

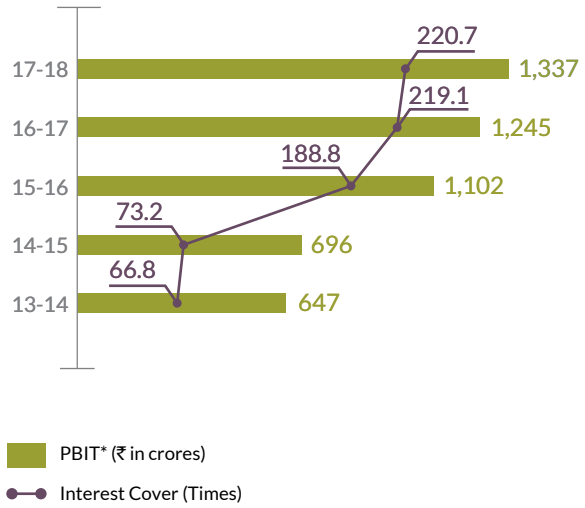


Material Cost	47.8%
Operating Cost	17.9%
Employee Cost	10.8%
Interest	0.1%
Depreciation	1.7%
Current Tax	6.7%
Deferred Tax	0.4%
Dividend	5.5%
Retained Earning	9.1%

CURRENT RATIO

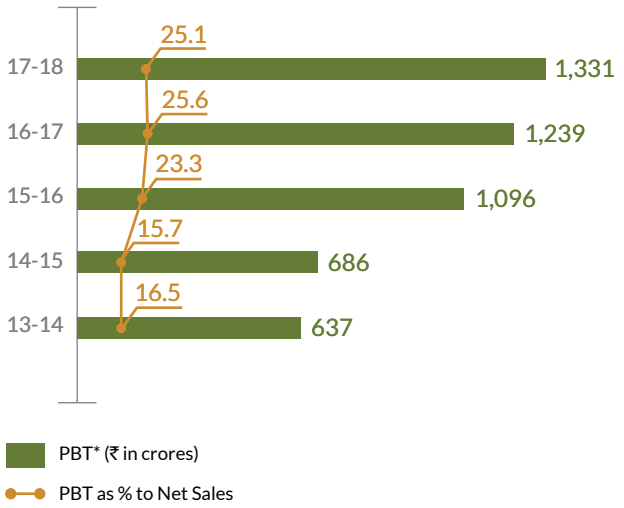


PBIT & INTEREST COVER



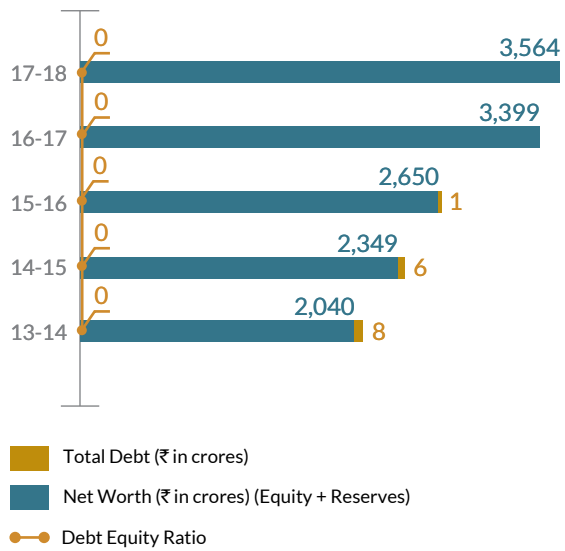
* PBIT excludes exceptional items.

PBT & PBT AS % TO NET SALES

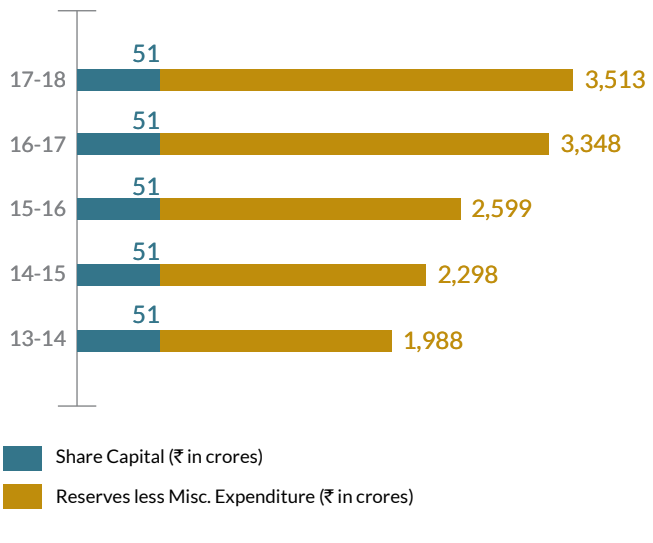


* PBT excludes exceptional items.

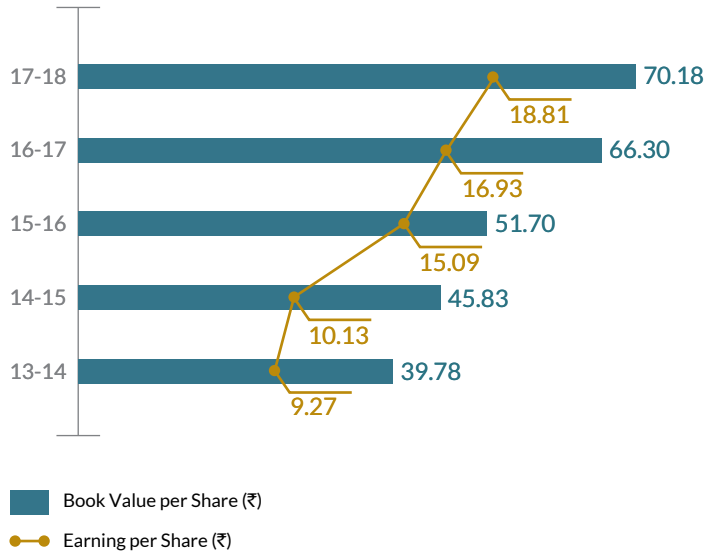
DEBT EQUITY RATIO



VALUE ADDITION TO BUSINESS THROUGH RESERVES

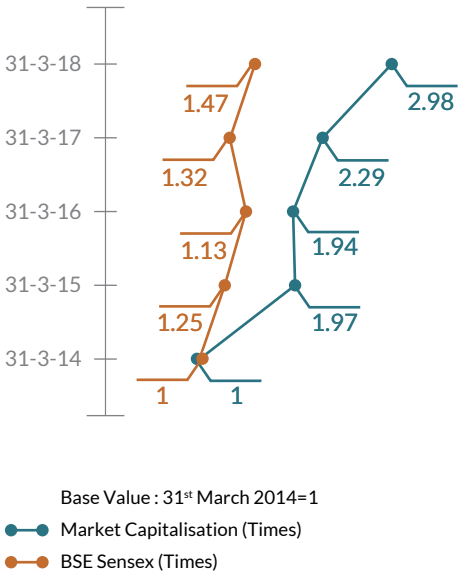


BOOK VALUE PER SHARE & EPS



EPS excludes exceptional items

Growth in Market Capitalisation of Company and BSE sensex since 31st March 2014



MISCELLANEOUS

The company's net worth (Equity capital + Reserves) has grown from ₹ 2039 crores as on 31st March 2014 to ₹ 3564 crores as on 31st March 2018, giving a Compounded Annual Growth Rate (CAGR) of 14.99%.

The market capitalization of the Company on 31st March 2018 was ₹ 46642 crores and has grown at a CAGR of 31.13 % 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.

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 @ 7.2%) + market risk premium (assumed @ 5.9%) x beta variant for the Company (taken at 0.71), 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	2013-14	2014-15	2015-16	2016-17	2017-18
1. Risk Free Return on Long Term GOI Securities	8.0%	7.8%	7.5%	6.5%	7.2%
2. Cost of Equity	12.4%	12.2%	12.9%	9.2%	11.4%
3. Cost of Debt (Post Tax)	0.0%	0.0%	0.0%	0.0%	0.0%
4. Effective Weighted Average Cost of Capital	12.2%	12.2%	12.8%	9.2%	11.4%
Economic Value Added (₹ in crores)					
5. Average Debt	34	7	3	1	0
6. Average Equity (Shareholder Funds)	1886	2194	2500	3025	3482
7. Average Capital Employed (Debt + Equity)	1920	2201	2503	3026	3482
8. Profit After Tax (as per P&L account)	475 #	519 #	774 #$	868 #$	955 #$
9. Interest (as per P&L account, net of Income Tax)	6	6	4	4	4
10. Net Operating Profit After Tax (NOPAT)	481	525	778	872	959
11. Weighted Average Cost of Capital (4x7)	234	267	322	278	397
12. Economic Value Added (10-11)	**247**	**258**	**456**	**594**	**563**
13. EVA as a % of Average Capital Employed (12 ÷ 7)	**12.9%**	**11.7%**	**18.2%**	**19.6%**	**16.2%**

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.

10 YEARS FINANCIAL PERFORMANCE

(₹ in crores)

	I GAAP							IND AS			
Highlights	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**CAGR %**
Operating Results											
Sales and Other Income	1931	2051	2530	3017	3615	4169	4724	5134	5409	5627	12.62%
Manufacturing & Other Expenses	1673	1638	2036	2483	2939	3448	3918	3942	4070	4197	10.76%
Operating Profit	258	413	494	534	676	721	806	1192	1339	1430	20.95%
Interest (Net)	32	29	27	21	8	10	10	6	6	6	(16.82%)
Depreciation	47	46	44	48	53	69	108	88	90	91	7.63%
Profit from Ordinary Activities	179	338	423	465	615	642	688	1098	1243	1333	24.97%
Exceptional Item	-	-	25	13	(6)	6	18	27	94	-	-
Foreign Exchange Difference - Expense/(Income)	16	9	1	8	1	5	2	1	4	2	(23.18%)
Profit before Tax	163	329	397	444	620	631	668	1070	1145	1331	26.27%
Current Tax	15	42	94	105	156	160	156	299	363	403	44.16%
Deferred Tax	2	(3)	(1)	4	3	2	11	24	8	19	30.08%
Profit after Tax for the year	146	290	304	335	461	469	501	747	774	909	22.49%
Add: Prior Year's Tax Provision written back	-	4	-	-	-	-	-	-	-	46	-
Profit after Tax	146	294	304	335	461	469	501	747 $	774 $	955$	23.17%
Dividend on Equity Shares	52 *	89 *	103 *	112 *	156 *	162 *	179 *	404 ****	31 ****	293****	21.23%
Dividend on Preference Shares	- !! ~	-	-	-	-	-	-	-	-	-	-
Retained Earning	**94**	**205**	**201**	**223**	**305**	**307**	**322**	**343**	**743**	**662**	**24.28%**
Financial Position											
Capital-Equity	25	51	51	51	51	51	51	51	51	51	8.05%
Reserve (Less Revaluation Reserve & Misc. Expenditure)	708	888	1088	1327	1682	1988	2298	2599	3348	3513	19.47%
Net Worth	733	939	1139	1378	1733	2039	2349	2650	3399	3564	19.22%
Borrowings	558	421	287	264	60	8	6	1	-	-	-
Deferred Tax Liability (Net)	44	42	41	45	48	51	55	75	84	103	9.87%
Funds Employed	**1335**	**1402**	**1467**	**1687**	**1841**	**2098**	**2410**	**2726**	**3483**	**3667**	**11.88%**
Fixed Assets **											
Gross Block	1016	1084	1205	1343	1469	1637	2005	1775	1856	1975	7.67%
Depreciation	343	389	431	476	527	594	716	707	790	871	10.90%
Net Block	673	695	774	867	942	1043	1288	1068	1066	1104	5.65%
Investments in - Overseas Subsidiaries	219 #	245 #	233 #	239 #	260 #	315 #	341 #	355 #	270 #	303#	3.70%
- Others	21	266	167	94	287	259	360 ***	748	1523	1483	60.48%
Net Current Assets	422	196	293	487	352	481	421 ***	555	624	777	7.03%
Total Assets	**1335**	**1402**	**1467 #**	**1687**	**1841**	**2098**	**2410**	**2726**	**3483**	**3667**	**11.88%**

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	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Funds Flow										
Sources										
Internal Generation	195	337	373	400 <	511 <	546	638	886	967	1066
Increase in Capital & Reserve on conversion of FCCB	-	-	-	15	50	-	-	-	-	-
Increase in Equity Share Capital	-	-	-	-	-	-	-	- ~	- ~	- ~
Increase in Loans	55	-	-	-	-	8	-	-	-	-
Decrease in Investment-Others	-	-	99	73	-	35	-	-	-	283
Decrease in Working Capital	56	226	-	-	141	-	23 ***	329	-	-
Decrease in Miscellaneous Expenditure	-	-	-	-	-	-	-	-	-	-
Total	**306**	**563**	**472**	**488**	**702**	**589**	**661 *****	**1215**	**967**	**1349**
Applications										
Decrease in Preference Capital on redemption	3	-	-	-	-	-	-	-	-	-
Repayment of Loans	-	136	135	23	204	60	2	5	1	-
Capital Expenditure (Net) >	173	68	124	141	128	169	353	134	88	125
Investments in										
- Overseas Subsidiaries	60	25	13	19	26	55	26	14	10	34
- Domestic Subsidiaries	-	-	-	-	-	7	- ~	68	80	117
- Others	18	245	-	-	188	-	101 ***	590	695	-
Buy - back of Equity Shares	-	-	-	-	-	-	-	-	-	500
Dividend	52	89	103	112	156	162	179	404 ****	31 ****	293 ****
Increase in Working Capital	-	-	97	193	-	136	-	-	62	280
Total	**306**	**563**	**472**	**488**	**702**	**589**	**661 *****	**1215**	**967**	**1349**
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	21.3 *	34.6	31.7	27.6	29.3	25.2	23.7	31.0	28.7	27.4
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)##	16.0 *	27.0	32.3	31.2	36.2	33.7	31.6	44.0	41.1	37.4
Long Term Debt/Cash Flow	2.4	1.0	0.8	0.6	0.1	-	-	-	-	-
Gross Gearing % (Debt as a percentage of Debt plus Equity)	43.2	31.0	20.1	16.1	3.4	0.4	0.2	-	-	-
Current Ratio	2.5	1.5	1.6	1.8	1.6	1.8	1.7	2.5	3.4	3.0
Assets Turnover (times) (Gross Sales divided by Total Assets)	1.4	1.4	1.7	1.8	1.9	2.0	1.9	1.8	1.5	1.5

The company transitioned into Ind As from 1st April 2015

> Includes Cost of Brands,Patents Trademarks and Businesses Acquired

* 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

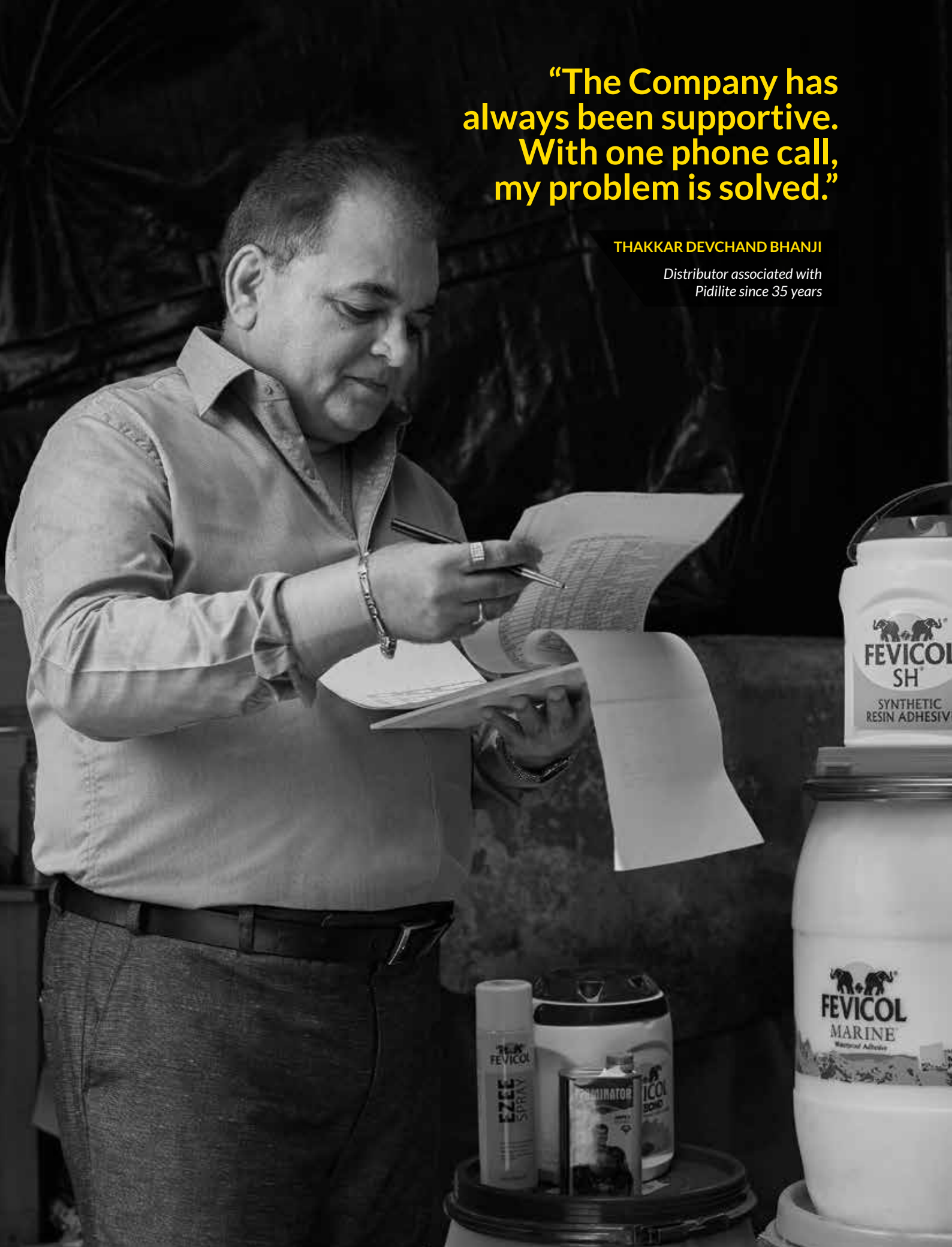
** Excluding Deferred Tax Liability (Net)

PAT & PBIT are excluding exceptional items

~ Less than ₹ 1 crores

*** Previous years' figures regrouped

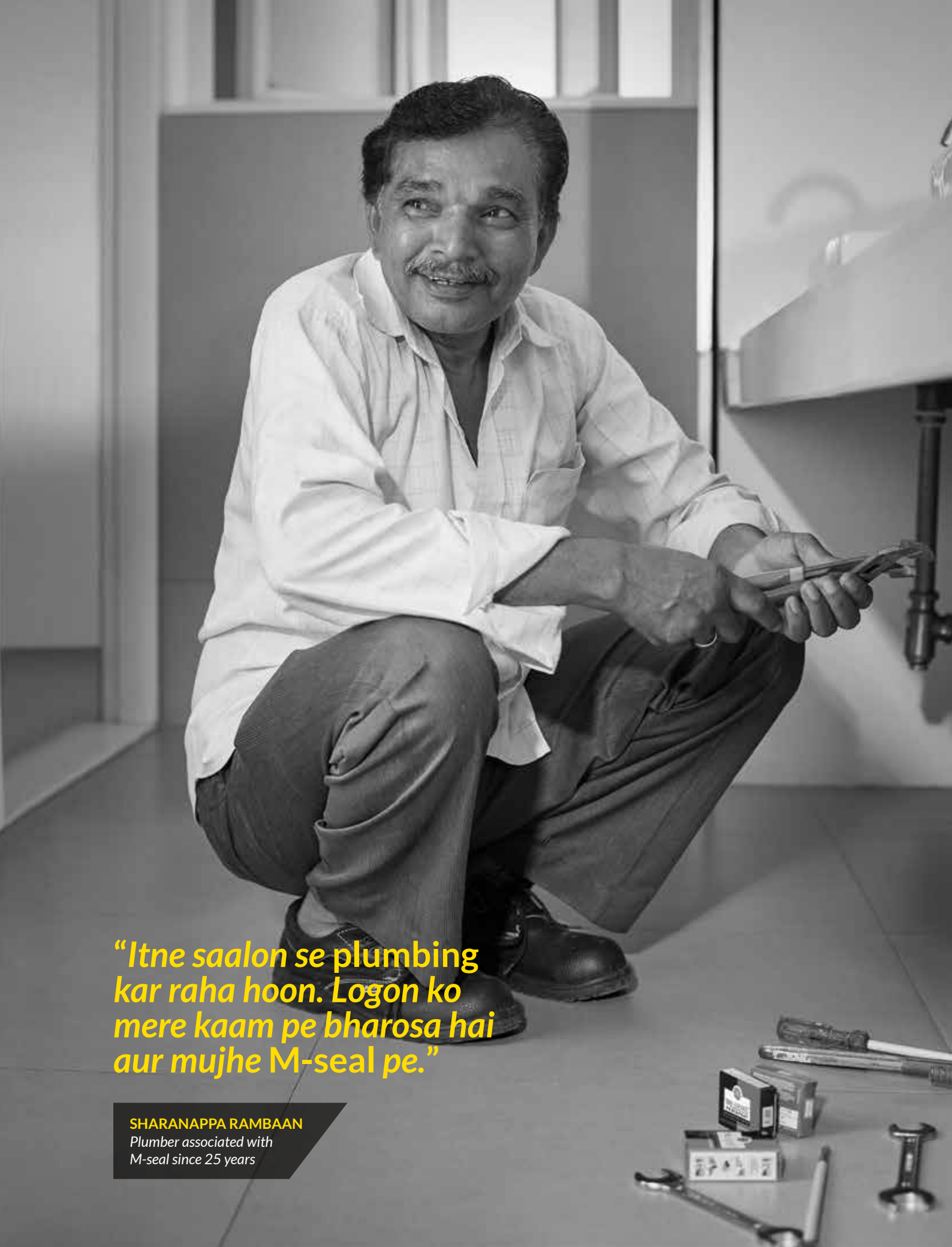
**** Paid dividend (including tax) as per IND AS



“The Company has always been supportive. With one phone call, my problem is solved.”

THAKKAR DEVCHAND BHANJI

Distributor associated with Pidilite since 35 years



"Itne saalon se plumbing *kar raha hoon. Logon ko mere kaam pe bharosa hai aur mujhe* M-seal *pe."*

SHARANAPPA RAMBAAN
Plumber associated with M-seal since 25 years

DIRECTORS' REPORT

To

The Members

Your Directors take pleasure in presenting the Forty Ninth Annual Report together with Audited Financial Statements for the year ended 31st March, 2018.

Financial Results (Standalone)

	(₹ in crores)	
	2017-18	2016-17
Gross Turnover	**5445.67**	5270.30
Turnover, Net of Excise	**5309.11**	4837.02
Operating profit	**1430.30**	1338.94
Exceptional items	**-**	94.34
Profit Before Tax	**1331.28**	1144.72
Current Year's Tax	**356.89**	362.66
Profit After Current Year's Tax	**974.39**	782.06
Deferred Tax	**19.20**	8.27
Profit After Tax	**955.19**	773.79
Profit Brought Forward	**1504.72**	763.76
Other comprehensive income (net of tax)	**0.13**	(1.98)
Profit available for appropriation	**2460.04**	1535.57
Appropriations		
Dividend paid	**243.52 ***	25.63
Tax on Dividend	**49.57 ***	5.22
Total	**293.09**	30.85
Closing balance of Retained Earnings	**2166.95**	1504.72

* Pertaining to dividend for FY 2016-17

Financial Performance

On a comparable basis after reflecting accounting impact of GST for the full year, net sales grew by 12.0%, with sales volume and mix growth of 11.2%. Consumer and Bazaar products grew by 12.1% and Industrial Products grew by 7.6%.

The Operating Profit for the year at ₹ 1430.30 crores increased by 6.8% and Net Profit at ₹ 955.19 crores increased by 23.4%. Income tax for the current year at ₹ 356.89 crores (including reversal of excess tax provision of ₹ 46.47 crores of earlier years) is lower by 1.6%.

The Indian Rupee was at ₹ 65.17 to a US $ as on 31st March 2018 as compared to ₹ 64.81 to a US $ as on 31st March 2017.

Dividend

Your Directors recommend a dividend of ₹ 6/- per equity share of ₹ 1 each (previous year a total dividend of ₹ 4.75 per equity share of ₹ 1 each), out of the current year's profit, on 50.78 crores equity capital of ₹ 1/- each amounting to ₹ 304.69 crores (previous year ₹ 243.52 crores on equity capital of 51.27 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 22.68 % during the last 5 years. The dividend payout is in accordance with the Dividend Distribution Policy as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), is given as an annexure and the same is also available on the website of the Company.

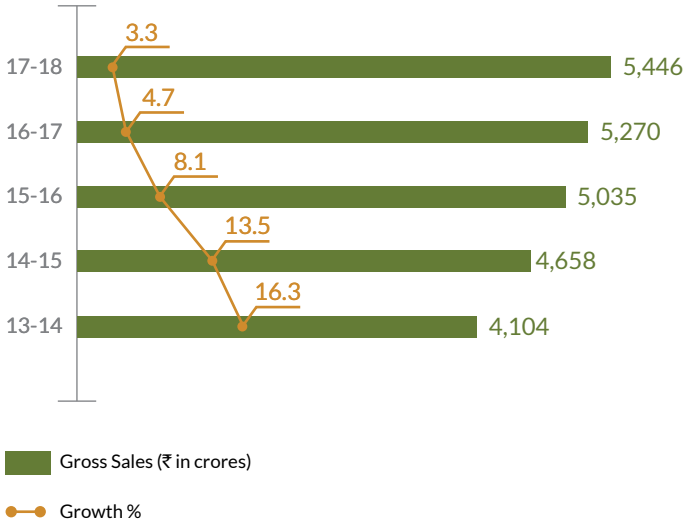
Transfer to Reserves

The Company does not propose to transfer amounts to the general reserve out of the amount available for appropriation and an amount of ₹ 2166.95 crores is proposed to be retained in the profit and loss account.

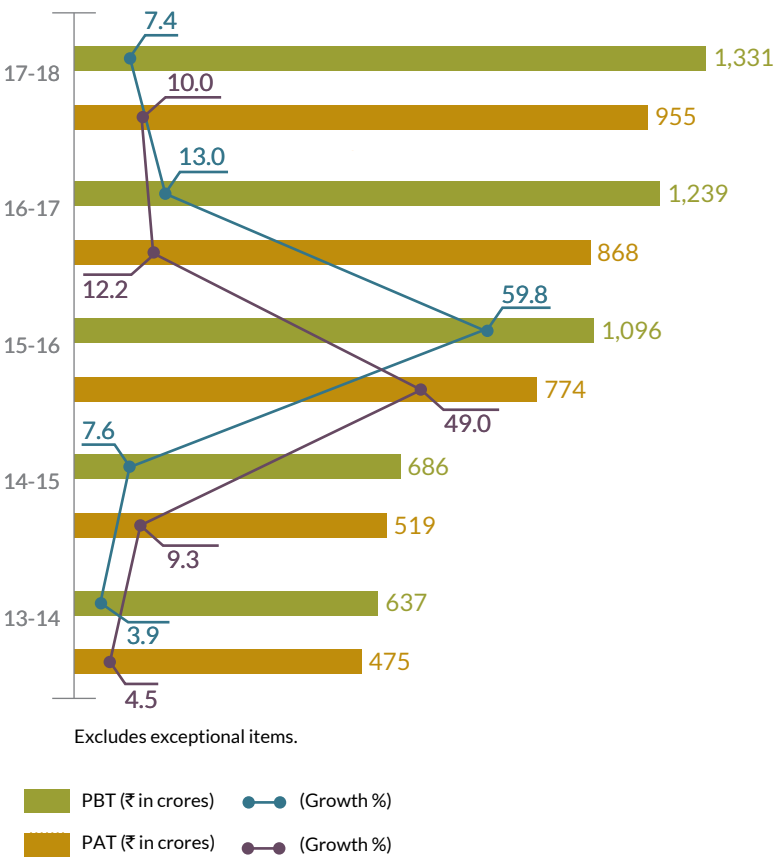
Term Finance

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 ₹ 131.94 crores, spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology.

Fixed Deposits

The Company has not accepted any fixed deposits during the year 2017-18.

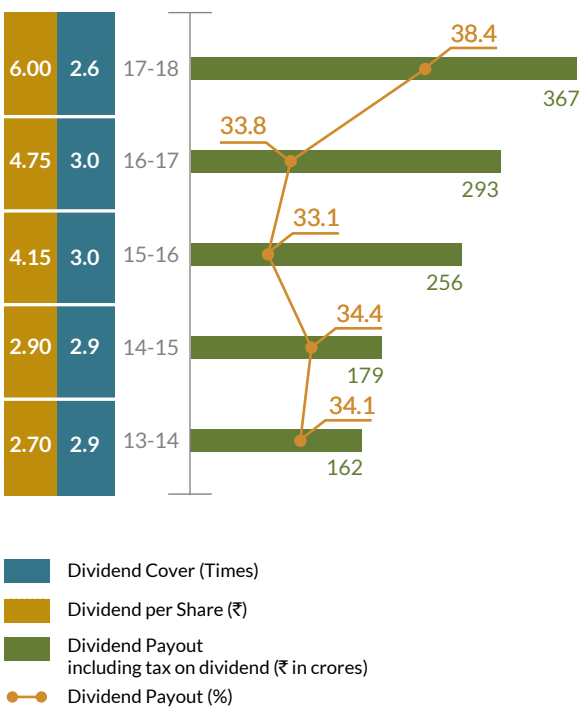
Subsidiaries

Investment in Subsidiaries

During the year, investment of ₹ 151.19 crores was made in subsidiaries. Of these ₹ 33.92 crores was invested in overseas subsidiaries and ₹ 21.02 crores was invested in domestic subsidiaries. The balance represents the consideration paid for the acquisition of 70% equity stake in CIPY Poly Urethanes Pvt. Ltd. (excluding fair valuation of derivative option to buy balance 30% equity stake).

The investments in overseas subsidiaries were in Pidilite Middle East Ltd (₹ 16.54 crores) and Pidilite International Pte Ltd (₹ 15.91 crores) for onward investments in their step down subsidiaries and Pidilite Chemical PLC (₹ 1.47 crores).

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



The investments in domestic subsidiaries were in ICA Pidilite Pvt. Ltd (₹ 20.46 crores) and Fevicol Company Ltd. (₹ 0.56 crores)

During the year

a) A petition has been filed with National Company Law Tribunal, Mumbai division (NCLT) for amalgamation of Percept Waterproofing Services Limited (Percept) with Nina Waterproofing Systems Private Limited (Nina). The Company holds 80% equity capital in Percept and 70% equity capital in Nina and shall hold 71.53% equity capital post merger in Nina. The said petition is pending for approval by NCLT.

b) The Company acquired 70% stake in CIPY Poly Urethanes Pvt Ltd

c) Building System Solution Trading Limited Liability Company (BSST) incorporated in Qatar, ceased to be a step down subsidiary of the Company with effect from 5th March 2018.

d) Pidilite USA Inc., a wholly owned subsidiary of the Company sold the Cyclo Division which was engaged in the business of automobile grooming, performance and maintenance products and other such products. Some of the Trademarks used by the Cyclo Division which were owned by Pidilite International Pte Ltd., Singapore (a wholly owned subsidiary of the Company) were also assigned.

During the year CIPY Poly Urethanes Private Limited became a subsidiary of the Company.

Performance of Major Domestic and Overseas Subsidiaries

Nina and Percept, domestic subsidiaries engaged in waterproofing services, reported strong sales and EBITDA growth in current year.

ICA Pidilite Private Limited (ICA Pidilite), a joint venture (JV) of the Company and ICA Spa of Italy, commenced operations in 2016-17. As a part of the Technology Transfer Agreement with ICA Spa, the JV is setting up a plant to manufacture high end wood finishes in India. Sales of ICA Pidilite for the fourth quarter was impacted by a classification dispute with regulatory authorities. The matter is being contested by the Company.

Pidilite USA sales for the year declined over previous financial year due to drop in demand of products for adult coloring segment. EBITDA for the year grew over the previous year, as the previous year results include provision for voluntary recall of Tempra and Fingerpaint products based on routine quality control inspections.

(₹ in crores)

Name of Subsidiary	Sales 17-18	Sales 16-17	% Growth	EBITDA 17-18	EBITDA 16-17	% Growth
Nina Waterproofing Systems Pvt Ltd	183.61	150.69	21.8%	22.95	11.17	105.5%
Percept Waterproofing Services Ltd	55.58	43.64	27.4%	7.09	4.76	48.9%
ICA Pidilite Pvt Ltd	102.76	94.94	8.2%	1.43	10.30	(86.1%)
CIPY Poly Urethanes Pvt Ltd (Acquired on 8th February 2018)	26.72	-	-	2.22	-	-
Pidilite USA Inc	108.48	143.80	(24.6%)	7.05	(2.00)	452.5%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	93.60	97.21	(3.7%)	0.72	5.21	(86.2%)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	85.07	75.62	12.5%	15.20	13.50	12.6%
Pidilite Industries Egypt SAE includes PIL Trading (Egypt) Company	26.34	21.40	23.1%	(1.40)	(3.32)	57.8%
Pidilite Bamco Ltd includes Bamco Supply and Services Ltd	51.33	46.66	10.0%	4.43	4.86	(8.7%)
Pidilite MEA Chemicals LLC	84.00	72.29	16.2%	(9.28)	(18.02)	48.5%
Pidilite Lanka (Pvt) Ltd	31.84	26.28	21.2%	1.03	1.80	(42.5%)

Previous year figures, wherever applicable, are made comparable after reflecting impact of GST for the full year.
Overseas subsidiaries figures are at constant currency. Figures given above do not include Sales and EBITDA of Cyclo Division of Pidilite USA as Cyclo business was sold by Pidilite USA in June 2017.

Pulvitec do Brasil sales declined due to competitive pressure in key products. The demand situation in Brazil continues to be uncertain.

The subsidiaries in Bangladesh and Thailand reported reasonable sales growth. EBITDA for subsidiaries in Thailand declined on account of higher material cost.

The subsidiaries in Egypt and UAE reported reduction in EBIDTA losses due to good sales growth and control on expenses.

Pidilite Lanka continued to report good sales growth. However, EBITDA declined due to higher investments to support future sales growth.

Consolidated Financial Statements

In accordance with the requirements of Indian Accounting Standards AS 110 (read with IND AS 28 and IND AS 31) 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 are provided in the Annual Report. A statement containing the salient features of the Company's subsidiaries, associate and joint venture company in the prescribed form in Form AOC - 1 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 2017-18 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, www.pidilite.com.

Directors and Key Managerial Personnel

Members approval is sought by way of Special Resolution for re-appointment of Shri M B Parekh as Whole Time Director for a further period of 5 years with effect from 1st August 2018. Shri M B Parekh is the Executive Chairman of the Company.

Members approval is sought for re-appointment of (i) Shri A B Parekh, as a Whole Time Director, for a further period of 5 years with effect from 1st August 2018 and

(ii) Shri Sabyaschi Patnaik, as a Whole Time Director, for a further period of 3 years with effect from 19th May 2018.

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

Shri Ranjan Kapur, Director of the Company passed away on 27th January 2018. He was a director in the Company since 17th October 2000. The Directors place on record their sincere appreciation of the valuable services rendered by Shri Ranjan Kapur during his tenure as Director of the Company.

Shri Piyush Pandey was appointed as an Additional Director of the Company with effect from 11th April 2018. Members approval is sought for appointment of Shri Piyush Pandey as an Independent Director for a period of 5 years.

In terms of Section 203 of the Companies Act, 2013, the Board has appointed Shri P Ganesh as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 20th November 2017.

Policy on Directors' remuneration

The Policy on Directors' remuneration is given as an annexure and is also available on the website of the Company, www.pidilite.com. There has been no change except an increase in the commission payable to non-executive Directors. The remuneration paid to the Directors is as per the terms laid out in the said policy of the Company.

Buyback of shares

In terms of the special resolution passed by the members, by postal ballot procedure, the Company has completed buyback of 50,00,000 (Fifty Lakhs) fully paid-up equity shares of ₹ 1/- each (representing about 0.975% of the total outstanding pre buyback equity shares of the Company) at a price of ₹ 1,000/- (Rupees One Thousand only) per equity share for an aggregate amount of ₹ 500,00,00,000/- (Rupees Five Hundred Crores only) from the equity shareholders/ beneficial owners holding equity shares as on Record Date i.e. 12th February 2018, on proportionate basis through the tender offer route in accordance with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and the Companies Act, 2013 and rules made thereunder.

Consequent to above change, the paid up share capital of the Company has decreased from 51,28,10,330 equity shares of ₹ 1/- each to 50,78,10,330 equity shares of ₹ 1/- each.

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 2018 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;
- 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; and
- 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 has put in place a mechanism for evaluation of its own performance, Committee and Individual Directors. The evaluation of the Board, Committees, Directors and Chairman of the Board was conducted based on the evaluation parameters such as Board composition and Structure, effectiveness of the Board, participation at meetings, domain knowledge, awareness and observance of governance, etc.

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

Seven 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

The Company is committed to good corporate governance practices. The Report on Corporate Governance as stipulated under Listing Regulations forms an integral part of this Report. The requiste certificate from M/s M. M. Sheth & Co., Practising Company Secretaries, is attached to the Report on Corporate Governance.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Listing Regulations is presented in a section forming part of Annual Report. Items covered in Board's Report are not repeated in the Management Discussion and Analysis Report.

Statutory Auditors

The members on 25th September 2014 had appointed M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117364W) for a period of 4 years upto the conclusion of the 49th Annual General Meeting of the Company. M/s. Deloitte Haskins & Sells are not seeking re-appointment as Statutory Auditors of the Company.

In accordance with the provisions of Companies Act, 2013 it is proposed to appoint M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) (which belongs to the same network as that of existing Statutory Auditors), as Statutory Auditors of the Company, for a period of 5 years i.e. upto the conclusion of Annual General Meeting to be held for the adoption of accounts for the year ending 31st March 2023. M/s Deloitte Haskins & Sells LLP, Chartered Accountants, have consented to be the Auditors of the Company, if appointed 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) Rule, 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 and is also posted on the website of the Company.

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 was reconstituted on 11th April 2018 by appointing Shri Sanjeev Aga as a member of the Committee. Shri Ranjan Kapur ceased to be member of the Committee due to his demise. The Audit Committee comprises of Directors namely Shri B S Mehta (Chairman), Shri M B Parekh, Shri Uday Khanna and Shri Sanjeev Aga 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 and Whistle Blower Policy for Directors and employees. It has been communicated to the Directors and employees of the Company and 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. 1 complaint was received during the year and the same was resolved.

Cost Auditor and Cost Audit Report

M/s. V J Talati & Co., Cost Accountants, were appointed as the Cost Auditor for the financial year 2017-18 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 2018-19. 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 2018-19.

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 includes: 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 has constituted 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 of the Board 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 standalone financial statement which sets out related party disclosures pursuant to IND AS.

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 2018 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 (including any modifications, thereof) are available at the Registered Office of the Company during working hours and shall be made available to any shareholder on request.

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 as well as joineries 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.

Current Year Outlook

The GST regime is stabilizing and is expected to have a positive influence on the Company's business in the long run.

The prices of raw material and packing material have further increased. The Company will take necessary steps to mitigate this increase.

The major subsidiaries in India are taking initiatives to improve the market shares in their respective businesses.

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.

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

Internal Financial 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

The focus for the year was on Capability Building, Employee Engagement and Key Talent Management. Capability building was taken forward by introducing Signature Programs across disciplines. These programs focus on building sales, marketing and excellence management.

This year the development Centre for frontline sales and field marketing employees covered over 500 employees across all divisions. This has facilitated frontline development, appropriate staffing for new opportunities and building frontline capability.

Employee Engagement activities have been now brought under the new theme of "HAH"– Happy And Healthy Pidilite. This enables building an engaging workplace for the employees. Coupled with Facebook's Workplace which was launched last year, a young and vibrant workplace is now offered across all locations to all employees.

The total number of employees as on 31st March 2018 was 5382.

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.

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

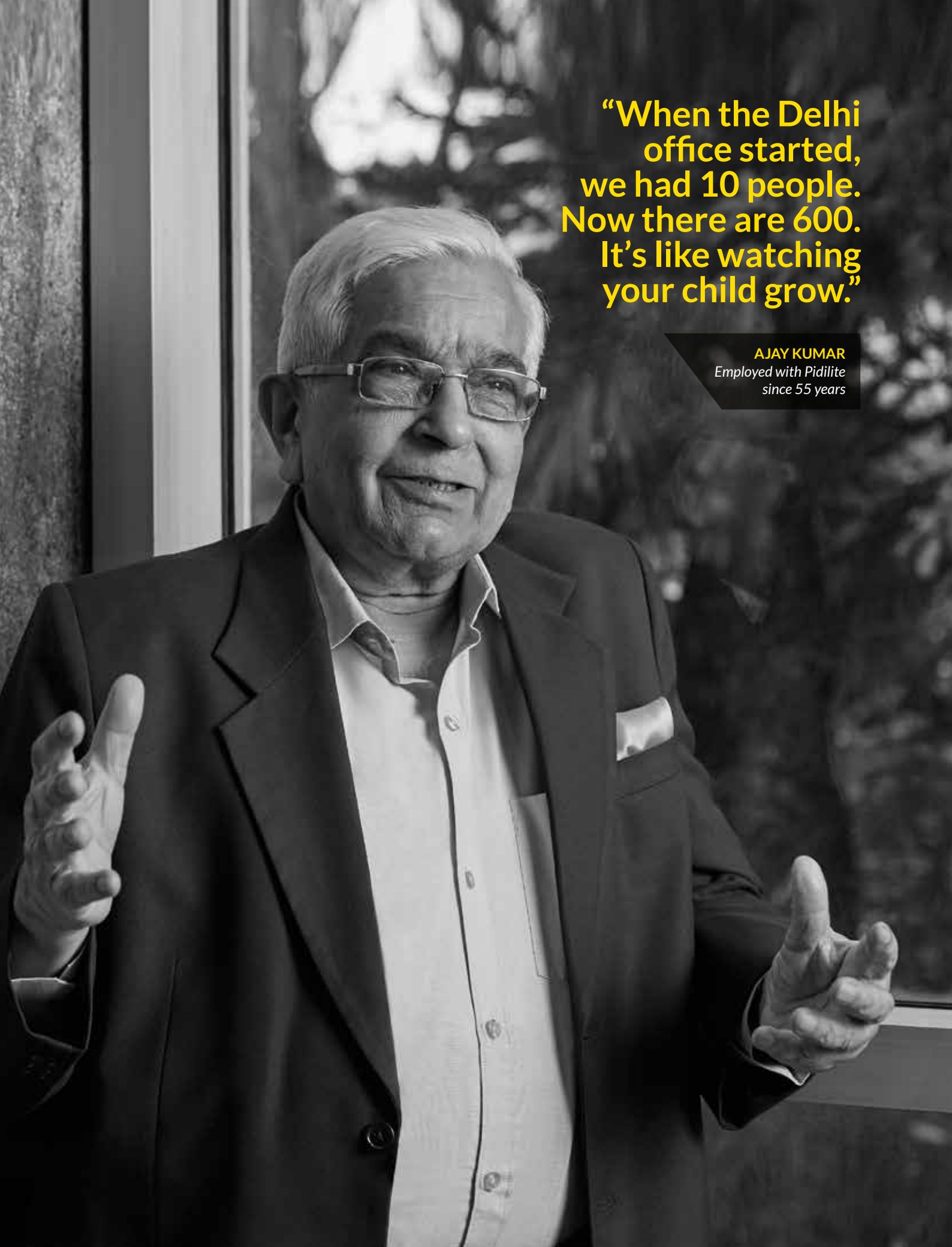
Appreciation

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 : 24th May 2018

M B Parekh
Executive Chairman



“When the Delhi office started, we had 10 people. Now there are 600. It’s like watching your child grow.”

AJAY KUMAR
Employed with Pidilite since 55 years



"My focus has always been on quality, that's why I only trust and sell Fevicol."

SUMAN SHAH
Jalaram Timber
Dealer associated with Fevicol for 35 years



SOCIAL & COMMUNITY SERVICE INITIATIVES

The Company has continued to support various social and community service initiatives directly and through organizations such as Trivenikalyan Foundation (TKF), Gram Nirman Samaj (GNS), Gram Daxina Murti - Manar, Hanumant Hospital (managed by Shree Hanumant Seva Medicare Trust), Shree Mahuva Education Trust, The Balvant Parekh Centre for General Semantics and other Human Sciences, Shri N N Mehta Memorial Education Trust, Lokbharti Gram Vidyapeeth Trust and Shri Balvant Parekh Science City (Science City).



agriculture & horticulture

The Company supported Triveni Kalyan Foundation and Gram Nirman Samaj for agriculture activites, horticulture crops and animal husbandry practices, through collaboration with experts and institutions. The Company has assisted in the formation of over 200 Farmers Clubs (covering about 7,000 farmers) in the Mahuva region (for Cotton, Groundnut, Onion and other relevant crops).

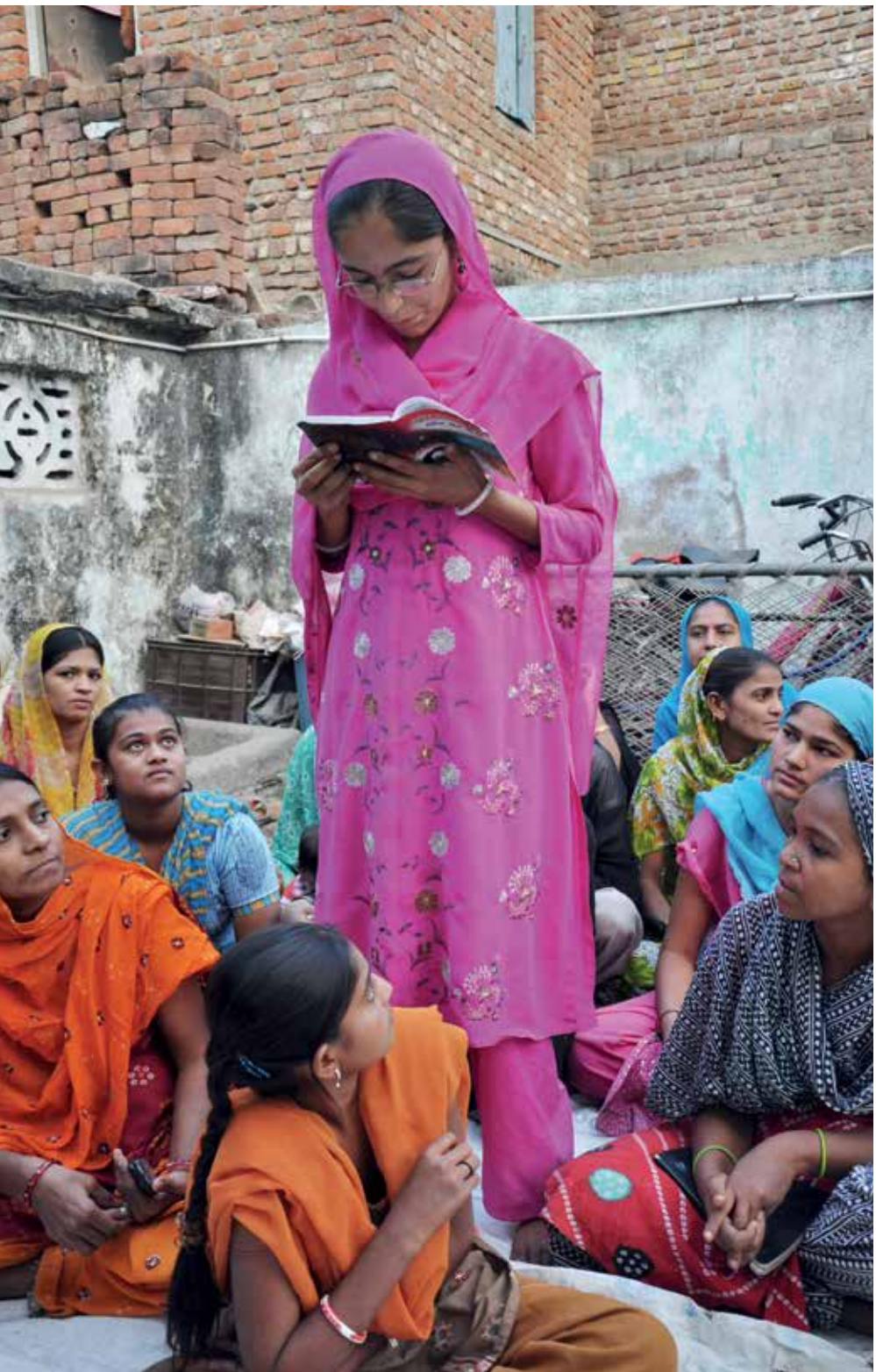
Triveni Kalyan Foundation collaborated with MARS India and helped 400 farmers to adopt best package of practices for groundnut cultivation in Mahuva. App based tracking was introduced for mapping and monitoring the field of farmers. An increase of 13% in yield was observed.

The Company continued its support for establishing Farmers Service Centre at Mahuva for revamping of the Soil Health Card system and further development of i-Khedut portal with the Government of Gujarat. The Company has assisted in the testing of more than 8,000 soil samples and providing technical inputs and prescription to farmers to improve soil health. I-Khedut is in its final stage of revamping which will now be Aadhar enabled, making the process more farmer friendly.

Center for agriculture-horticulture development at Gram Daxina Murti, Manar

The Company has collaborated with Agriculture, Farmers Welfare & Co-operation Department and launched Agriculture & Horticulture Development Centre at Manar, in Talaja, with the objective of providing farmers with the latest recommended cultivation practices to boost Agriculture-Horticulture growth.

initiatives for women



The Company has helped in forming, nurturing and developing over 180 Self Help Groups (SHGs) - Mahila Mandals in the Mahuva region, with more than 1,800 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 aloe vera processing to make value added products, Channapatnam art of toy making, bead work, food items, coir products, garment cutting, plant nursery etc. Women from Mahuva have started assuming entrepreneurial roles like undertaking contracts for construction of toilets, stone works, garment making, jute bags etc.

Siddhi Vinayak sanitary napkin unit has sold more than 85,000 pads till date. Moreover, the SHGs have been felicitated by Gujarat Livelihood Promotion Company Ltd. for their entrepreneurial spirit and breaking through social taboo. Hon'ble Chief Minister of Gujarat Shri Vijay Rupani also awarded the SHGs for their inspirational work.

water resources management

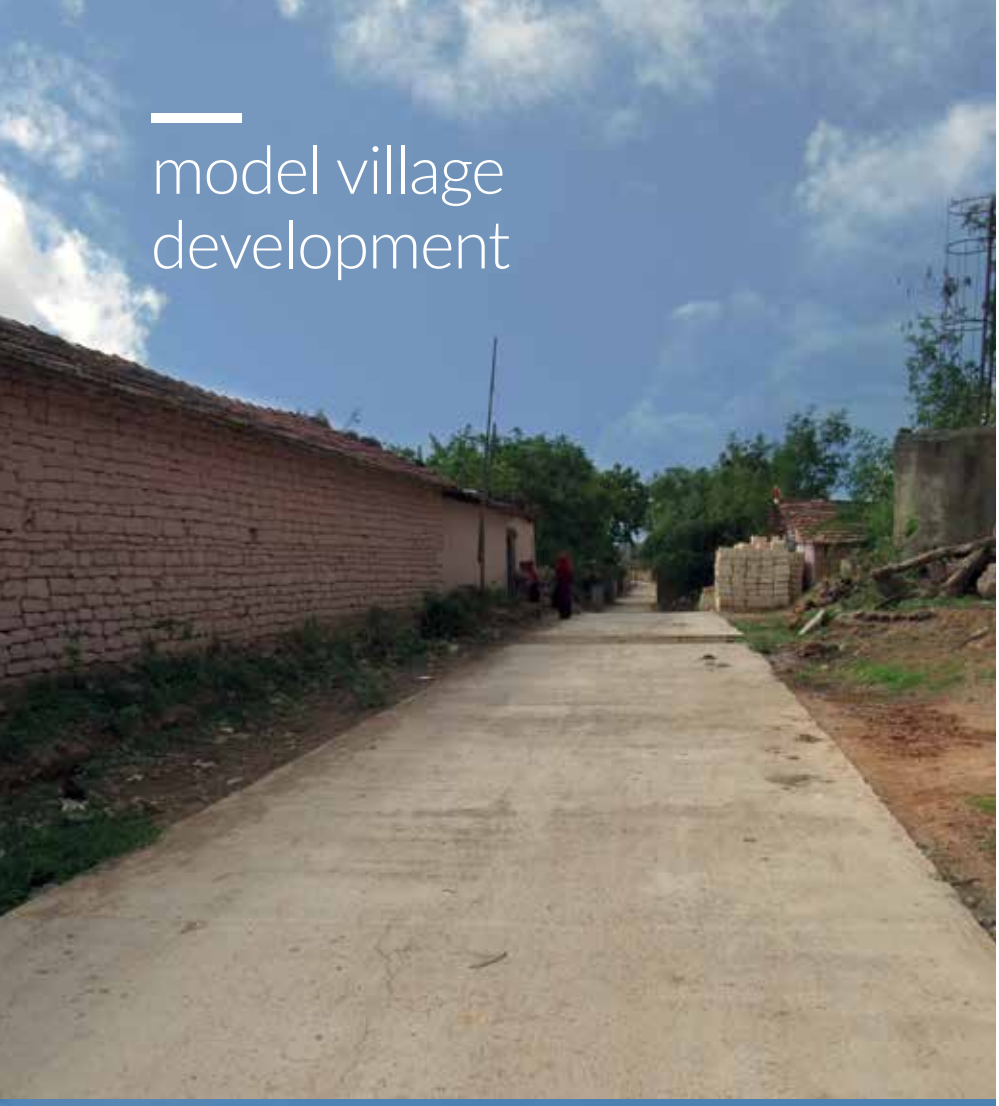


The Company has continued its support for water management activities (check dams, farm ponds etc.) with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of Government of Gujarat, in the PPP mode. In 2017-18 eight check dams and four pond deepening have been completed. However, cumulatively 38 check dams and 166 farm ponds have been completed till date with the assistance of the Company.

The Company has also initiated development of 65 water structures (25 check dams and 40 ponds) and completion is expected by August 2018.

The Company has supported the setting up of four watershed development centres in Bhavnagar district to accomplish the task of creation of watershed structures. The four centers operational are (a) Otha (b) Mahuva (c) Manar and (d) Sanosara. The centers are equipped with all the required machineries and work under supervision of experienced civil engineers.

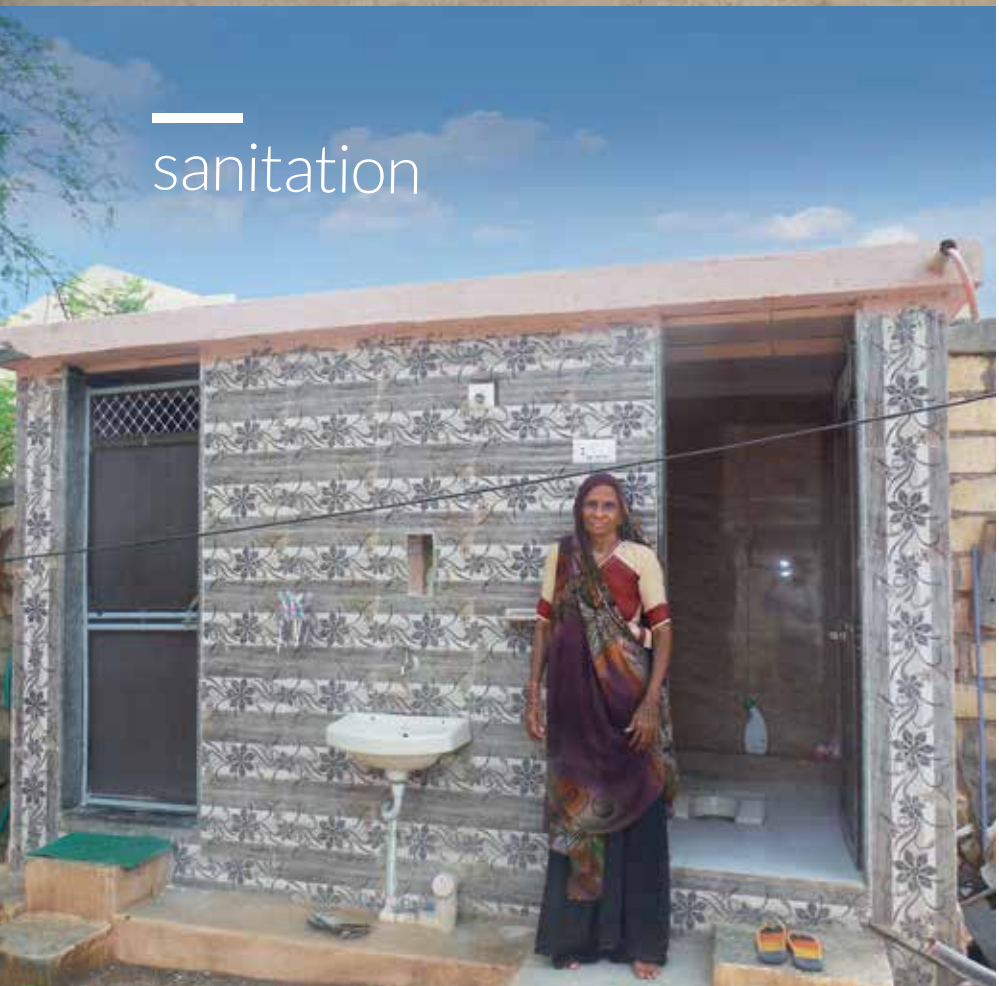
Over 1,200 hectares of farmland have been converted into drip irrigation and more than 600 wells spanning over 80 villages have been recharged till date, for improving the quality of ground water.



model village development

The Company continues to build on its unique initiative "Model Village: Kushal Gram" at Kalsar village. Over 5,500 villagers have been skilled in various areas till date. The Company has executed an innovative PPP model for development of Kalsar village road in collaboration with District Rural Development Authority (DRDA).

As a part of the cleanliness drive, more than 1,800 households were helped to create sanitation facilities within their dwelling units. The villagers have been trained to paint their houses (Project Rangeen Kalsar) and 350 such houses have now been painted in the same colour this year whereas cumulatively over 1,100 have been completed.



sanitation

The Company has supported in building more than 8,000 toilets till date including 2,000 plus toilets for the year 2017-18 in Mahuva Taluka. It has continued to work closely with the Government and provide support to households to achieve the vision of open defecation free status for the villages of Mahuva taluka.



education

The Company has continued to make efforts in improving basic learning abilities of the rural children. 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 and currently 'WAGALE' is operational in 118 schools.

To improve the level of education, the Company has supported the installation of over 250 learning softwares for primary education. The Company in collaboration with National Geographic Channel has covered more than 50 topics in Gujarati on nature, cosmos, wildlife, human anatomy, for enhancing the knowledge of children.

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

The Company supported the construction of a new B K Parekh Boys School, Kanta Parekh Kanya Shala and new building of Bachelor of Business Administration at Mahuva College.

Shri N N Mehta Memorial Education Trust provided scholarship amounting to ₹ 32 lacs to 204 deserving students for higher education. Prizes amounting to ₹ 1,35,000 were given to 76 students for sports and cultural activities.

healthcare

During the year, Hanumant Hospital treated over 48,000 outpatients, performed over 1,600 surgeries and handled 4,700 cases of emergency. 52 speciality medical camps were conducted in-house and in the surrounding areas under the Doctor Connect Program.

Free eye check-up camps were conducted in 30 villages of Mahuva and surrounding areas and 416 free cataract surgeries were conducted. As a part of awareness of the Parkinson disease, B K Parekh Parkinson's Disease and Movement Disorder Society (BKPPDMDS) organised a Vadodara Marathon and Pune Group arranged a "Fun Fair" of simple games where patients and caregivers of the Support Groups participated.



skill development initiatives

The Company continued its association with the Department of Employment and Training (Government of Gujarat) as its knowledge partner. New areas of skill development 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 taken up.

During the year 2017-18, more than 3,500 students from 69 ITIs benefitted from Carpentry, Plumbing and Construction Technician courses. The Company has been an industry partner in 4 ITIs of Gujarat (Bhavnagar Mahila, Sachin, Jafrabad and Gota/ Ranip – Ahmedabad) and promotes institutional management, infrastructure development and course strengthening. The Company donated 3 new cars, for promoting motor driving course in three PPP ITIs.

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

cancer patients aid association (cpaa)

The Company continued its association with CPAA and presented the 13th edition of Fevicol 'Caring with Style' fashion show.

This year the event was graced by cricketer Zaheer Khan with wife Sagarika Ghatge, Sonakshi Sinha, Arbaaz Khan, Rashmi Desai, Dilip Joshi, Samir Soni, etc. Leading new age singers Amaal Malik, Harshdeep Kaur and Sachin Jigar performed at the event.



general semantics

Balvant Parekh Centre for General Semantics and Other Human Sciences organized a 3-day National Workshop in December 2017 on "Radical General Semantics" with Shannon Bell from York University and Devkumar Trivedi as faculty members. Professor Hans Ulrich Gumbrecht from Stanford University delivered the Balvant Parekh Memorial Lecture. Professor Raphael Cohen-Almagor (University of Hull), Professor Bhikhu Parekh (University of Westminster) and Professor Craig Irvine (Columbia University) delivered lectures as part of the Balvant Parekh Distinguished Lecture Series.





"Whether a new product or a new geography, new ideas are always encouraged."

B O MEHTA

Employed with Pidilite since 37 years



"Kuch bhi jud jaata hai. **We always keep Pidilite products in the house because the bond is guaranteed."**

HARISH JADIA
Household consumer for generations

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 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 2017-18, 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/corporate-governance/(under the head"Policies & Codes")

2. The Composition of the CSR Committee as on 31st March 2018 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	2016-17	**1,388.7**
2	2015-16	**1,039.3**
3	2014-15	**684.1**
	Average Net profit	**1,037.4**

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 20.75 crores

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year - ₹ 20.75 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 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	8.43	8.43	8.43	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	6.77	6.77	6.77	Direct and through implementing agencies
3.	Water resource management; infrastructure development for agriculture; Gaushala; community science centre etc.	Rural development	Gujarat	5.33	5.33	5.33	Direct and through implementing agencies
4.	Miscellaneous Contribution towards construction of toilets and Swachh Bharat Abhiyan	Promoting Sanitation	Gujarat	1.50	1.50	1.50	Direct and through implementing agencies
Total expenditure towards CSR				**22.03**	**22.03**	**22.03**	

***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 Gram Vikas Yojna; 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; Gram Daxina Murti; Parkinson's Disease & Movement Disorder Society.

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: 24th May 2018

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 2018

[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 2018 (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 2018 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);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

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

(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 Listing Agreements entered into by the Company with the Stock Exchanges.

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 following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Special Resolution passed by the Members for adoption of new set of Articles of Association of the Company.
- Special Resolution passed by the Members for Buy Back of Equity Shares of the Company by means of Postal Ballot.

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

M. M. SHETH
(Prop.)

FCS No. 1455
CP No. 729

Place: Mumbai
Date: 24th May 2018

Annexure-A

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: 24th May 2018

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.

Your Company undertook various measures for conservation of energy and use of alternate sources of energy which resulted in total savings of ₹ 15.4 crores during the year. Savings accrued during the last 2 years (2016 - 18) is ₹ 29.1 crores

A] CONSERVATION OF ENERGY/ ALTERNATE SOURCE OF ENERGY

1. Steps taken or impact on conservation of energy:

Various initiatives and steps taken by your Company are given below:

a. Green Fuel:

Large boilers and thermic fluid heaters were migrated to green fuel (Biomass) and all new projects based on feasibility are designed to use green or renewable fuels. During the year, by use of green fuels your Company has saved ₹ 11.1 crores compared to use of conventional fuels.

b. Energy Efficient Equipment:

Identified equipment of lower efficiency were replaced by more energy efficient systems like VFDs for large drives, improved efficiency chillers and LED lighting where less efficient lighting was in use. Energy saving of ₹ 0.6 crores has been realized through these initiatives.

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

Various initiatives and steps taken by your Company are given below:

a. Wind Energy:

Power generated through wind farm projects at Gujarat and Maharashtra is utilized in the manufacturing units and corporate office in Mumbai. This use of power from windmills has resulted in savings of ₹ 3.2 crores this year.

b. Solar Energy:

During the year your Company has implemented Solar PV projects with total capacity of 1.1 MW across eight manufacturing locations with annual cost saving potential of ₹ 1.3 crores. Savings from solar projects implemented have resulted in savings of ₹ 0.5 crores during this year.

To further increase the use of renewable power your Company has planned to implement solar on ground project with a capacity of 1.8 MW. This is expected to result in annual savings of ₹ 2.0 crores and also raise the Company's renewable power consumption from current 63 lakh KWHr to 98 lakh KWHr.

3. Capital investments on energy conservation equipment:

Capital investment in energy conservation equipment was ₹ 6.9 crores during the year.

B] TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

a. Your Company sustained collaborative efforts with various research institutes in India and abroad. In addition, technology experts were retained to support and accelerate technology development programs.

b. The Technology Platform and Synthesis group developed novel polymers, chemistries and product applications.

c. R&D efforts continued on various types of adhesives, 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 2018	Year ended 31st March 2017
i)	Capital	5.06	2.89
ii)	Recurring	50.80	33.65
	TOTAL	**55.86**	**36.54**

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 2018	Year ended 31st March 2017
i)	Foreign exchange earned	471	449
ii)	Foreign exchange used	791	667

For and on behalf of the Board of Directors

Place: Mumbai
Date: 24th May 2018

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 2018

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Members may refer to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2017-18.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Diluted EPS for the year ended 31st March 2018 is ₹ 18.80 calculated in accordance with Ind-AS 33 (Earnings per Share).

C. Details related to Employees' Stock option of the Companyfor the year ended 31st March 2018 :

(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 9th November 2018 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 8th November 2019. 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

Sr. No.		Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
(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

*NOTE: Under IND AS, Fair value method is used for accounting.

(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	2,30,400	46,500
Number of options granted during the year	Nil	57,500
Number of options forfeited / lapsed during the year	5,000	3,400
Number of options vested during the year	1,14,900	22,950
Number of options exercised during the year	1,06,000	21,600
Number of shares arising as a result of exercise of options	1,06,000	21,600
Money realized by exercise of options (INR)	1,06,000	21,600
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A
Number of options outstanding as on 31st March 2018	1,19,400	79,000
Number of options exercisable as on 31st March 2018	8,900	1,350

(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 (₹)
Options granted on 27.07.2015 – ESOS 2012	1	521.11
Options granted on 29.01.2016 – ESOS 2012	1	532.20/525.01
Options granted on 29.07.2016 – ESOS 2012	1	722.31
Options granted on 29.07.2016 – ESOP 2016	1	730.61
Options granted on 09.11.2016 – ESOS 2012	1	661.86
Options granted on 08.11.2017– ESOP 2016	1	734.15

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

a) Senior managerial personnel:

Sr. No.	Name of Employee	Designation	Number of options granted in 2017-18
1.	Shri Sabyaschi Patnaik	Whole Time Director	3,000
2.	Shri Amol Devidas Ubhayakar	President - Commercial	2,000
3.	Shri Ramnarayan Mohanty	President - Technology	1,600
4.	Shri Sanjay Bahadur	Group CEO - CC	3,600
5.	Shri Prabhakar Jain	CEO - International Business Division	3,900
6.	Shri Rajesh Balakrishnan	CEO - Industrial Products	2,500
7.	Shri Vivek Subramaniam	CEO - FEVICOL DIVISION	3,300
8.	Shri Sanjay Panigrahi	President – Rurban and Special Projects	1,900
9.	Shri Vivek Sharma	Chief – Marketing Officer	2,800
10.	Shri Manish Modi	President - BRG	2,600
11.	Shri Atul Bhatia	President - R & D	2,900
12.	Shri Nilesh Mazumdar	CEO - Construtions Chemicals (Retail)	1,400
13.	Shri Chandramouli Venkatesan	CEO - Special Project	600
14.	Shri Rahul Kumar Sinha	President - HR	2,000
15.	Shri Nitin Chaudhry	Chief Executive Officer	2,300
16.	Smt. Savithri Parekh	Sr. Vice President	1,500
17.	Shri Pankaj Bhargava	Chief Information Officer	1,600
18.	Shri Ajith Vasudevan	Sr. Vice President	900
19.	Shri Rajesh Joshi	Chief Executive Officer (subsidiary Company)	1,900

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 2017-18-**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 and significant assumptions 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:

Please refer to " Notes to the Financial Statements - Note 46".

ANNEXURE 5 TO THE DIRECTORS' REPORT

Extract of Annual Return as on 31st March 2018
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	59.54 %

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	403, 404, Satellite Silver, Andheri Kurla Road, Marol, Andheri East, Mumbai - 400 059	U24233MH2015PTC270308	Subsidiary	50	2(87)(i)
9	Cipy Poly Urethanes Pvt Ltd	T-127, MIDC Industrial Area, Bhosari Pune-411 026	U24219PN1994PTC083328	Subsidiary	70	2(87)(ii)
10	Pidilite International Pte Ltd	160 Robinson Road, #17-01 SBF Center, Singapore 068914	200416836H	Subsidiary	100	2(87)(ii)
11	Pidilite Middle East Ltd	LOB 16, Suit #309, Jebel Ali Free Zone, P.O. Box 262794, Dubai, UAE	O.F 1264	Subsidiary	100	2(87)(ii)
12	Pidilite MEA Chemicals LLC	P. O. Box 120657, Dubai, UAE	74874	Subsidiary	49	2(87)(i)
13	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)
14	Pidilite Bamco Ltd	699, Modern Form Tower, 15th, 17th Floor Srinakarin Road Suan Luang, Bangkok 10250 Thailand	0105535098263	Subsidiary	100	2(87)(ii)
15	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)
16	Pidilite USA Inc	160, Greentree Drive, Suite 101, Dover, Kent County,Delaware 19904	20-4856128	Subsidiary	100	2(87)(ii)
17	Pidilite Innovation Centre Pte Ltd	61 Science Park Road, 03 -11/12 The Galen, 117525 Singapore	200619063N	Subsidiary	100	2(87)(ii)
18	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)
19	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)
20	Bamco Supply and Services Ltd	699, Modern Form Tower, 15th Floor, Srinakarin Road Suan Luang, Bangkok 10250 Thailand	0105551044555	Subsidiary	49	2(87)(i)
21	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)
22	Pidilite Industries Trading (Shanghai) Co Ltd	1105, no.8 Dong An Road, Xu Hui District, Shanghai, China	91310000564784808W	Subsidiary	100	2(87)(ii)
23	Pidilite Chemical PLC	Kirkos S/city, Woreda 03, H.No. 269, Addis Ababa, Ethiopia	EIA-IP/023369/07	Subsidiary	100	2(87)(ii)
24	Pidilite Lanka (Private) Limited	74, 1/1, Orient Building, Dawson Street, Colombo – 02	PV 106454	Subsidiary	76	2(87)(ii)
25	Building System Solution Trading Limited Liability Company***	P. O. Box 17533, Doha, Qatar.	77228	Subsidiary	49	2(87)(i)
26	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)
27	Nina Lanka Construction Technologies (Pvt) Ltd	No. 116/10, Rosmead Place, Colombo 07	PV 120223	Subsidiary	**	2(87)(ii)
28	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 subsidiaries of the Company
** 100% Subsidiary of Nina Waterproofing Systems Pvt. Ltd. *** Ceased to be a subsidiary w.e.f. 05.03.2018

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 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% 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	25,88,41,500	-	25,88,41,500	50.49	25,60,55,088	-	25,60,55,088	50.42	(0.07)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	8,68,31,932	-	8,68,31,932	16.94	8,72,16,932	-	8,72,16,932	17.18	0.24
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Trust)	1,11,00,000	-	1,11,00,000	2.16	1,10,69,217	-	1,10,69,217	2.18	0.02
Sub-Total (A) (1)		35,67,73,432	-	35,67,73,432	69.59	35,43,41,237	-	35,43,41,237	69.78	0.19
(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)		35,67,73,432	-	35,67,73,432	69.59	35,43,41,237	-	35,43,41,237	69.78	0.19
B.	Public Shareholding									
1	**Institutions**									
(a)	Mutual Funds	1,46,74,977	50	1,46,75,027	2.86	2,25,41,359	50	2,25,41,409	4.44	1.58
(b)	Financial Institutions / Banks	16,31,341	-	16,31,341	0.32	1,20,429	-	1,20,429	0.02	(0.30)
(c)	Central Government	9,04,623	-	9,04,623	0.18	3,87,995	-	3,87,995	0.08	(0.10)
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	1,92,07,978	-	1,92,07,978	3.75	2,28,93,156	-	2,28,93,156	4.51	0.76
(g)	Foreign Institutional Investors	56,52,916	-	56,52,916	1.10	88,970	-	88,970	0.02	(1.08)
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other									
	i Foreign Portfolio Investors (Corporate)	5,63,61,635	-	5,63,61,635	10.99	5,25,51,451	-	5,25,51,451	10.35	(0.64)
	ii Alternate Investment Fund	-	-	-	-	6,43,235	-	6,43,235	0.13	0.13
	Sub-Total (B) (1)	9,84,33,470	50	9,84,33,520	19.20	9,92,26,595	50	9,92,26,645	19.54	0.35
(2)	**Non-Institutions**									
(a)	**Bodies Corporate**									
	i Indian	83,04,362	1,674	83,06,036	1.62	79,90,342	1,408	79,91,750	1.57	(0.05)
	ii Overseas	-	-	-	-	-	-	-	-	-
(b)	**Individuals**									
	i Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,86,70,437	28,44,725	4,15,15,162	8.10	3,63,99,809	24,87,882	3,88,87,691	7.66	(0.44)
	ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	75,57,751	-	75,57,751	1.47	72,46,638	-	72,46,638	1.43	(0.05)
(c)	**Any Other**									
	i Trust	96,829	-	96,829	0.02	1,16,369	-	1,16,369	0.02	-
	Sub-Total (B) (2)	5,46,29,379	28,46,399	5,74,75,778	11.21	5,17,53,158	24,89,290	5,42,42,448	10.68	(0.54)
Total Public Shareholding (B) = (B)(1)+(B)(2)		15,30,62,849	28,46,449	15,59,09,298	30.41	15,09,79,753	24,89,340	15,34,69,093	30.22	(0.19)
C.	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A) +(B)+(C)	**50,98,36,281**	**28,46,449**	**51,26,82,730**	**100.0**	**50,53,20,990**	**24,89,340**	**50,78,10,330**	**100**	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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	5,33,27,568	10.40	0.00	5,27,62,286	10.39	0.00	(0.01)
2	NARENDRAKUMAR KALYANJI PAREKH	5,17,32,178	10.09	0.00	5,42,73,688	10.69	0.00	0.60
3	AJAY BALVANTRAY PAREKH	4,79,22,844	9.35	0.00	4,74,33,489	9.34	0.00	(0.01)
4	SUSHILKUMAR KALYANJI PAREKH	4,23,58,636	8.26	0.00	4,18,17,646	8.23	0.00	(0.03)
5	DEVKALYAN SALES PRIVATE LTD	2,62,24,280	5.12	0.00	2,62,24,280	5.16	0.00	0.04
6	ISHIJAS CHEMICALS PRIVATE LIMITED	2,46,30,038	4.80	0.00	2,47,30,038	4.87	0.00	0.07
7	MALA MADHUKAR PAREKH	97,01,598	1.89	0.00	95,98,618	1.89	0.00	0.00
8	HARTON PRIVATE LIMITED	1,23,57,634	2.41	0.00	1,23,57,634	2.43	0.00	0.02
9	THE VACUUM FORMING COMPANY PVT LTD	1,14,62,186	2.24	0.00	1,14,62,186	2.26	0.00	0.02
10	BHARATI NARENDRAKUMAR PAREKH	58,21,086	1.14	0.00	57,72,323	1.14	0.00	0.00
11	PIDICHEM PVT LTD	82,38,916	1.61	0.00	83,63,916	1.65	0.00	0.04
12	KALPANA APURVA PAREKH	66,64,334	1.30	0.00	65,93,592	1.30	0.00	0.00
13	DARSHANA BIMAL MODY	57,90,000	1.13	0.00	57,41,535	1.13	0.00	0.00
14	AMI AJAY PAREKH	56,08,166	1.09	0.00	55,50,120	1.09	0.00	0.00
15	HIMATLAL KALYANJI PAREKH	48,11,630	0.94	0.00	166	0.00	0.00	(0.94)
16	JASNA RAOUL THACKERSEY	36,15,126	0.71	0.00	35,76,765	0.70	0.00	(0.01)
17	APURVA NARENDRAKUMAR PAREKH	32,62,910	0.64	0.00	30,76,918	0.61	0.00	(0.03)
18	MRUDULA SUSHILKUMAR PAREKH	15,64,120	0.31	0.00	15,47,527	0.30	0.00	(0.01)
19	KANTA BALVANTRAY PAREKH	33,85,410	0.66	0.00	33,49,487	0.66	0.00	0.00
20	RASHMIKANT HIMATLAL PAREKH	23,57,378	0.46	0.00	71,33,538	1.40	0.00	0.94
21	HARISH HIMATLAL PAREKH	20,76,592	0.41	0.00	20,59,182	0.41	0.00	0.00
22	AMRITA AJAY PAREKH	19,68,000	0.38	0.00	19,47,130	0.38	0.00	0.00
23	KALVA MARKETING AND SERVICES LTD	13,82,628	0.27	0.00	13,82,628	0.27	0.00	0.00
24	PARKEM DYES & CHEMICALS PVT LTD	12,76,510	0.25	0.00	14,36,510	0.28	0.00	0.03
25	PARUL HARISH PAREKH	12,39,208	0.24	0.00	12,04,029	0.24	0.00	0.00
26	KAMALINI RASHMIKANT PAREKH	8,21,934	0.16	0.00	10,76,726	0.21	0.00	0.05
27	PURVEE APURVA PAREKH	8,00,000	0.16	0.00	7,93,299	0.16	0.00	0.00
28	PAREKH MARKETING LIMITED	7,96,700	0.16	0.00	7,96,700	0.16	0.00	0.00
29	TRIVENIKALYAN TRADING PVT LTD	4,63,040	0.09	0.00	4,63,040	0.09	0.00	0.00
30	GULABBEN HIMATLAL PAREKH	2,61,716	0.05	0.00	0	0.00	0.00	(0.05)
31	ANUJA ANKUR SHAH	1,87,600	0.04	0.00	1,87,670	0.04	0.00	0.00
32	MALAY RASHMIKANT PAREKH	1,61,600	0.03	0.00	1,60,241	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	91,054	0.02	0.00	0.00
35	PANNA DEEPAK SANGHAVI	80,166	0.02	0.00	79,414	0.02	0.00	0.00
36	HARSHADA HARVADAN VAKIL	51,900	0.01	0.00	51,452	0.01	0.00	0.00
37	HARVADAN	42,300	0.01	0.00	41,930	0.01	0.00	0.00
38	URVI MALAY PAREKH	40,000	0.01	0.00	39,663	0.01	0.00	0.00
39	BIJAL VIRAL THAKKER	30,00,000	0.59	0.00	0	0.00	0.00	(0.59)
40	PRAKASH SHAH TRUSTEE OF SANMP PRIVATE BENEFICIARY TRUST	82,00,000	1.60	0.00	82,00,000	1.61	0.00	0.01
41	PRAKASH DHARSHIBHAI SHAH TRUSTEE OF I M FAMILY TRUST	29,00,000	0.57	0.00	28,69,217	0.57	0.00	0.00
		35,67,73,432	**69.59**	**0.00**	**35,43,41,237**	**69.78**	**0.00**	**0.19**

% Shareholding as on 31.03.2018 is on post buyback share capital

(iii) Change In Promoters' Shareholding

Sr. No.	Date	Reason	Shareholding as on 01.04.2017		Cumulative Shareholding during 2017-18	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year		35,67,73,432	69.59		
1	28.06.2017	Purchase	1,00,000	0.02	1,00,000	0.02
2	02.09.2017	Inter se transfer	30,00,000	0.59	31,00,000	0.61
3	02.09.2017	Inter se transfer	(30,00,000)	(0.59)	1,00,000	0.02
4	08.12.2017	Purchase	1,60,000	0.03	2,60,000	0.05
5	08.12.2017	Sale	(1,60,000)	(0.03)	1,00,000	0.02
6	08.12.2017	Purchase	1,25,000	0.02	2,25,000	0.04
7	08.12.2017	Sale	(1,25,000)	(0.02)	1,00,000	0.02
8	08.12.2017	Sale	(25,000)	0.00	75,000	0.01
9	08.12.2017	Sale	(25,000)	0.00	50,000	0.01
10	08.12.2017	Market Purchase	50,000	0.01	1,00,000	0.02
11	10.02.2018	Transmission	(48,61,464)	0.95	49,61,464	0.98
12	10.02.2018	Transmission	(48,61,464)	(0.95)	1,00,000	0.02
13	10.02.2018	Transmission	2,61,716	0.05	3,61,716	0.07
14	10.02.2018	Transmission	(2,61,716)	(0.05)	1,00,000	0.02
15	22.03.2018	Buyback	(25,32,265)	(0.50)	(24,32,265)	(0.48)
16		*	70	0.00	(24,32,195)	(0.48)
	At the end of the year				35,43,41,237	69.78 **

* 70 equity shares earlier shown in public-resident individual category on pan mapping as per SEBI circular dated 19.12.2017, are reflected in promoter group category.
** % Shareholding as on 31.03.2018 is on post buyback share capital

(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 (01.04.2017)/ end of the year (31.03.2018)	% 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	1,47,91,889	2.89	01.04.2017				
				21.07.2017	11,95,275	Transfer	1,59,87,164	3.15
				28.07.2017	14,49,988	Transfer	1,74,37,152	3.43
				04.08.2017	9,16,995	Transfer	1,83,54,147	3.61
				11.08.2017	4,57,176	Transfer	1,88,11,323	3.70
				18.08.2017	3,16,657	Transfer	1,91,27,980	3.77
		1,91,27,980	3.77	31.03.2018				
2	Axis Mutual Fund Trustee Limited	82,51,375	1.61	01.04.2017				
				07.04.2017	(2,00,000)	Transfer	80,51,375	1.59
				21.04.2017	1,00,000	Transfer	81,51,375	1.61
				28.04.2017	93,000	Transfer	82,44,375	1.62
				12.05.2017	4,24,400	Transfer	86,68,775	1.71
				19.05.2017	1,84,500	Transfer	88,53,275	1.74
				26.05.2017	3,00,000	Transfer	91,53,275	1.80
				02.06.2017	(20,000)	Transfer	91,33,275	1.80
				09.06.2017	(1,46,844)	Transfer	89,86,431	1.77
				23.06.2017	50,000	Transfer	90,36,431	1.78
				07.07.2017	4,71,000	Transfer	95,07,431	1.87
				14.07.2017	2,25,000	Transfer	97,32,431	1.92
				21.07.2017	(1,80,000)	Transfer	95,52,431	1.88
				28.07.2017	(48,693)	Transfer	95,03,738	1.87
				11.08.2017	(37,500)	Transfer	94,66,238	1.86
				25.08.2017	2,94,000	Transfer	97,60,238	1.92
				08.09.2017	(10,000)	Transfer	97,50,238	1.92
				22.09.2017	3,94,300	Transfer	1,01,44,538	2.00
				30.09.2017	(51,000)	Transfer	1,00,93,538	1.99
				27.10.2017	4,00,000	Transfer	1,04,93,538	2.07
				03.11.2017	32,000	Transfer	1,05,25,538	2.07
				17.11.2017	4,75,000	Transfer	1,10,00,538	2.17
				24.11.2017	2,32,190	Transfer	1,12,32,728	2.21
				01.12.2017	2,50,000	Transfer	1,14,82,728	2.26
				08.12.2017	2,20,000	Transfer	1,17,02,728	2.30
				15.12.2017	3,26,793	Transfer	1,20,29,521	2.37
				22.12.2017	2,96,000	Transfer	1,23,25,521	2.43
				30.12.2017	(55,00,000)	Transfer	68,25,521	1.34
				29.12.2017	52,92,000	Transfer	1,21,17,521	2.39
				05.01.2018	(1,01,000)	Transfer	1,20,16,521	2.37
				12.01.2018	(1,18,200)	Transfer	1,18,98,321	2.34
				19.01.2018	6,44,600	Transfer	1,25,42,921	2.47
				26.01.2018	(200)	Transfer	1,25,42,721	2.47
				02.02.2018	2,19,194	Transfer	1,27,61,915	2.51
				09.02.2018	(2,44,000)	Transfer	1,25,17,915	2.47
				12.02.2018	45,000	Transfer	1,25,62,915	2.47
				16.02.2018	2,00,000	Transfer	1,27,62,915	2.51
				23.02.2018	5,81,000	Transfer	1,33,43,915	2.63
				02.03.2018	3,00,000	Transfer	1,36,43,915	2.69
				09.03.2018	4,62,704	Transfer	1,41,06,619	2.78
				16.03.2018	(39,000)	Transfer	1,40,67,619	2.77
				23.03.2018	(4,10,924)	Transfer	1,36,56,695	2.69
		1,36,56,695	2.69	31.03.2018				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% 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
3	Government Pension Fund Global	58,84,725	1.15	01.04.2017				
				10.11.2017	(4,50,000)	Transfer	54,34,725	1.07
				16.03.2018	45,059	Transfer	54,79,784	1.08
				23.03.2018	14,650	Transfer	54,94,434	1.08
				30.03.2018	34,498	Transfer	55,28,932	1.09
		55,28,932	1.09	31.03.2018				
4	The Genesis Group Trust For Employee Benefit Plans	73,47,819	1.43	01.04.2017				
				07.04.2017	(2,72,654)	Transfer	70,75,165	1.39
				14.04.2017	(50,631)	Transfer	70,24,534	1.38
				21.04.2017	(1,83,984)	Transfer	68,40,550	1.35
				28.04.2017	(2,77,747)	Transfer	65,62,803	1.29
				05.05.2017	(3,09,579)	Transfer	62,53,224	1.23
				30.06.2017	(2,01,649)	Transfer	60,51,575	1.19
				14.07.2017	(18,608)	Transfer	60,32,967	1.19
				21.07.2017	(2,78,362)	Transfer	57,54,605	1.13
				01.09.2017	(50,303)	Transfer	57,04,302	1.12
				06.10.2017	(30,937)	Transfer	56,73,365	1.12
				03.11.2017	(13,846)	Transfer	56,59,519	1.11
				08.12.2017	(1,98,729)	Transfer	54,60,790	1.08
				05.01.2018	(80,676)	Transfer	53,80,114	1.06
				02.02.2018	(11,021)	Transfer	53,69,093	1.06
				02.03.2018	(1,00,797)	Transfer	52,68,296	1.04
				23.03.2018	(1,72,572)	Transfer	50,95,724	1.00
		50,95,724	1.00	31.03.2018				
5	The Genesis Emerging Markets Investment Company	76,77,761	1.50	01.04.2017				
				07.04.2017	(3,21,903)	Transfer	73,55,858	1.45
				14.04.2017	(52,063)	Transfer	73,03,795	1.44
				21.04.2017	(1,89,182)	Transfer	71,14,613	1.40
				28.04.2017	(1,49,800)	Transfer	69,64,813	1.37
				05.05.2017	(3,79,360)	Transfer	65,85,453	1.30
				09.06.2017	(27,985)	Transfer	65,57,468	1.29
				23.06.2017	(34,235)	Transfer	65,23,233	1.28
				14.07.2017	(2,86,801)	Transfer	62,36,432	1.23
				21.07.2017	(3,33,603)	Transfer	59,02,829	1.16
				04.08.2017	(79,651)	Transfer	58,23,178	1.15
				08.09.2017	(31,702)	Transfer	57,91,476	1.14
				15.09.2017	(1,54,287)	Transfer	56,37,189	1.11
				22.09.2017	(82,167)	Transfer	55,55,022	1.09
				06.10.2017	(36,332)	Transfer	55,18,690	1.09
				13.10.2017	(27,838)	Transfer	54,90,852	1.08
				20.10.2017	(15,915)	Transfer	54,74,937	1.08
				27.10.2017	(2,12,132)	Transfer	52,62,805	1.04
				24.11.2017	(23,750)	Transfer	52,39,055	1.03
				08.12.2017	(81,905)	Transfer	51,57,150	1.02
				02.02.2018	(64,705)	Transfer	50,92,445	1.00
				09.02.2018	(15,262)	Transfer	50,77,183	1.00
				02.03.2018	(1,09,131)	Transfer	49,68,052	0.98
				09.03.2018	(1,01,732)	Transfer	48,66,320	0.96
				23.03.2018	(1,60,368)	Transfer	47,05,952	0.93
		47,05,952	0.93	31.03.2018				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% 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
6	New World Fund Inc	59,48,000	1.16	01.04.2017				
				21.07.2017	(11,98,102)	Transfer	47,49,898	0.94
				28.07.2017	(2,89,898)	Transfer	44,60,000	0.88
				24.11.2017	(3,60,000)	Transfer	41,00,000	0.81
		41,00,000	0.81	31.03.2018				
7	Stichting Depositary Apg Emerging Markets Equity Pool	35,33,593	0.69	01.04.2017				
				07.04.2017	(1,25,931)	Transfer	34,07,662	0.67
				14.04.2017	(23,386)	Transfer	33,84,276	0.67
				21.04.2017	(84,978)	Transfer	32,99,298	0.65
				28.04.2017	(67,287)	Transfer	32,32,011	0.64
				05.05.2017	(1,59,509)	Transfer	30,72,502	0.61
				26.05.2017	(72,657)	Transfer	29,99,845	0.59
				14.07.2017	(8,973)	Transfer	29,90,872	0.59
				21.07.2017	(1,34,214)	Transfer	28,56,658	0.56
				02.02.2018	(80,814)	Transfer	27,75,844	0.55
				02.03.2018	(65,928)	Transfer	27,09,916	0.53
				23.03.2018	(88,882)	Transfer	26,21,034	0.52
		26,21,034	0.52	31.03.2018				
8	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	23,06,169	0.45	01.04.2017				
				07.04.2017	25,615	Transfer	23,31,784	0.46
				28.04.2017	2,350	Transfer	23,34,134	0.46
				05.05.2017	18,800	Transfer	23,52,934	0.46
				12.05.2017	5,875	Transfer	23,58,809	0.46
				19.05.2017	12,690	Transfer	23,71,499	0.47
				02.06.2017	5,170	Transfer	23,76,669	0.47
				07.07.2017	8,225	Transfer	23,84,894	0.47
				14.07.2017	5,875	Transfer	23,90,769	0.47
				04.08.2017	5,170	Transfer	23,95,939	0.47
				11.08.2017	6,815	Transfer	24,02,754	0.47
				01.09.2017	8,460	Transfer	24,11,214	0.47
				08.09.2017	11,985	Transfer	24,23,199	0.48
				15.09.2017	10,810	Transfer	24,34,009	0.48
				06.10.2017	7,050	Transfer	24,41,059	0.48
				13.10.2017	7,285	Transfer	24,48,344	0.48
				20.10.2017	5,405	Transfer	24,53,749	0.48
				27.10.2017	4,935	Transfer	24,58,684	0.48
				22.12.2017	(80,073)	Transfer	23,78,611	0.47
				26.01.2018	9,964	Transfer	23,88,575	0.47
				02.02.2018	8,904	Transfer	23,97,479	0.47
				23.03.2018	(34,234)	Transfer	23,63,245	0.47
				30.03.2018	(10,650)	Transfer	23,52,595	0.46
		23,52,595	0.46	31.03.2018				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2017)/ end of the year (31.03.2018)	% 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	21,45,600	0.42	01.04.2017				
				30.06.2017	(1,00,000)	Transfer	20,45,600	0.40
				22.03.2018	(64,243)	Transfer	19,81,357	0.39
		19,81,357	0.39	31.03.2018				
10	Fidelity Investment Trust - Fidelity Emerging markets Fund	-	0.00	01.04.2017				
				10.11.2017	1,68,822	Transfer	1,68,822	0.03
				17.11.2017	7,12,076	Transfer	8,80,898	0.17
				24.11.2017	4,80,770	Transfer	13,61,668	0.27
				01.12.2017	92,128	Transfer	14,53,796	0.29
				08.12.2017	4,72,482	Transfer	19,26,278	0.38
				15.12.2017	1,19,275	Transfer	20,45,553	0.40
				22.12.2017	(1,15,708)	Transfer	19,29,845	0.38
				26.01.2018	56,659	Transfer	19,86,504	0.39
				09.02.2018	(37,276)	Transfer	19,49,228	0.38
		19,49,228	0.38	31.03.2018				
11	General Insurance Corporation Of India	21,00,000	0.41	01.04.2017				
				09.06.2017	(60,000)	Transfer	20,40,000	0.40
				16.06.2017	(30,000)	Transfer	20,10,000	0.40
				30.06.2017	(51,659)	Transfer	19,58,341	0.39
				07.07.2017	(46,000)	Transfer	19,12,341	0.38
				15.09.2017	(12,341)	Transfer	19,00,000	0.37
				08.12.2017	(25,000)	Transfer	18,75,000	0.37
				15.12.2017	(25,000)	Transfer	18,50,000	0.36
				12.01.2018	(17,564)	Transfer	18,32,436	0.36
				19.01.2018	(7,436)	Transfer	18,25,000	0.36
				09.02.2018	(25,000)	Transfer	18,00,000	0.35
				23.03.2018	(15,078)	Transfer	17,84,922	0.35
		17,84,922	0.35	31.03.2018				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase. (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning of the year (01.04.2017). end of the year (31.03.2018)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
Shareholding of Directors:								
1	M B Parekh	5,33,27,568	10.40	01.04.2017			5,33,27,568	10.40
				22.03.2018	(5,65,282)	Buyback	5,27,62,286	
		5,27,62,286	10.39	31.03.2018				
2	N K Parekh	5,17,32,178	10.09	01.04.2017			5,17,32,178	10.09
				02.09.2017	30,00,000	Interse Transfer	5,47,32,178	
				22.03.2018	(4,58,490)	Buyback	5,42,73,688	
		5,42,73,688	10.69	31.03.2018				
3	A B Parekh	4,79,22,844	9.35	01.04.2017			4,79,22,844	9.35
				22.03.2018	(4,89,355)	Buyback	4,74,33,489	
		4,74,33,489	9.34	31.03.2018				
4	B S Mehta	24,716	0	01.04.2017		NIL movement during the year	24,716	0
		24,716	0	31.03.2018				
5	A N Parekh	32,62,910	0.64	01.04.2017			32,62,910	0.64
				08.12.2017	(1,60,000)	Sale	31,02,910	
				22.03.2018	(25,992)	Buyback	30,76,918	
		30,76,918	0.61	31.03.2018				
6	Ranjan Kapur (Upto 27-01-2018)	0	0	01.04.2017		NIL movement during the year	0	0
		0	0	27.01.2018			0	0
7	Bharat Puri (also Key Managerial Personnel)	0	0	01.04.2017			0	0
				28.09.2017	1,00,000*		1,00,000	
		1,00,000	0.02	31.03.2018				
8	Sanjeev Aga	433	0	01.04.2017			433	0
				26.05.2017	164	Purchase under PMS	597	
				05.06.2017	49	Purchase under PMS	646	
				09.06.2017	152	Purchase under PMS	798	
		798	0	31.03.2018				
9	Uday Khanna	5,000	0	01.04.2017		NIL movement during the year	5,000	0
		5,000	0	31.03.2018				
10	Meera Shankar	0	0	01.04.2017		NIL movement during the year	0	0
		0	0	31.03.2018				
11	Sabyaschi Patnaik	200	0	01.04.2017			200	0
				31.08.2017	1,600**		1,800	
		1,800	0	31.03.2018				
12	Vinod Kumar Dasari	0	0	01.04.2017		NIL movement during the year	0	0
		0	0	31.03.2018				
Shareholding of Key Managerial Personnel :								
1	Savithri Parekh	0	0	01.04.2017		NIL movement during the year	0	0
		0	0	31.03.2018			0	0
2	P Ganesh (w.e.f 20.11.2017)	50	0	20.11.2017		NIL movement during the year	50	0
		50	0	31.03.2018				

* Shares alloted during the year under ESOS- 2012
** Shares alloted during the year under ESOP-2016

(₹ 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 01.04.2017)				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction (Repayment)	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (as on 31.03.2018)				
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	2,69,45,203	8,38,17,606	1,28,03,083	1,03,62,700	2,17,23,520	15,56,52,112
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,00,23,982	8,12,773	33,57,938	25,77,075	1,53,462	1,69,25,230
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	7,76,75,000*	-	-	13,06,960*	7,89,81,960
3	Sweat Equity	-	-	-	-	-	-
4	Commission #	-	2,89,16,666	4,04,83,334	3,47,00,000	-	10,41,00,000
	- as % of profit	-	-	-	-	-	-
	- others						
5	Others: Employer contribution to provident and other funds	19,64,748	1,19,42,144	9,92,783	8,83,900	11,74,049	1,69,57,624
	Total (A)	**3,89,33,933**	**20,31,64,189**	**5,76,37,138**	**4,85,23,675**	**2,43,57,991**	**37,26,16,926**
	Ceiling as per the Act	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013					

* Represents options which have vested and exercised
# Commission for the financial year 2016-17 paid in 2017-18.

(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	5,10,000	15,00,000	-	20,10,000
	Shri Ranjan Kapur	4,80,000	15,00,000	-	19,80,000
	Shri Sanjeev Aga	2,82,000	15,00,000	-	17,82,000
	Shri Uday Khanna	3,60,000	15,00,000	-	18,60,000
	Smt. Meera Shankar	2,10,000	15,00,000	-	17,10,000
	Shri Vinod Kumar Dasari	1,20,000	15,00,000	-	16,20,000
	Total (1)				1,09,62,000
2	Non-Executive/Promoter Director:				
	Shri N K Parekh (Non Executive Vice Chairman)	7,20,000	15,00,000	-	22,20,000
	Total (2)				22,20,000
	Total (B) (1+2)				**1,31,82,000**

Commission for the financial year 2016-17 paid in 2017-18.

(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	P. Ganesh* Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,15,22,614	1,11,37,535	22,66,041
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the 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	4,21,455	7,14,454	11,35,909
	Total (C)	**1,19,44,069**	**1,18,51,989**	**2,37,96,058**

* wef 20th November 2017
** Options granted have not yet vested.

VII.	Penalties / Punishment / Compounding of Offences

There were no penalties, punishment, compounding of offences for the year ending 31st March, 2018.

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 2017-18 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	80.31	2.9%
2.	Shri N K Parekh	Vice Chairman	4.58	12.7%
3.	Shri Bharat Puri	Managing Director	419.08	68.5% **
4.	Shri A B Parekh	Whole Time Director	118.89	10.6%
5.	Shri A N Parekh	Whole Time Director	100.09	9.9%
6.	Shri B S Mehta	Director	4.15	10.4%
7.	Shri Ranjan Kapur *	Director	4.08	5.3%
8.	Shri Sanjeev Aga	Director	3.68	3.1%
9.	Shri Uday Khanna	Director	3.84	5.1%
10.	Smt. Meera Shankar	Director	3.53	1.8%
11.	Shri Sabyaschi Patnaik	Whole Time Director	50.24	11.8% **
12.	Shri Vinod Kumar Dasari	Director	3.34	@

* Ceased to be a Director due to his demise on 27th January 2018.

B. Percentage increase in remuneration of Company Secretary and Chief Financial Officer for the financial year 2017-18 is as follows:

Sr. No.	Name	Designation	% increase
1	Smt. Savithri Parekh	Company Secretary	7.5%
2	Shri P Ganesh	Chief Financial Officer	#

Notes:

1. The aforesaid details are calculated on the basis of remuneration paid during the financial year 2017-18.
2. The remuneration to Non Executive Directors comprises of sitting fees and commission paid to them during the financial year 2017-18.
3. The median remuneration is ₹ 4,84,791/- for the financial year 2017-18.
4. @ % Increase in remuneration not given as payment of commission (pro-rata) was made in 2016-17.
5. ** Excluding ESOP, the increase is less than 5%.
6. # % increase in remuneration not given as the payment for the financial year 2017-18 was only for part of the year.
7. 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 2017-18: 10.59%

D. Number of permanent employees on the rolls of the Company as on 31st March 2018: 5,382.

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 2017-18 compared to 2016-17: 10.33%

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.

DIVIDEND DISTRIBUTION POLICY

1. Applicability and Objective:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy ("the Policy") in the annual report and on their website.

The Board of Directors ("Board") of Pidilite Industries Limited has adopted this Dividend Distribution Policy to comply with these Regulations.

The objective of the Policy is to lay down the parameters that are required to be considered by the Board of the Company for declaration of Dividend from time to time.

2. Scope:

The Company currently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

3. Dividend:

Dividend represents the profit of the Company, which is distributed to the shareholders in proportion to the amount paid-up on the equity shares held by them. The term 'Dividend' includes Interim Dividend.

4. Parameters and factors for declaration of dividend:

The Company shall ensure compliance of the provisions of Companies Act, 2013 ("the Act") read with the Rules and the following financial parameters and internal and external factors shall also be considered :-

Financial Parameters and Internal Factors:

i. Distributable Surplus available as per relevant statutory regulations

ii. Past dividend payout trends of the Company

iii. Working capital requirements

iv. Business expansion and growth

v. Company's liquidity position and future cash flow requirements

vi. Additional investments in subsidiaries and associates of the Company

vii. Current year's profits and future outlook in light of the development of internal and external environment

viii. Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution

ix. Operating cash flows and treasury position keeping in view the total debt to equity ratio

x. Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders

xi. Providing for unforeseen events and contingencies with financial implications

xii. Such other factors and/ or material events which the Company's Board may consider

External Factors:

i. Economic environment

ii. Capital markets

iii. Inorganic growth plans

iv. Statutory provisions and guidelines

v. Dividend pay-out ratios across industries

5. Circumstances under which the shareholders of the Company may or may not expect dividend:

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned in this policy) and declare Dividend in any financial year.

The Board may not recommend any dividend if the Board is of the considered opinion that it is prudent to conserve capital based on the factors outlined above or other exigencies.

6. Utilization of retained earnings:

The Company would utilize the retained earnings in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to meeting the Company's future business growth/ expansion and strategic plans or such other purpose the Board may deem fit from time to time.

7. Conflict in Policy:

In the event of a conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

8. Modification of the Policy:

The Board is authorised to change or amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the Regulations, or any other applicable law. The modifications, if any, made to the policy shall be disclosed on the website and in the Annual Report.

9. Review of the Policy:

The Board may review the Dividend Distribution Policy of the Company as appropriate.

10. Disclosure of Policy:

This Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.pidilite.com

REMUNERATION POLICY

A. Remuneration Policy for Executive Directors

a) The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.

b) Remuneration of the Executive Chairman, Managing Director and Executive Directors consist of a fixed component and commission based on the net profits of each financial year. The commission amount is linked to the Net profit of each year. The increase in fixed salary is recommended by the Nomination and Remuneration Committee based on the general industry practice and the increase given to other managers in the Company.

B. Remuneration Policy for Non-Executive Directors

Non-Executive Directors of a Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role. For best utilizing the Non - Executive Directors, the Company has constituted certain Committees of the Board.

Remuneration payable:

Sr. No.	Particulars	Remuneration	Remarks
1	Commission	₹ 20,00,000 per annum per Director	a) On the basis of Company's Performance and at a rate not exceeding 1% per annum of the profits of the Company distributed uniformly among the Directors. b) Approval - Shareholders
2	Sitting Fees: For Board Meetings	₹ 30,000 per meeting	a) As per the limits prescribed by the Companies Act. b) Approval – Board
3	a) For Committee Meetings	₹ 30,000 per meeting for Nomination and Remuneration Committee, Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee	a) As per the limits prescribed by the Companies Act. b) Approval – Board (An Independent Director shall not be entitled to any stock option.)
	b) For Finance Committee, Share Transfer Committee, Stakeholders Relationship Committee and other Committee meetings	₹ 12,000 per meeting	

C. Remuneration Policy for Senior Managers including Key Managerial Personnel

1. The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario and remuneration package of the managerial talent of other comparable industries.
2. The remuneration to Senior Management employees comprises of two broad terms – Fixed Remuneration and Variable remuneration in the form of performance incentive.
3. Remuneration of Senior Management members and other employees in the management cadre largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled his/her individual performance etc. The annual variable pay of senior managers is linked to the Company's performance, the performance of the respective divisions/functions they are attached to and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.
4. The performance incentive is based on internally developed detailed performance related matrix which is verified by the HR department.
5. Annual increase in fixed remuneration is reviewed and then approved by the Nomination and Remuneration Committee.

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: 2017-18
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, Bahrain, Qatar, Oman, Myanmaar, Ethiopia, Kenya etc.

B] FINANCIAL DETAILS OF THE COMPANY

(₹ in crores)

1. Paid up Capital (INR) : 50.78
2. Total Turnover (INR): 5,445.67
3. Total profit after taxes (INR): 955.19
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.31%*

   *CSR expense is ₹ 22.03 crores and current year PAT is ₹ 955.19 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 suporting Education, Healthcare, Agriculture, Rural development, Water shed management etc.

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

C] OTHER DETAILS

The Company has 26 subsidiaries both direct and indirect as on 31st March 2018. 9 of these subsidiaries are in India and 17 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 Shram Daan 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 National Voluntary Guidelines (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 wellbeing 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? If 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 18 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.

In designing the product, the Company has ensured that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.

The Company regularly reviews and improves upon the manufacturing processes and services provided incorporating product safety and environmental considerations.

In our Construction Chemicals business, we offer products which save energy. We also offer waterproofing products which save structures from deterioration and improve the life of such structures.

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. Consumption of water has reduced from 2.65 kl/ton to 2.36 kl/ton. Rain water harvesting systems have been installed in 8 manufacturing units.

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

1.	Total number of employees	5,382
2.	Total number of employees hired on temporary/ contractual/ casual basis	2,967
3.	Number of permanent women employees	349
4.	Number of permanent employees with disabilities	11
5.	There are no employees association that are 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	1	Nil
3.	Discriminatory employment	Nil	Nil

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

a. Permanent Employees, b. Permanent Women Employees, c. Casual/Temporary/Contractual Employees, d. Employees with Disabilities

Safety and skill upgradation programmes are provided from time to time to the employees and over a period of time most of the employees are covered under such programmes. Employees are encouraged to participate in safety programmes and be acquainted with the safety measures.

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.

Assistance is provided to deserving and qualified students through scholarships for pursuing higher education.

For further details please refer to Social and Community Service 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.

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. An integrated EHS management system was deployed at all manufacturing units.

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: Business 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 been actively supporting several initiatives including self-help groups of women aimed at improving their economic standing and supporting farmers in ways to improve yield of the farm lands.

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

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

There are 12 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 2018, 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and the Order issued under section 143(11) of the Act.

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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its profits, 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 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 of the Company as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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.

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: 24th May 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of Pidilite Industries Limited for the year ended 31st March 2018

(Referred to in paragraph 1(f) 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 2018 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 control 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 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 2018, based on the criteria for internal financial control over financial reporting 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: 24th May 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of Pidilite Industries Limited for the year ended 31st March 2018

(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 (Property, Plant and Equipment).

(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 (including Goods and Service 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 (including Goods and Service Tax), Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2018 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 2018 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, 2010-11 to 2014-15	31.06*
Goods and Service tax Act	Goods and Service tax	Superintendent of GST	2017-18	0.20**
Central Excise Act, 1944	Excise Duty in Various States	Commissioner of Central Excise (Appeals)	2008-09 to 2016-17	0.42
	Excise Duty in Various States	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1997-98, 2005-06 to 2015-16	11.44
Central Excise Act, 1944- Total				**11.86#**
Sales Tax Act	Sales Tax in Various States	Assessing officer	1998-99, 2005-06, 2008-09 to 2013-14, 2015-16, 2016-17	8.55
	Sales Tax in Various States	Commissioner of Sales Tax	2008-09, 2012-13	0.82
	Sales Tax in Various States	Additional Commissioner	2002-03, 2008-09, 2010-11, 2011-12, 2013-14, 2014-15, 2015-16	15.17
	Sales Tax in Various States	Deputy Joint commissioner of Sales Tax	1994-95, 2005-06 to 2016-17	5.34
	Sales Tax in Various States	Joint commissioner of Sales Tax	1998-99, 1999-00, 2002-03, 2004-05 to 2006-07, 2008-09 to 2011-12, 2013-14 to 2016-17	34.41
	Sales Tax in West Bengal	Revision Board	2001-02, 2004-05	0.85
	Sales Tax in Various States	Sales Tax Tribunal	1999-00, 2000-01, 2002-03, 2005-06 to 2013-14, 2016-17	29.46
	Sales Tax in Various States	High Court	2003-04, 2004-05, 2006-07 to 2009-10	0.50
Sales Tax Act – Total				**95.10^**

* Net of ₹ 3.34 crores paid under protest
** Net of ₹ 0.16 crores paid under protest
# Net of ₹ 0.35 crores paid under protest
^ Net of ₹ 21.96 crores paid under protest

There are no dues of Service Tax and Customs Duty which have not been deposited as on 31st March 2018 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 banks. The Company has not taken any loans or borrowings from financial institutions and 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 3(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 3(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 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 3(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: 24th May 2018

BALANCE SHEET

as at 31st March 2018

(₹ in crores)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**656.62**	668.66
(b) Capital Work-In-Progress	4	**164.13**	126.57
(c) Goodwill	5	**86.11**	86.11
(d) Other Intangible Assets	5	**197.34**	184.80
(e) Financial Assets			
(i) Investments	6	**713.68**	440.23
(ii) Loans	9	**3.32**	4.40
(iii) Other Financial Assets	11	**11.69**	12.28
(f) Income Tax Assets (net)	16	**62.27**	36.47
(g) Other Non-Current Assets	17	**69.25**	70.34
Total Non-Current Assets		**1,964.41**	1,629.86
2 Current Assets			
(a) Inventories	15	**630.94**	556.25
(b) Financial Assets			
(i) Investments	7	**1,072.01**	1,353.18
(ii) Trade Receivables	8	**689.59**	607.65
(iii) Cash and Cash Equivalents	13	**66.12**	45.80
(iv) Bank balances other than (iii) above	14	**11.64**	4.67
(v) Loans	10	**13.22**	18.48
(vi) Other Financial Assets	12	**8.59**	5.00
(c) Current Tax Assets	18	**23.66**	-
(d) Other Current Assets	19	**147.77**	74.69
Total Current Assets		**2,663.54**	2,665.72
TOTAL ASSETS		**4,627.95**	4,295.58
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	20	**50.78**	51.27
(b) Other Equity	21	**3,513.15**	3,348.08
Total Equity		**3,563.93**	3,399.35
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	23	**43.01**	1.68
(b) Provisions	24	**29.57**	24.97
(c) Deferred Tax Liabilities (net)	26	**102.90**	83.63
Total Non-Current Liabilities		**175.48**	110.28
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	22	**428.16**	328.47
(ii) Other Financial Liabilities	27	**394.36**	365.66
(b) Other Current Liabilities	28	**49.46**	63.08
(c) Provisions	25	**9.78**	12.81
(d) Current Tax Liabilities (net)	29	**6.78**	15.93
Total Current Liabilities		**888.54**	785.95
TOTAL LIABILITIES		**1,064.02**	896.23
TOTAL EQUITY AND LIABILITIES		**4,627.95**	4,295.58
See accompanying notes to the financial statements	1 to 55		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2018

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
INCOME			
Revenue from Operations	30	**5,490.96**	5,298.65
Other Income	31	**136.49**	110.10
Total Income		**5,627.45**	5,408.75
EXPENSES			
Cost of Materials Consumed	32	**2,271.28**	2,025.82
Purchases of Stock-in-Trade		**275.13**	244.22
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	33	**(8.48)**	(7.90)
Excise Duty on sale of goods		**136.56**	433.28
Employee Benefits Expense	34	**570.86**	507.45
Finance Costs	35	**6.06**	5.68
Depreciation and Amortisation Expense	36	**91.48**	90.24
Other Expenses	37	**953.28**	870.90
Total Expenses		**4,296.17**	4,169.69
Profit before Exceptional Items and Tax		**1,331.28**	1,239.06
Exceptional Items	38	**-**	94.34
Profit before Tax		**1,331.28**	1,144.72
Tax Expense			
Current Tax	48	**356.89**	362.66
Deferred Tax	48	**19.20**	8.27
Net Tax Expense		**376.09**	370.93
Profit for the year		**955.19**	773.79
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	45	**0.20**	(2.79)
Income tax relating to items that will not be reclassified to profit or loss	48	**(0.07)**	0.81
Total Other Comprehensive Income/ (Loss)		**0.13**	(1.98)
Total Comprehensive Income for the year		**955.32**	771.81
Earnings Per Equity Share:	43		
Basic (₹)		**18.81**	15.09
Diluted (₹)		**18.80**	15.09
See accompanying notes to the financial statements	1 to 55		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2018

(₹ in crores)

a. Equity Share Capital

	Amount
Balance as at 1st April 2016	51.27
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme 2012* (refer Note 46)	0.00
Balance as at 31st March 2017	**51.27**
Changes in equity share capital during the year	
• Buy-back of Shares [refer Note 53(b)]	(0.50)
• Issue of equity shares under Employee Stock Option Scheme 2012 (refer Note 46)	0.01
• Issue of equity shares under Employee Stock Option Plan 2016** (refer Note 46)	0.00
Balance as at 31st March 2018	**50.78**

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

**Issue of equity shares under Employee Stock Option Plan 2016 amounts to ₹ 21,600 during the year 2017-18.

b. Other Equity

	Reserves and Surplus							TOTAL
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Cash Subsidy Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	
Balance as at 1st April 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 (including tax thereon)	-	-	-	-	-	-	(30.85)	**(30.85)**
Recognition of share-based payments (refer 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**
Profit for the year	-	-	-	-	-	-	955.19	**955.19**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	0.13	**0.13**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	(293.09)	**(293.09)**
Transferred to Capital Redemption Reserve for Buy-back of Shares [refer Note 53(b)]	-	-	0.50	-	-	(0.50)	-	**-**
Buy-back of Shares [refer Note 53(b)]	-	(73.57)	-	-	-	(425.93)	-	**(499.50)**
Transaction cost related to Buy-back of Shares* [refer Note 53(b)]	-	-	-	-	-	(2.89)	-	**(2.89)**
Recognition of share-based payments (refer Note 46)	-	7.21	-	-	(1.98)	-	-	**5.23**
Transferred to Securities Premium on Options exercised during the year	-	7.21	-	-	(7.21)	-	-	**-**
Exercised during the year	-	-	-	-	0.74	-	-	**0.74**
Amortised during the year	-	-	-	-	4.64	-	-	**4.64**
Lapsed during the year	-	-	-	-	(0.15)	-	-	**(0.15)**
Balance as at 31st March 2018	0.34	-	0.50	0.95	9.03	1,335.38	2,166.95	3,513.15

* Net of Tax

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

STATEMENT OF CASH FLOWS

for the year ended 31st March 2018

(₹ in crores)

		For the year ended 31st March 2018		For the year ended 31st March 2017	
A	**Cash Flows From Operating Activities**				
	Profit before tax for the year		**1,331.28**		1,144.72
	Adjustments for:				
	Finance costs recognised in Statement of Profit and Loss	**6.06**		5.68	
	Interest income recognised in Statement of Profit and Loss	**(1.70)**		(3.54)	
	Dividend income recognised in Statement of Profit and Loss	**(16.92)**		(8.27)	
	Loss on disposal of Property, Plant and Equipment	**0.73**		2.02	
	Net gain arising on financial assets designated at FVTPL	**(90.36)**		(76.47)	
	Allowance for doubtful debts	**5.49**		0.53	
	Impairment in value of Investment in Subsidiary Companies	**-**		94.34	
	Depreciation and amortisation expense	**91.48**		90.24	
	Net Foreign Exchange loss / (gain)	**0.29**		(1.36)	
	Provision for Employee Benefits	**1.77**		3.89	
	Provision for doubtful debts / Advances to Vendors written back	**(0.53)**		-	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**5.14**		7.80	
	Operating profits before Working Capital changes		**1,332.73**		1,259.58
	Movements in working capital:				
	Increase in Trade Receivables	**(91.30)**		(55.20)	
	Increase in Inventories	**(74.69)**		(62.05)	
	Decrease in Non-Current Loans	**1.08**		2.69	
	Decrease / (Increase) in Current Loans	**5.26**		(2.95)	
	Decrease / (Increase) in Other Non-Current Financial Assets	**1.14**		(1.30)	
	Increase in Other Current Financial Assets	**(3.59)**		(0.80)	
	Decrease / (Increase) in Other Non-Current Non Financial Assets	**4.67**		(22.48)	
	Increase in Other Current Non Financial Assets	**(77.85)**		(12.82)	
	Increase in Trade Payables	**103.28**		11.07	
	Increase in Other Current Financial Liabilities	**25.57**		57.27	
	Increase / (Decrease) in other Non-Current Financial Liabilities	**0.82**		(0.57)	
	Decrease in Other Current Non Financial Liabilities	**(13.62)**		(3.28)	
	Cash generated from Operations		**1,213.50**		1,169.16
	Taxes paid		**(414.04)**		(360.06)
	Net Cash generated from Operating Activities [A]		**799.46**		809.10

STATEMENT OF CASH FLOWS

for the year ended 31st March 2018

(₹ in crores)

		For the year ended 31st March 2018		For the year ended 31st March 2017	
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment, & Other Intangible Assets	**(125.44)**		(101.23)	
	Proceeds from disposal of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**0.83**		10.64	
	Net Cash outflow on acquisition of Investment in Subsidiaries	**(151.20)**		(89.23)	
	Payments to acquire Investments	**(2,175.34)**		(3,116.00)	
	Proceeds on sale of Investments	**2,458.36**		2,496.11	
	Decrease / (Increase) in Share Application Money	**4.65**		(4.73)	
	(Increase) / Decrease in Bank Deposits	**(0.64)**		0.22	
	(Increase) / Decrease in Other Bank Balances	**(6.33)**		1.22	
	Interest received	**1.70**		3.54	
	Dividend received	**16.92**		8.27	
	Net Cash used in Investing Activities [B]		**23.51**		(791.19)
C	**Cash flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company (₹ 7,400 as at 31st March 2017)	**0.01**		0.00	
	Payment for Buy-back of Equity Shares	**(500.00)**		-	
	Payment for Buy-back expenses	**(4.53)**		-	
	Dividends paid on Equity Shares (including tax thereon)	**(293.00)**		(31.63)	
	Interest paid	**(6.06)**		(5.68)	
	Net Cash used in Financing Activities (C)		**(803.48)**		(37.31)
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		**19.49**		(19.40)
	Cash and Cash Equivalents at the beginning of the year	**45.80**		65.03	
	Bank Unrealised Gain	**0.88**		1.05	
	Cash and Cash Equivalents at the beginning of the year		**46.68**		66.08
	Cash and Cash Equivalents at the end of the year (refer Note 13)	**66.12**		45.80	
	Bank Unrealised Gain	**0.05**		0.88	
	Cash and Cash Equivalents at the end of the year		**66.17**		46.68
	Net increase / (decrease) in Cash and Cash Equivalents		**19.49**		(19.40)

Notes:

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash Flow.

b) **Amendment to IND AS 7**

The amendments to IND AS 7 - Statement of Cash Flow 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. This amendment has become effective from 1st April 2017 and there is no item for which any disclosure is required to be made.

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

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.

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 upto 30th June 2017 but exclude GST. 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.

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, 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.

For certain items of Property, Plant and Equipment, the Company depreciates over estimated useful life which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 which is based upon technical assessment made by technical expert and management estimate. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. 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.

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. Also, the Company has an option to purchase and the seller has an option to sell balance stake in equity share capital of certain partly owned subsidiary(ies). 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, National Pension Scheme, 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, National Pension Scheme 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 or 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 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 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.19 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

2.19.1 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1st April 2018. The Company plans to adopt the new standard on the required effective date. The Company is evaluating the effect on the timing of revenue and impact on the Financial Statements of the Company under new standard.

2.19.2 Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. The beginning of the reporting period in which the entity first applies the Appendix, or
ii. The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

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 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.

3.1.2 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.

3.1.3 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.

3.1.4 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)

3.1.5 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).

3.1.6 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.

(₹ in crores)

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

	As at 31st March 2018	As at 31st March 2017
Carrying Amounts		
• Freehold Land	**53.27**	52.77
• Buildings	**178.67**	177.00
• Plant and Machinery	**367.53**	377.51
• Vehicles	**6.19**	7.20
• Furniture and Fixtures	**26.94**	29.03
• Office Equipment	**24.02**	25.15
	656.62	668.66
Capital Work-In-Progress	**164.13**	126.57
TOTAL	820.75	795.23

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Cost							
Balance as at 1st April 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**
Additions	0.50	8.97	56.13	0.18	2.60	6.74	**75.12**
Disposals/ Adjustments	-	(0.21)	(10.15)	(0.30)	(1.24)	(1.07)	**(12.97)**
Balance as at 31st March 2018	**53.27**	**250.35**	**974.27**	**19.18**	**72.35**	**101.85**	**1,471.27**
Accumulated Depreciation and Impairment							
Balance as at 1st April 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)**
Eliminated on disposal of assets	-	0.08	7.98	0.29	1.14	1.02	**10.51**
Depreciation expense	-	(7.17)	(63.94)	(1.18)	(4.59)	(7.82)	**(84.70)**
Balance as at 31st March 2018	**-**	**(71.68)**	**(606.74)**	**(12.99)**	**(45.41)**	**(77.83)**	**(814.65)**
Carrying Amount							
Balance as at 1st April 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**
Additions	0.50	8.97	56.13	0.18	2.60	6.74	**75.12**
Disposals/ Adjustments	-	(0.21)	(10.15)	(0.30)	(1.24)	(1.07)	**(12.97)**
Depreciation expense	-	(7.17)	(63.94)	(1.18)	(4.59)	(7.82)	**(84.70)**
Depreciation Eliminated on disposal of assets	-	0.08	7.98	0.29	1.14	1.02	**10.51**
Balance as at 31st March 2018	**53.27**	**178.67**	**367.53**	**6.19**	**26.94**	**24.02**	**656.62**

Notes:

(₹ in crores)

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

	As at 31st March 2018	As at 31st March 2017
Carrying Amounts		
• Freehold Land	**13.79**	13.79
• Buildings	**20.25**	19.63
TOTAL	**34.04**	33.42

(₹ in crores)

	Freehold Land	Buildings	TOTAL
Cost			
Balance as at 1st April 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**
Additions	-	1.48	**1.48**
Balance as at 31st March 2018	**13.79**	**26.12**	**39.91**
Accumulated Depreciation and Impairment			
Balance as at 1st April 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)**
Depreciation expense	-	(0.86)	**(0.86)**
Balance as at 31st March 2018	**-**	**(5.87)**	**(5.87)**
Carrying Amount			
Balance as at 1st April 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**
Additions	-	1.48	**1.48**
Depreciation expense	-	(0.86)	**(0.86)**
Balance as at 31st March 2018	**13.79**	**20.25**	**34.04**

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 2018	As at 31st March 2017
Carrying Amounts		
• Goodwill	**86.11**	86.11
Total Goodwill (A)	**86.11**	86.11
Other Intangible Assets		
• Trademark	**157.91**	157.91
• Computer Software	**11.28**	13.36
• Copyrights	**4.72**	4.72
• Technical Knowhow Fees	**22.10**	7.00
• Non Compete Fees	**1.33**	1.81
Total Other Intangible Assets (B)	**197.34**	184.80
Total Intangible Assets (A)+(B)	**283.45**	270.91

	Goodwill	Trademark	Computer Software	Copyrights	Technical Knowhow Fees	Non Compete Fees	TOTAL
Cost							
Balance as at 1st April 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**
Additions	-	-	2.47	-	16.79	-	**19.26**
Disposals/ Adjustments	-	-	0.01	-	-	-	**0.01**
Balance as at 31st March 2018	**86.11**	**157.91**	**46.39**	**4.72**	**39.84**	**4.56**	**339.53**
Accumulated Amortisation and Impairment							
Balance as at 1st April 2016	**-**	**-**	**(26.21)**	**-**	**(14.22)**	**(2.27)**	**(42.70)**
Amortisation expense	-	-	(4.43)	-	(1.83)	(0.48)	**(6.74)**
Eliminated on disposal of assets	-	-	0.09	-	-	-	**0.09**
Balance as at 31st March 2017	**-**	**-**	**(30.55)**	**-**	**(16.05)**	**(2.75)**	**(49.35)**
Amortisation expense	-	-	(4.61)	-	(1.69)	(0.48)	**(6.78)**
Eliminated on disposal of assets	-	-	0.05	-	-	-	**0.05**
Balance as at 31st March 2018	**-**	**-**	**(35.11)**	**-**	**(17.74)**	**(3.23)**	**(56.08)**
Carrying Amount							
Balance as at 1st April 2016	**86.11**	**157.91**	**13.66**	**4.72**	**8.83**	**2.29**	**273.52**
Additions	-	-	4.13	-	-	-	**4.13**
Disposals / Adjustments	-	-	(0.09)	-	-	-	**(0.09)**
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	**86.11**	**157.91**	**13.36**	**4.72**	**7.00**	**1.81**	**270.91**
Additions	-	-	2.47	-	16.79	-	**19.26**
Disposals / Adjustments	-	-	0.01	-	-	-	**0.01**
Amortisation expense	-	-	(4.61)	-	(1.69)	(0.48)	**(6.78)**
Amortisation Eliminated on disposal of assets	-	-	0.05	-	-	-	**0.05**
Balance as at 31st March 2018	**86.11**	**157.91**	**11.28**	**4.72**	**22.10**	**1.33**	**283.45**

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

Goodwill, Copyrights and Trademark

Goodwill, copyrights and trademark in the books of the Company pertains to Consumer and Bazaar business of the Company.

At the end of each reporting period, the Company reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cashflows from Consumer and Bazaar business.

Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill, copyrights and trademark in the books as on 31st March 2018. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark 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 (12.5% per annum as at 31st March 2017).

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 (9% per annum as at 31st March 2017) 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 13.8% (CAGR) (13.1% as at 31st March 2017), 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 0.6 % (0.3% as at 31st March 2017) 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 2018		As at 31st March 2017	
	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 unless otherwise stated)				
• Equity Shares of USD 1 each of Pidilite International Pte Ltd	**2,30,02,766**	**111.64**	2,05,62,716	95.73
• Equity Shares of AED 1 each of Pidilite Middle East Ltd [Impairment in value of investments ₹ **65.92** crores (₹ 65.92 crores as at 31st March 2017)]	**8,83,79,492**	**134.39**	7,90,01,692	117.85
• Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda [Impairment in value of investments ₹ **110.20** crores (₹ 110.20 crores as at 31st March 2017)]	**6,94,60,776**	**165.69**	6,94,60,776	165.69
• Equity Shares of USD 1 each of Pidilite USA Inc	**1,47,80,000**	**64.77**	1,47,80,000	64.77
• Equity Shares of EGP 100 each of Pidilite Industries Egypt SAE	**7,396**	**0.54**	7,396	0.54
• Equity Shares of BIRR 100 each of Pidilite Chemical PLC	**1,24,076**	**3.34**	62,069	1.87
• Equity Shares of ₹ 10 each of Fevicol Company Ltd	**2,69,260**	**2.24**	2,12,500	1.68
• Equity Shares of ₹ 10 each of Pagel Concrete Technologies Pvt Ltd [Impairment in value of investments ₹ **0.84** crores (₹ 0.84 crores as at 31st March 2017)]	**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
• Equity Shares of ₹ 10 each of Madhumala Traders Pvt Ltd	**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
• Equity Shares of ₹ 10 each of Percept Waterproofing Services Ltd	**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
• Equity Shares of ₹ 10 each of ICA Pidilite Pvt Ltd	**28,33,964**	**99.32**	22,37,340	78.86
• Equity Shares of ₹ 10 each of Cipy Poly Urethanes Pvt Ltd [refer Note 53(a)]	**65,816**	**130.85**	-	-
Less: Impairment in value of Investments		**(176.96)**		(176.96)
TOTAL (a)		**611.75**		425.96
(b) Investment in other entity (fully paid up) (at FVTPL)				
• Equity Shares of ₹ 10 each of Pal Peugeot Ltd	**1,21,300**	**0.12**	**121,300**	0.12
Less: Impairment in value of Investment		**(0.12)**		(0.12)
TOTAL (b)		**-**		-
TOTAL Unquoted [(a)+(b)] (i)		**611.75**		425.96
ii) Quoted:				
Investment in Associates (fully paid up) (at cost unless otherwise stated)				
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18
TOTAL (ii)		**1.18**		1.18
Total Investment in Equity Instruments [(i)+(ii)] (A)		**612.93**		**427.14**

	As at 31st March 2018		As at 31st March 2017	
	Qty	₹ in crores	Qty	₹ in crores
B] Investments in Mutual Funds (Unquoted) (at FVTPL)				
• Units of Reliance Fixed Horizon Fund XXV-Series 28 - Growth Plan	-	-	1,00,00,000	13.09
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	**1,00,00,000**	**10.07**	-	-
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	**2,00,00,000**	**20.11**	-	-
• Units of DSP BlackRock FMP S223-39M - Direct Growth	**1,50,00,000**	**15.14**	-	-
• Units of DSP BlackRock FMP S224-39M - Direct Growth	**1,50,00,000**	**15.09**	-	-
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	**1,00,00,000**	**10.07**	-	-
• Units of IDFC Fixed Term Plan Series 140 Direct Plan - Growth (1.145 days)	**1,50,00,000**	**15.14**	-	-
• Units of Kotak FMP Series 219 - Direct Growth	**1,50,00,000**	**15.13**	-	-
Total Investments in Mutual Funds (B)		**100.75**		13.09
TOTAL [A+B]		**713.68**		440.23
• Aggregate carrying value of quoted investments		**1.18**		1.18
• Aggregate market value of quoted investments		**74.48**		52.24
• Aggregate carrying value of unquoted investments		**712.50**		439.05
• Aggregate amount of Impairment in value of investments		**177.08**		177.08

7 Investments - Current

	As at 31st March 2018		As at 31st March 2017	
	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
• Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth	-	-	50,00,000	6.46
• Units of HDFC-FMP 441D Feb 2014 (1) Series 29- Growth	-	-	1,00,00,000	12.96
• 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
• Units of DSP- Black Rock FMP- S146-12M-Reg-Growth	-	-	1,00,00,000	13.00
• Units of Birla Sun Life Fixed Term Plan Series KN (1,099 days) GR Regular	-	-	1,00,00,000	12.87

	As at 31st March 2018		As at 31st March 2017	
	Qty	₹ in crores	Qty	₹ in crores
• Units of Aditya Birla Sun Life Saving Fund - Growth-Regular Plan	**27,39,323**	**93.66**	27,39,323	87.29
• Units of UTI Treasury Adv Fund-Institutional Plan - Direct Growth Plan	**2,28,954**	**55.26**	3,62,028	81.65
• Units of SBI Premier Liquid Fund- Direct Plan- Growth	-	-	3,47,688	88.74
• Units of Kotak Treasury Adv Fund - Direct Plan - Growth	**3,63,21,092**	**102.54**	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
• Units of DSP BR Low Duration Fund Dir Plan - G	**4,85,61,619**	**61.88**	1,64,01,488	19.53
• Units of HDFC Floating Rate IF-ST-Direct Option-WS - Growth Option	**3,28,56,177**	**99.82**	51,24,050	14.53
• Units of Reliance Money Manager Fund - Direct Growth Plan	-	-	65,450	14.90
• Units of IDFC Ultra Short Term - Growth - Direct Plan	**4,17,68,452**	**103.57**	3,14,35,815	72.78
• Units of ICICI Prudential Short Term Fund - Growth	**1,12,15,155**	**42.06**	60,96,371	20.80
• Units of ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	**1,31,84,101**	**32.63**	1,31,84,101	30.75
• Units of ICICI Prudential Ultra Short Term - Direct Plan - Growth	**4,33,00,226**	**79.17**	4,33,00,226	74.10
• Units of IDFC Banking Debt Fund - Regular Plan - Growth	-	-	91,03,616	12.68
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	**4,81,11,596**	**57.59**	4,81,11,596	53.96
• Units of HDFC Short Term Opportunity Fund - Dir Plan Growth Option	**1,77,04,254**	**34.21**	1,77,04,254	32.05
• Units of HDFC Medium Term Opportunity Fund - Dir Plan Growth Option	**2,31,55,787**	**44.94**	2,31,55,787	42.09
• Units of Reliance Banking & PSU Debit Fund - Direct Growth Plan	**5,52,03,331**	**69.61**	5,52,03,331	65.32
• Units of Aditya Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	**15,28,949**	**34.33**	15,28,949	32.16
• Units of Aditya Birla Sun Life Short Term Fund - Growth - Direct Plan	**64,44,650**	**43.06**	64,44,650	40.31
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	**2,67,44,404**	**54.83**	2,67,44,404	51.43
• Units of TATA Short Term Bond Fund - Direct Plan - Growth	**1,30,70,486**	**43.83**	1,30,70,486	41.15
• Units of HDFC Arbitrage Fund-Wholesale Plan- Direct Plan- Monthly Dividend	-	-	4,82,06,123	50.60
• 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
• Units of Reliance Fixed Horizon Fund XXV-Series 28- Growth Plan	**1,00,00,000**	**14.01**	-	-
• Units of Kotak Floater Short Term - Direct Growth	**17,557**	**5.01**	-	-
TOTAL		**1,072.01**		1,353.18

(₹ in crores)

8 Trade Receivables

	As at 31st March 2018	As at 31st March 2017
• Secured, Considered good	**71.13**	60.93
• Unsecured, Considered good	**618.46**	546.72
• Considered doubtful	**32.64**	27.15
	722.23	634.80
Less: Allowance for expected credit loss	**(32.64)**	(27.15)
TOTAL	**689.59**	607.65

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	
	As at 31st March 2018	As at 31st March 2017
Within the credit period (in days)		
01-90	**1.2%**	1.1%
91-180	**50.8%**	37.0%
181-360	**62.9%**	61.7%
>360	**81.9%**	82.2%

(₹ in crores)

Movement in expected credit loss allowance

	For the year ended 31st March 2018	For the year ended 31st March 2017
Balance at the beginning of the year	**27.15**	27.12
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**5.49**	0.03
Balance at the end of the year	**32.64**	27.15

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.

9 Loans - Non-Current

	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**3.32**	4.40
TOTAL	**3.32**	4.40

*Loans given for business purpose.

(₹ in crores)

10 Loans - Current

	As at 31st March 2018	As at 31st March 2017
Loans and advances to related parties* (refer Note a)		
Unsecured, Considered good	**2.65**	7.75
Considered doubtful	**0.33**	0.33
	2.98	8.08
Less: Allowance for doubtful balances	**(0.33)**	(0.33)
	2.65	7.75
Loans and Advances to Employees & Others*	**10.57**	10.73
TOTAL	**13.22**	18.48

*Loans given for business purpose.

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

	As at 31st March 2018	As at 31st March 2017
Name of Party		
Pidilite MEA Chemicals LLC (Formerly known as Jupiter Chemicals LLC)	**0.39**	0.43
Pidilite USA Inc	**-**	0.19
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**1.69**	1.71
Pidilite Bamco Ltd	**0.03**	0.10
Bamco Supply and Services Ltd	**0.02**	0.02
Pidilite Industries Egypt SAE	**0.18**	0.97
Pagel Concrete Technologies Pvt Ltd (Considered Doubtful)	**0.33**	0.33
Pidilite Lanka (Private) Ltd	**0.20**	0.29
Building Envelope Systems India Ltd	**0.04**	0.03
Nitin Enterprises	**-**	3.90
Pargro Investment Pvt Ltd	**-**	0.01
Pidilite Chemical PLC	**-**	0.10
ICA Pidilite Pvt Ltd	**0.10**	-
TOTAL	**2.98**	8.08

11 Other Financial Assets - Non-Current

	As at 31st March 2018	As at 31st March 2017
Security Deposit	**11.08**	11.78
Fixed Deposit with Banks with original maturity of more than 12 months*	**0.06**	0.50
Derivative Asset towards call option to buy subsidiary shares [refer Note 53(a)]	**0.55**	-
Other Receivables		
Unsecured, Considered good	**-**	-
Considered doubtful	**1.74**	1.74
	1.74	1.74
Less: Allowance for doubtful balances	**(1.74)**	(1.74)
	-	-
TOTAL	**11.69**	12.28
*Includes Fixed Deposit under lien.	**0.06**	0.24

(₹ in crores)

12 Other Financial Assets - Current

	As at 31st March 2018	As at 31st March 2017
Security Deposit		
Unsecured, Considered good	**3.24**	1.45
Considered doubtful	**0.49**	0.49
	3.73	1.94
Less: Allowance for doubtful balances	**(0.49)**	(0.49)
	3.24	1.45
Derivative assets towards Foreign Exchange Forward Contracts	**0.09**	0.03
Other Receivables*	**5.26**	3.52
TOTAL	**8.59**	5.00

*Includes Windmill income and Insurance claim receivable.

13 Cash and Cash Equivalents

	As at 31st March 2018	As at 31st March 2017
Cash and Cash Equivalents		
Cash on Hand	**0.11**	0.10
Cheques on Hand	**49.11**	28.94
Balance with banks		
In Current Account	**9.73**	8.06
In EEFC Account	**7.17**	8.70
TOTAL	**66.12**	45.80
Cash and Cash Equivalents (As per Cash Flow Statements)	**66.12**	45.80

14 Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2018	As at 31st March 2017
Balance with banks		
In Current Account (balances with restriction on repatriation)	**0.10**	0.50
In Escrow Account	**6.64**	-
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**0.41**	0.14
In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (refer Note a)	**3.49**	3.12
Earmarked Account		
Dividend Payment Bank Account	**1.00**	0.91
TOTAL	**11.64**	4.67
a. Includes Fixed Deposit under lien.	**2.49**	2.99

(₹ in crores)

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

	As at 31st March 2018	As at 31st March 2017
Raw Material and Packing Material	**264.59**	198.86
Work-in-Progress	**58.86**	53.07
Finished Goods	**262.30**	266.52
Stock-in-Trade (acquired for trading)	**41.43**	34.52
Stores and Spares	**3.76**	3.28
TOTAL	**630.94**	556.25
Included above Goods-in-Transit		
Raw Material and Packing Material	**37.74**	15.71
Work-in-Progress	**3.22**	2.28
Finished Goods	**40.07**	39.74
Stock-in-Trade (acquired for trading)	**3.85**	3.50
TOTAL	**84.88**	61.23

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **2,537.93** crores (₹ 2,262.14 crores for the year ended 31st March 2017)

b. The cost of inventories recognised as an expense includes ₹ **0.17** crores in respect of write-downs of inventory to net realisable value (₹ 0.74 crores for the year ended 31st March 2017)

c. The mode of valuation of inventories has been stated in Note 2.12

16 Income Tax Asset (net) - Non-Current

	As at 31st March 2018	As at 31st March 2017
Advance Payment of Taxes (net of provisions ₹ 1,336.94 crores)	**62.27**	36.47
(net of provisions ₹ 1,009.33 crores as at 31st March 2017)		
TOTAL	**62.27**	36.47

17 Other Non-Current Assets

	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good		
Capital Advances	**8.91**	5.33
Prepaid Expenses	**41.41**	42.54
Balance with Government Authorities*	**18.93**	22.47
TOTAL	**69.25**	70.34

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

(₹ in crores)

18 Current Tax Asset

	As at 31st March 2018	As at 31st March 2017
Advance Payment of Taxes (net of provisions ₹ Nil)	**23.66**	-
TOTAL	**23.66**	-

19 Other Current Assets

	As at 31st March 2018	As at 31st March 2017
Export Benefits receivable		
Unsecured, Considered good	**12.71**	14.50
Considered doubtful	**-**	0.44
	12.71	14.94
Less: Allowance for doubtful debts	**-**	(0.44)
	12.71	14.50
Balances with Government Authorities*		
Unsecured, Considered good	**103.47**	29.47
Considered doubtful	**0.06**	0.06
	103.53	29.53
Less: Allowance for doubtful debts	**(0.06)**	(0.06)
	103.47	29.47
Advances to vendors		
Unsecured, Considered good	**23.72**	17.33
Considered doubtful	**0.01**	0.10
	23.73	17.43
Less: Allowance for doubtful debts	**(0.01)**	(0.10)
	23.72	17.33
Prepaid Expenses	**6.22**	8.49
Prepaid Gratuity (net) (refer Note 45)	**1.40**	-
Others**	**0.25**	4.90
TOTAL	**147.77**	74.69

* Includes input tax credit, VAT / GST receivable, etc.

** Includes Share Application Money

(₹ in crores)

	As at 31st March 2018	As at 31st March 2017
20 Equity Share Capital		
Authorised Capital:		
70,00,00,000 Equity Shares of ₹ 1 each	**70.00**	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31st March 2017)		
TOTAL	**70.00**	70.00
Issued, Subscribed and Paid up Capital:		
50,78,10,330 Equity Shares of ₹ 1 each, fully paid up	**50.78**	51.27
(51,26,82,730 Equity Shares of ₹ 1 each as at 31st March 2017)		
TOTAL	**50.78**	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 as at 1st April 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 as at 31st March 2017	51,26,82,730	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	106,000	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016**	21,600	0.00
Buy-back of Shares [refer Note 53(b)]	(50,00,000)	(0.50)
Balance as at 31st March 2018	**50,78,10,330**	**50.78**

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

**Issue of equity shares under Employee Stock Option Plan 2016 amounts to ₹ 21,600 during the year 2017-18.

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 24th May 2018 declared a Final dividend of ₹ **6.00** per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2018, the Company had paid Final Dividend of ₹ 4.75 per equity share of ₹ 1 each for the financial year 2016-17.

During the year ended 31st March 2017, the Company had paid 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 2018		As at 31st March 2017	
	Number of Shares held	**% of Holding**	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,27,62,286**	**10.39**	5,33,27,568	10.40
Shri Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.69**	5,17,32,178	10.09
Shri Ajay Balvantray Parekh	**4,74,33,489**	**9.34**	4,79,22,844	9.35
Shri Sushilkumar Kalyanji Parekh	**4,18,17,646**	**8.23**	4,23,58,636	8.26
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.16**	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 2018	As at 31st March 2017
	Number of Shares	Number of Shares
Equity Shares		
Allotted on Conversion of FCCB (in 2011-12 and 2012-13)	-	65,07,718
Buy-back of Shares [refer Note 53(b)]	**50,00,000**	-

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 2018	As at 31st March 2017
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme 2012	**34,200**	29,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan 2016	**43,99,400**	44,53,500

(₹ in crores)

21 Other Equity

	As at 31st March 2018	As at 31st March 2017
Capital Reserve	**0.34**	0.34
Securities Premium Reserve	**-**	66.36
Capital Redemption Reserve	**0.50**	-
Cash Subsidy Reserve	**0.95**	0.95
Share Options Outstanding Account	**9.03**	11.01
General Reserve	**1,335.38**	1,764.70
Retained Earnings	**2,166.95**	1,504.72
TOTAL	**3,513.15**	3,348.08

21.1 Capital Reserve

	As at 31st March 2018	As at 31st March 2017
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.

21.2 Securities Premium Reserve

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**66.36**	65.96
Add: Premium on Shares issued against ESOP	**7.21**	0.40
Less: Amount paid on account of Buy-back of Shares [refer Note 53(b)]	**(73.57)**	-
Closing Balance	**-**	66.36

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 Securities Premium Reserve Account and Company can use this reserve for buy-back of shares. This reserve is utlised in accordance with the provisions of the Companies Act, 2013.

21.3 Capital Redemption Reserve

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**-**	-
Add: Transferred from General Reserve on Buy-back of Shares	**0.50**	-
Closing Balance	**0.50**	-

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to the nominal amount of equity shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

21.4 Cash Subsidy Reserve	As at 31st March 2018	As at 31st March 2017
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.

21.5 Share Options Outstanding Account	As at 31st March 2018	As at 31st March 2017
Employees Stock Options Outstanding		
Balance at the beginning of the year	**15.84**	12.31
Add: Options granted during the year	**4.22**	4.73
Less: Transferred to Securities Premium on Options exercised during the year	**(7.21)**	(0.40)
Less: Lapsed during the year	**(0.31)**	(0.80)
Closing Balance (A)	**12.54**	15.84
Deferred Employees Stock Options Cost		
Balance at the beginning of the year	**(4.83)**	(8.70)
Less: Options granted during the year	**(4.22)**	(4.73)
Add: Exercised during the year	**0.74**	0.33
Add: Amortised during the year	**4.64**	7.56
Add: Lapsed during the year	**0.16**	0.71
Closing Balance (B)	**(3.51)**	(4.83)
Closing Balance (A+B)	**9.03**	11.01

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 46.

21.6 General Reserve	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**1,764.70**	1,764.70
Less: Transferred to Capital Redemption Reserve on Buy-back of Shares [refer Note 53(b)]	**(0.50)**	-
Less: Amount paid on account of Buy-back of Shares [refer Note 53(b)]	**(425.93)**	-
Less: Transaction cost related to Buy-back of Shares [refer Note 53(b)]	**(2.89)**	-
Closing Balance	**1,335.38**	1,764.70

General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

21.7 Retained Earnings	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**1,504.72**	763.76
Add: Profit for the year	**955.19**	773.79
Less: Payment of Dividend	**(243.52)**	(25.63)
Tax on Dividend paid	**(49.57)**	(5.22)
Other Comprehensive Income for the year, net of income tax	**0.13**	(1.98)
Closing Balance	**2,166.95**	1,504.72

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

22 Trade Payables

	As at 31st March 2018	As at 31st March 2017
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 50)	**19.58**	15.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	**408.58**	312.52
TOTAL	**428.16**	328.47

23 Other Financial Liabilities - Non-Current

	As at 31st March 2018	As at 31st March 2017
Employee related liabilities	**1.21**	1.68
Payables on purchase of assets	**5.36**	-
Derivative liability towards put option to buy subsidiary shares [refer Note 53(a)]	**35.15**	-
Others*	**1.29**	-
TOTAL	**43.01**	1.68

* Includes retention payable on capital goods

24 Provisions - Non-Current

	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		
Compensated Absences	**27.04**	23.09
Anniversary Awards	**1.27**	0.88
Premature Death Pension Scheme	**1.05**	0.86
Total Disability Pension Scheme	**0.21**	0.14
TOTAL	**29.57**	24.97

25 Provisions - Current

	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		
Gratuity (net) (refer Note 45)	**-**	2.65
Compensated Absences	**9.54**	9.99
Anniversary Awards	**0.20**	0.14
Premature Death Pension Scheme	**0.01**	0.01
Total Disability Pension Scheme	**0.03**	0.02
TOTAL	**9.78**	12.81

(₹ in crores)

26 Deferred Tax Liabilities (net)

	As at 31st March 2018	As at 31st March 2017
Tax effect of items constituting Deferred Tax Assets (refer Note 48)	**(30.17)**	(27.73)
Tax effect of items constituting Deferred Tax Liabilities (refer Note 48)	**133.07**	111.36
TOTAL	**102.90**	83.63

27 Other Financial Liabilities - Current

	As at 31st March 2018	As at 31st March 2017
Unclaimed Dividend	**1.00**	0.91
Payables on purchase of assets	**5.76**	1.88
Trade/ Security Deposit received	**94.76**	83.78
Liabilities for expenses	**263.31**	259.41
Employee related liabilities	**21.77**	18.81
Derivative liabilities towards Foreign Exchange Forward Contracts	**0.08**	0.87
Others*	**7.68**	-
TOTAL	**394.36**	365.66

* Includes retention payable on capital goods

28 Other Current Liabilities

	As at 31st March 2018	As at 31st March 2017
Statutory remittances	**31.68**	42.06
Advance from customers	**12.03**	11.43
Other Liabilities	**5.75**	9.59
TOTAL	**49.46**	63.08

29 Current Tax Liabilities (net)

	As at 31st March 2018	As at 31st March 2017
Provision for Tax (net of Advance Tax ₹ 483.03 crores) (net of Advance Tax ₹ 446.10 crores as at 31st March 2017)	**6.78**	15.93
TOTAL	**6.78**	15.93

(₹ in crores)

30 Revenue from Operations

	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue From Operations		
Sale of Products	**5,445.67**	5,270.30
TOTAL (A)	**5,445.67**	5,270.30
Other Operating Revenue		
Scrap Sales	**10.73**	10.13
Export Incentives	**14.11**	15.50
GST Refund	**16.50**	-
Others	**3.95**	2.72
TOTAL (B)	**45.29**	28.35
Revenue from operations (A+B)	**5,490.96**	5,298.65

31 Other Income

	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest on:		
Bank Deposit (at amortised cost)	**0.27**	2.04
Overdue Trade Receivables	**0.65**	1.00
Others	**0.78**	0.50
Dividend on:		
Current Investments (at FVTPL)	**15.58**	7.15
Long-term Investments in Associate (at cost)	**1.34**	1.12
Other Non-Operating Income:		
Windmill Income	**3.77**	4.39
Royalty & Technical Knowhow Income	**2.81**	2.83
Insurance claim received	**0.72**	-
Liabilities no longer required written back	**14.13**	8.61
Rental Income from Operating Leases	**2.20**	2.35
Net gain arising on financial assets designated as at FVTPL	**90.36**	76.47
Miscellaneous Income	**3.88**	3.64
TOTAL	**136.49**	110.10

(₹ in crores)

32 Cost of Materials Consumed

	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventory at the beginning of the year	**198.86**	145.70
Add: Purchases	**2,337.01**	2,078.98
	2,535.87	2,224.68
Less: Inventory at the end of the year	**(264.59)**	(198.86)
TOTAL	**2,271.28**	2,025.82

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventories at the end of the year		
Stock-in-Trade	**41.43**	34.52
Work-in-Progress	**58.86**	53.07
Finished Goods	**262.30**	266.52
(A)	**362.59**	354.11
Inventories at the beginning of the year		
Stock-in-Trade	**34.52**	32.55
Work-in-Progress	**53.07**	46.52
Finished Goods	**266.52**	266.62
(B)	**354.11**	345.69
TOTAL (B)-(A)	**(8.48)**	(8.42)
Increase of Excise Duty on inventory of Finished Goods	**-**	0.52
TOTAL	**(8.48)**	(7.90)

34 Employee Benefits Expense

	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages	**523.80**	466.15
Contribution to Provident and Other Funds (refer Note 45)	**26.35**	22.60
Share based payments to employees (net of recovery from subsidiaries)(refer Note 46)	**5.14**	7.80
Staff Welfare Expenses	**15.57**	10.90
TOTAL	**570.86**	507.45

35 Finance Costs

	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest expense on:		
Cash Credit	**0.05**	0.05
Dealer Deposits & others	**6.01**	5.63
TOTAL	**6.06**	5.68

(₹ in crores)

36 Depreciation and Amortisation Expense

	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation on Property, Plant and Equipment (refer Note 4)	**84.70**	83.50
Amortisation of Other Intangible Assets (refer Note 5)	**6.78**	6.74
TOTAL	**91.48**	90.24

37 Other Expenses

		For the year ended 31st March 2018	For the year ended 31st March 2017
Consumption of Stores and Spares		**19.62**	17.02
Clearing, Forwarding and Octroi Duty		**219.62**	222.27
Power and Fuel		**52.69**	46.85
Water Charges		**2.91**	2.53
Rent		**30.83**	29.04
Rates and Taxes		**2.20**	3.94
Insurance		**3.17**	3.25
License fees		**0.80**	0.39
Repairs:			
Buildings	**8.98**		8.99
Machinery	**15.54**		13.05
Others	**12.87**		11.67
		37.39	33.71
Directors' Fees		**0.27**	0.21
Advertisement and Publicity		**193.84**	170.14
Legal, Professional and Consultancy fees		**36.60**	36.93
Communication Expenses		**15.97**	14.08
Printing and Stationery		**4.89**	4.27
Travelling and Conveyance Expenses		**85.75**	80.44
Bad Debts		**3.10**	1.47
Allowance for Doubtful Debts		**5.49**	0.53
Processing and Packing Charges		**70.75**	63.86
Sales Commission		**6.45**	6.68
Payments to Auditor (refer Note 51)		**1.12**	1.09
Donations		**0.33**	0.52
Corporate Social Responsibility Expenses (refer Note 52)		**22.03**	19.02
Loss on disposal of Property, Plant and Equipment		**0.73**	2.02
Net Loss on Foreign Currency Transactions and Translation		**1.48**	3.96
Miscellaneous Expenses		**135.25**	106.68
TOTAL		**953.28**	870.90

38 Exceptional Items

	For the year ended 31st March 2018	For the year ended 31st March 2017
Impairment in value of Investment in Subsidiary Companies	-	94.34
TOTAL	-	94.34

During the previous year, the Company had 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 had recognised impairment loss in the value of investments made in Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda ₹ 55.50 crores, Pidilite Middle East Ltd ₹ 38.00 crores and Pagel Concrete Technologies Pvt Ltd ₹ 0.84 crores.

(₹ in crores)

39 Contingent Liabilities and Commitments

			As at 31st March 2018	As at 31st March 2017
A)	**Contingent liabilities not provided for:**			
1.	Claims against the Company not acknowledged as debts comprise:			
	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	**34.40**	20.04
	b)	Excise Duty claims disputed by the Company relating to issues of classifications	**12.22**	9.24
	c)	Sales Tax claims disputed by the Company relating to issues of declaration forms and classifications	**122.77**	169.38
	d)	Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)	**2.63**	2.73
2.	a)	Guarantees given by Banks in favour of Government and others*	**46.97**	29.17
	b)	Guarantees given by Company in favour of Subsidiaries to Banks*		
		Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	**15.64**	15.55
		Pidilite Bamco Ltd	**2.80**	2.79
		Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)	**35.49**	35.29
		Pidilite Lanka Private Limited	**25.16**	15.62
		Bamco Supply & Services Ltd	**0.95**	0.94
		Pidilite Industries Egypt SAE	**2.61**	2.59
	TOTAL		**82.65**	72.78

* Guarantees 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 and Equipment and not provided for	**33.77**	27.67
	b)	For other commitments, refer Note 47(E)(ii) and 53(a)		

40	The net amount of exchange differences debited to Statement of Profit and Loss	**1.48**	3.96

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 2018			As at 31st March 2017	
		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. 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 2017-18				Year 2016-17			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Revenue								
Segment Revenue	**4,546.29**	**994.77**	**55.81**	**5,596.87**	4,368.63	963.37	49.03	5,381.03
Less: Inter Segment Revenue (at cost plus fixed margin)	**(3.49)**	**(102.42)**	**-**	**(105.91)**	(1.73)	(80.65)	-	(82.38)
Net Revenue	**4,542.80**	**892.35**	**55.81**	**5,490.96**	4,366.90	882.72	49.03	5,298.65
Revenue								
India				**4,958.92**				4,817.72
Outside India				**532.04**				480.93
Segment Result	**1,349.96**	**158.29**	**(1.94)**	**1,506.31**	1,254.38	166.23	(4.06)	1,416.55
Unallocable Expenses				**(206.96)**				(293.59)
Unallocable Income				**19.37**				15.63
Operating Income				**1,318.72**				1,138.59
Finance Cost				**(6.06)**				(5.68)
Interest / Dividend Income				**18.62**				11.81
Profit Before Tax				**1,331.28**				1,144.72
Tax Expense				**(376.09)**				(370.93)
Profit for the year				**955.19**				773.79
Other Comprehensive Income				**0.13**				(1.98)
Total Comprehensive Income				**955.32**				771.81
The above includes:								
Depreciation and Amortisation (allocable)	**48.32**	**14.55**	**1.65**	**64.52**	46.03	13.55	2.25	61.83
Depreciation and Amortisation (unallocable)				**26.96**				28.41
Capital Expenditure (including Capital Work-in-Progress) (allocable)	**84.33**	**25.18**	**8.23**	**117.74**	71.68	21.70	0.56	93.94
Capital Expenditure (unallocable)				**14.22**				4.15

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

Segment Assets & Liabilities	31st March 2018				31st March 2017			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Segment Assets	**1,822.41**	**508.51**	**46.54**	**2,377.46**	1,611.60	435.06	42.05	2,088.71
Unallocable Assets				**2,250.49**				2,206.87
Total Assets				**4,627.95**				4,295.58
India				**4,489.91**				4,191.00
Outside India				**138.04**				104.58
Segment Liabilities	**727.27**	**163.22**	**5.92**	**896.41**	598.62	165.77	8.80	773.19
Unallocable Liabilities				**167.61**				123.04
Total Liabilities				**1,064.02**				896.23
Other Information								
Capital Employed				**3,563.93**				**3,399.35**

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

43 Earnings Per Share (EPS)

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
Basic:		
Profit for the year (₹ in crores)	**955.19**	773.79
Weighted average number of equity shares in calculating basic EPS	**50,78,58,798**	51,26,75,918
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**18.81**	15.09
Diluted:		
Profit for the year (₹ in crores)	**955.19**	773.79
Weighted average number of equity shares in calculating basic EPS	**50,78,58,798**	51,26,75,918
Add: Effect of Employee Stock Option	**2,06,700**	2,76,900
Weighted average number of equity shares in calculating diluted EPS	**50,80,65,498**	51,29,52,818
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**18.80**	15.09

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 LLC (Previously known as Jupiter Chemicals LLC)	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 Private Limited)	Subsidiary
	z.	Nebula East Africa Pvt Ltd	Subsidiary
	aa.	Nina Lanka Construction Technologies (Pvt) Ltd	Subsidiary
	ab.	Cipy Poly Urethanes Pvt Ltd (from 8th February 2018)	Subsidiary
	ac.	Building System Solution Trading Limited LLC (upto 5th March 2018)	Subsidiary
	ad.	Vinyl Chemicals (India) Ltd	Associate
	ae.	Plus Call Technical Services LLC	Joint Venture
	af.	Parekh Marketing Ltd	Significant Influence of KMP
	ag.	Pargro Investment Pvt Ltd	Significant Influence of KMP
(ii)	**Key Management Personnel (KMP):**		
	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 Sabyasachi Patnaik	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 2018 are as follows:

	Nature of Transaction	Remuneration to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Nitin Enterprises	Fevicol Company Ltd	Bhimad Commercial Co Pvt Ltd	Madhumala Traders Pvt Ltd	Pagel Concrete Technologies Pvt Ltd
a.	Sales and Related Income		**85.26**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(82.67)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
b.	Other Income		**NIL**	**NIL**	**0.34**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
c.	Purchases and Other Related Services		**NIL**	**348.52**	**41.65**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(282.45)	(26.88)	(NIL)	(NIL)	(NIL)	(NIL)
d.	Remuneration /Commission to Directors:								
	- Shri M B Parekh	**3.89**							
		(3.78)							
	- Shri Bharat Puri	**21.18**							
		(12.73)							
	- Shri A B Parekh	**6.42**							
		(5.68)							
	- Shri A N Parekh	**5.41**							
		(4.81)							
	- Shri Sabyasachi Patnaik	**2.51**							
		(2.25)							
	Total Remuneration	**39.41**							
		(29.25)							
e.	Investment in Share Capital		**NIL**	**NIL**	**NIL**	**0.57**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(1.62)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.16)	(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.	Rent Paid / (Received)		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
i.	Reimbursement of expenses made		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
j.	Reimbursement of expenses received		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
k.	Diminution in value of Investment		**NIL**	**NIL**	NIL	**NIL**	NIL	NIL	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.84)
l.	Allowance for doubtful debts		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.33)
m.	Corporate guarantee given to bank		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
n.	Outstanding Balances:								
	- Trade Receivables		**15.04**	**NIL**	**NIL**	**NIL**	NIL	**NIL**	**NIL**
			(13.98)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
	- Loans and Advances		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**0.33**
			(NIL)	(NIL)	(3.90)	(NIL)	(NIL)	(NIL)	(0.33)
	- Trade Payables		**0.02**	**29.76**	**0.34**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.01)	(20.66)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
	- Net Outstanding Receivable/(Payable)		**15.02**	**(29.76)**	**(0.34)**	**NIL**	**NIL**	**NIL**	**0.33**
			(13.97)	((20.66))	(3.90)	(NIL)	(NIL)	(NIL)	(0.33)

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2018 are as follows:

	Nature of Transaction	Pidilite Interna-tional Pte Ltd	Pidilite Middle East Ltd	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Pidilite USA Inc	Pidilite MEA Chemicals LLC.	PT Pidilite Indonesia	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Pidilite Innovation Centre Pte Ltd
a.	Sales and Related Income	**NIL**	**NIL**	**NIL**	**4.88**	**47.69**	**NIL**	**15.99**	**0.70**
		(NIL)	(NIL)	(NIL)	(0.17)	(45.90)	(NIL)	(12.94)	(0.30)
b.	Other Income	**NIL**	**NIL**	**NIL**	**NIL**	**0.80**	**NIL**	**1.70**	**0.02**
		(NIL)	(NIL)	(NIL)	(0.03)	(0.70)	(NIL)	(1.70)	(0.01)
c.	Purchases and Other Related Services	**0.04**	**NIL**	**NIL**	**9.28**	**NIL**	**0.43**	**NIL**	**6.74**
		(0.19)	(NIL)	(NIL)	(6.27)	(NIL)	(0.36)	(NIL)	(7.01)
d.	Remuneration /Commission to Directors:								
	- Shri M B Parekh								
	- Shri Bharat Puri								
	- Shri A B Parekh								
	- Shri A N Parekh								
	- Shri Sabyasachi Patnaik								
	Total Remuneration								
e.	Investment in Share Capital	**11.10**	**16.54**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(8.01)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(0.04)	(NIL)	(NIL)	(NIL)
g.	Sale of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(0.15)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Rent Paid / (Received)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
i.	Reimbursement of expenses made	**NIL**	**NIL**	**NIL**	**NIL**	**4.13**	**NIL**	**NIL**	**0.06**
		(NIL)	(NIL)	(NIL)	(0.48)	(5.07)	(NIL)	(NIL)	(NIL)
j.	Reimbursement of expenses received	**NIL**	**NIL**	**NIL**	**0.62**	**0.16**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(1.11)	(0.29)	(NIL)	(NIL)	(NIL)
k.	Diminution in value of Investment	**NIL**	**NIL**	NIL	NIL	**NIL**	NIL	NIL	**NIL**
		(NIL)	(38.00)	(55.50)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
l.	Allowance for doubtful debts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Corporate guarantee given to bank	**NIL**	**NIL**	NIL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(15.55)	(NIL)	(35.29)	(NIL)	(NIL)	(NIL)
n.	Outstanding Balances:								
	- Trade Receivables	**NIL**	**NIL**	**NIL**	**1.68**	**15.49**	NIL	**1.92**	**0.36**
		(NIL)	(NIL)	(NIL)	(1.19)	(14.78)	(NIL)	(2.12)	(0.16)
	- Loans and Advances	**NIL**	**NIL**	**NIL**	**NIL**	**0.39**	**NIL**	**1.69**	**NIL**
		(NIL)	(NIL)	(NIL)	(0.19)	(0.43)	(NIL)	(1.71)	(NIL)
	- Trade Payables	**NIL**	**NIL**	**NIL**	**1.72**	**0.04**	**0.06**	**NIL**	**0.08**
		(0.03)	(NIL)	(NIL)	(0.74)	(0.04)	(0.04)	(NIL)	(0.60)
	- Net Outstanding Receivable/(Payable)	**NIL**	**NIL**	**NIL**	**(0.04)**	**15.84**	**(0.06)**	**3.61**	**0.28**
		((0.03))	(NIL)	(NIL)	(0.64)	(15.17)	((0.04))	(3.83)	((0.44))

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2018 are as follows:

	Nature of Transaction	Pidilite Industries Egypt SAE	Pidilite Bamco Ltd	Bamco Supply Services Limited	Pidilite industries Trading (Shanghai) Co Ltd	PIL Trading (Egypt) Company	Building Envelope Systems India Ltd	Percept Waterproofing Services Ltd	Hybrid Coatings	Pidilite Chemical PLC	Nina Waterproofing Systems Pvt Ltd
a.	Sales and Related Income	**3.43**	**0.83**	**NIL**	**NIL**	**0.94**	**NIL**	**26.32**	**NIL**	**NIL**	**38.04**
		(5.31)	(0.03)	(NIL)	(NIL)	(1.95)	(NIL)	(18.22)	(NIL)	(NIL)	(30.52)
b.	Other Income	**0.59**	**0.29**	**0.08**	**NIL**	**NIL**	**0.07**	**NIL**	**0.07**	**NIL**	**NIL**
		(0.63)	(0.26)	(0.10)	(NIL)	(NIL)	(0.07)	(NIL)	(0.07)	(NIL)	(NIL)
c.	Purchases and Other Related Services	**NIL**	**NIL**	**NIL**	**0.54**	**NIL**	**10.09**	**0.07**	**15.11**	**0.26**	**NIL**
		(NIL)	(NIL)	(NIL)	(0.37)	(NIL)	(6.53)	(NIL)	(12.08)	(0.22)	(NIL)
d.	Remuneration /Commission to Directors:										
	- Shri M B Parekh										
	- Shri Bharat Puri										
	- Shri A B Parekh										
	- Shri A N Parekh										
	- Shri Sabyasachi Patnaik										
	Total Remuneration										
e.	Investment in Share Capital	**0.16**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**1.48**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**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)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Rent Paid / (Received)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
i.	Reimbursement of expenses made	**NIL**	**0.05**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(0.04)	(0.25)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
j.	Reimbursement of expenses received	**0.02**	**0.02**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(0.03)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
k.	Diminution in value of Investment	**NIL**	**NIL**	NIL	NIL	**NIL**	NIL	NIL	NIL	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
l.	Allowance for doubtful debts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Corporate guarantee given to bank	**NIL**	**NIL**	NIL	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(2.59)	(2.79)	(0.94)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
n.	Outstanding Balances:										
	- Trade Receivables	**3.46**	**NIL**	**NIL**	**NIL**	**0.33**	0.30	11.57	**NIL**	**NIL**	**21.84**
		(5.00)	(0.02)	(NIL)	(NIL)	(3.42)	(0.30)	(11.87)	(NIL)	(NIL)	(22.32)
	- Loans and Advances	**0.18**	**0.03**	**0.02**	**NIL**	**NIL**	**0.04**	**NIL**	**NIL**	**NIL**	**NIL**
		(0.97)	(0.10)	(0.02)	(NIL)	(NIL)	(0.03)	(NIL)	(NIL)	(0.10)	(NIL)
	- Trade Payables	**NIL**	**NIL**	**NIL**	**1.07**	**0.18**	**0.94**	**NIL**	**0.85**	**0.03**	**NIL**
		(NIL)	(NIL)	(NIL)	(0.54)	(0.10)	(0.13)	(NIL)	(0.68)	(NIL)	(NIL)
	- Net Outstanding Receivable/(Payable)	**3.64**	**0.03**	**0.02**	**(1.07)**	**0.15**	**(0.60)**	**11.57**	**(0.85)**	**(0.03)**	**21.84**
		(5.97)	(0.12)	(0.02)	((0.54))	(3.32)	(0.20)	(11.87)	((0.68))	(0.10)	(22.32)

(₹ in crores)

44 (iv) Transactions with Related Parties for the year ended 31st March 2018 are as follows:

	Nature of Transaction	ICA Pidilite Pvt Ltd	Pidilite Lanka (Private) Ltd	Plus Call Technical Services LLC	Building System Solution Trading LLC	Pargro Invest-ment Pvt Ltd	Cipy Polyure-thanes Pvt Ltd	Nebula East Africa Pvt Ltd	Nina Lanka Construc-tion Technlogies (Pvt) Ltd	Mala M Parekh	**Total**
a.	Sales and Related Income	**NIL**	**11.80**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**235.88**
		(NIL)	(8.89)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(206.90)
b.	Other Income	**NIL**	**0.20**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**4.16**
		(NIL)	(0.17)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(3.74)
c.	Purchases and Other Related Services	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**432.73**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(342.36)
d.	Remuneration /Commission to Directors:										
	- Shri M B Parekh										**3.89**
											(3.78)
	- Shri Bharat Puri										**21.18**
											(12.73)
	- Shri A B Parekh										**6.42**
											(5.68)
	- Shri A N Parekh										**5.41**
											(4.81)
	- Shri Sabyasachi Patnaik										**2.51**
											(2.25)
	Total Remuneration										**39.41**
											(29.25)
e.	Investment in Share Capital	**20.46**	**NIL**	**NIL**	**NIL**	**NIL**	**96.25**	**NIL**	**NIL**	**NIL**	**146.56**
		(78.85)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(88.48)
f.	Purchase of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.20)
g.	Sale of Fixed Assets	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(9.90)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(10.05)
h.	Rent Paid / (Received)	**NIL**	**NIL**	**NIL**	**NIL**	**(0.07)**	**NIL**	**NIL**	**NIL**	**0.73**	**0.66**
		(NIL)	(NIL)	(NIL)	(NIL)	((0.02))	(NIL)	(NIL)	(NIL)	(0.66)	(0.64)
i.	Reimbursement of expenses made	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**4.24**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(5.86)
j.	Reimbursement of expenses received	**0.10**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**0.92**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(1.43)
k.	Diminution in value of Investment	**NIL**	NIL	NIL	**NIL**	NIL	NIL	NIL	NIL	NIL	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(94.34)
l.	Allowance for doubtful debts	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(0.33)
m.	Corporate guarantee given to bank	**NIL**	**9.38**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**9.38**
		(NIL)	(15.62)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(72.78)
n.	Outstanding Balances:										
	- Trade Receivables	**NIL**	**6.68**	**NIL**	**NIL**	0.01	NIL	**NIL**	**NIL**	NIL	**78.68**
		(NIL)	(4.73)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(79.89)
	- Loans and Advances	**0.10**	**0.20**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**2.98**
		(NIL)	(0.29)	(NIL)	(NIL)	(0.01)	(NIL)	(NIL)	(NIL)	(NIL)	(8.08)
	- Trade Payables	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**35.09**
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(23.57)
	- Net Outstanding Receivable/(Payable)	**0.10**	**6.88**	**NIL**	**NIL**	**0.01**	**NIL**	**NIL**	**NIL**	**NIL**	**46.57**
		(NIL)	(5.02)	(NIL)	(NIL)	(0.01)	(NIL)	(NIL)	(NIL)	(NIL)	(64.40)

(₹ in crores)

v) Compensation of Key Management Personnel of the Company:

	For the year ended 31st March 2018	For the year ended 31st March 2017
Short-term employee benefits	**39.40**	29.24
Share-based payments	**0.01**	0.01
TOTAL	**39.41**	29.25

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
- Labour Welfare Fund

(d) National Pension Scheme

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner, the Superannuation Fund is administered by the LIC of India and National Pension Fund is administered by Pension Fund Regulatory and Development Authority (PFRDA), 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 2018	For the year ended 31st March 2017
(i)	Contribution to Provident Fund	**11.79**	10.50
(ii)	Contribution to Employees' Superannuation Fund	**0.88**	0.89
(iii)	Contribution to Employees' State Insurance Scheme	**0.73**	0.50
(iv)	Contribution to Employees' Pension Scheme 1995	**6.82**	6.24
(v)	Contribution to National Pension Scheme	**1.34**	0.61
TOTAL		**21.56**	18.74
(B)	**Defined Benefit Plans**		
(a)	Gratuity		
(C)	**Other Long-Term Benefits**		
(a)	Compensated Absences		
(b)	Anniversary Awards		
(c)	Premature Death Pension Scheme		
(d)	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 2018	31st March 2017
(i)	Discount Rate (per annum)	**7.90%**	7.10%
(ii)	Rate of increase in Compensation levels (per annum)	**1st 2 yrs-8.50%, thereafter 6.50%**	6.50%
(iii)	Expected Rate of Return on Assets	**7.90%**	7.10%
(iv)	Attrition Rate	**upto 5 yrs - 17%, 5 - 10 yrs -10%, Above 10 yrs- 4%**	upto 5 yrs - 19%, 5 - 10 yrs -9%, Above 10 yrs - 8%
(v)	Retirement Age	**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 over and above the liability and hence, 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 increase, 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 2018	31st March 2017
		Gratuity Funded	Gratuity Funded
(i)	**Changes in Present value of Obligation**		
1	Present value of defined benefit obligation at the beginning of the year	**57.35**	49.24
2	Current Service Cost	**4.95**	4.23
3	Interest Cost	**3.72**	3.41
4	**Actuarial (Gains)/Loss**		
	Actuarial (gains)/ losses arising from changes in demographic assumption	**(0.28)**	-
	Actuarial (gains)/ losses arising from changes in financial assumption	**(1.69)**	1.97
	Actuarial (gains)/ losses arising from changes in experience adjustment	**2.24**	1.07
5	Past Service cost	**-**	-
6	Benefits Paid	**(3.57)**	(2.57)
7	**Present value of defined benefit obligation at the end of the year**	**62.72**	57.35
(ii)	**Changes in Fair value of Plan Assets**		
1	Fair value of plan assets at the beginning of the year	**54.70**	48.78
2	Expected Return on Plan Assets	**3.88**	3.78
3	Actuarial Gain/(Loss)	**0.46**	0.25
4	Employer's Contributions	**8.65**	4.46
5	Benefits Paid	**(3.57)**	(2.57)
6	**Fair value of plan assets at the end of the year**	**64.12**	54.70

(₹ in crores)

		31st March 2018	31st March 2017
		Gratuity Funded	Gratuity Funded
(iii)	**Net Benefit (Asset) /Liability**		
1	Defined benefit obligation	**62.72**	57.35
2	Fair value of plan assets	**64.12**	54.70
3	**Net Benefit (Asset) / Liability (refer Note 19)**	**(1.40)**	2.65
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
1	Current Service Cost	**4.95**	4.23
2	Interest cost on benefit obligation (net)	**(0.16)**	(0.37)
3	Total Expenses recognized in the Statement of Profit and Loss	**4.79**	3.86
(v)	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**		
1	Actuarial (gains)/ losses arising from changes in demographic assumption	**(0.28)**	-
2	Actuarial (gains)/ losses arising from changes in financial assumption	**(1.69)**	1.97
3	Actuarial (gains)/ losses arising from changes in experience adjustment	**2.24**	1.07
4	Return on plan asset	**(0.47)**	(0.25)
5	Recognised in Other Comprehensive Income	**(0.20)**	2.79
(vi)	**Actual return on plan assets**	**4.35**	4.03

		For the year ended 31st March 2018	For the year ended 31st March 2017
(vii)	**Sensitivity Analysis**		
	Defined Benefit Obligation		
	Discount Rate		
	a Discount Rate - 100 basis points	**66.99**	60.68
	b Discount Rate + 100 basis points	**58.96**	54.37
	Salary Increase Rate		
	a Rate - 100 basis points	**58.89**	54.33
	b Rate + 100 basis points	**66.99**	60.66

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.

		For the year ended 31st March 2018	For the year ended 31st March 2017
(viii)	**Expected Future Cashflows**		
	Year 1	**8.09**	9.69
	Year 2	**10.79**	9.68
	Year 3	**5.15**	6.05
	Year 4	**6.08**	5.27
	Year 5	**6.79**	5.57
	Year 6 to 10	**25.60**	23.62
(ix)	**Average Expected Future Working Life (yrs)**	**9.5**	7.8

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 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	Vesting 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
6	Granted on 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15

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.

b) 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	Granted on 8th November 2017-ESOP 2016
Share price (on the date previous to grant date)	544.95	556.80	751.60	751.60	691.40	758.55
Exercise price	1.00	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**	**08.11.2018**
Dividend yield (%)	0.91	0.93	0.79	0.74	0.89	0.85
Option life (no. of years)	3.50	3.50	3.50	2.50	3.50	2.50
Risk free interest rate (%)	8.07	7.80	7.39	7.28	6.73	6.69
Expected volatility (%)	52.17	54.46	21.51	17.70	20.94	22.12
Date of vesting (2)	**10.04.2018**	**29.01.2018**	**29.07.2018**	**29.07.2018**	**09.11.2018**	**08.11.2019**
Dividend yield (%)	0.97	1.21	0.85	0.79	0.96	0.91
Option life (no. of years)	4.50	4.50	4.50	3.50	4.50	3.50
Risk free interest rate (%)	8.07	7.80	7.56	7.39	6.93	6.64
Expected volatility (%)	52.17	54.46	24.25	21.51	23.94	24.01
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 2018		During the year ended 31st March 2017	
	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	**230,400**	**₹ 1**	233,800	₹ 1
- ESOP 2016	**46,500**	**₹ 1**	-	₹ 1
Granted during the year				
- ESOS 2012	**-**		18,000	₹ 1
- ESOP 2016*	**57,500**	**₹ 1**	47,200	₹ 1
Vested during the year - ESOS 2012	**1,14,900**	**₹ 1**	7,400	₹ 1
Vested during the year - ESOP 2016	**22,950**	**₹ 1**	-	₹ 1
Exercised during the year - ESOS 2012	**1,06,000**	**₹ 1**	7,400	₹ 1
Exercised during the year - ESOP 2016	**21,600**	**₹ 1**	-	₹ 1
Lapsed during the year**				
- ESOS 2012 (granted on 29th January 2016)	**5,000**	**₹ 1**	14,000	₹ 1
- ESOP 2016 (granted on 29th July 2016)	**3,400**	**₹ 1**	700	₹ 1
Options outstanding at the end of the year				
- ESOS 2012	**1,19,400**	**₹ 1**	2,30,400	₹ 1
- ESOP 2016	**79,000**	**₹ 1**	46,500	₹ 1
Options available for grant				
- ESOS 2012	**34,200**	**₹ 1**	29,200	₹ 1
- ESOP 2016	**43,99,400**	**₹ 1**	44,53,500	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 926.11**		₹ 676.25
Range of exercise price for options outstanding at the end of the year		**₹ 1**		₹ 1

* Includes 1,900 (previous year 4,700) Opteions 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 2018	As at 31st March 2017
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds/ Other Investments	**1,172.76**	1,366.39
Derivative assets towards Foreign Exchange Forward Contracts	**0.09**	0.03
Derivative asset towards call option to buy subsidiary shares	**0.55**	-
Measured at amortised cost		
Trade Receivables	**689.59**	607.65
Cash and Cash Equivalents	**66.12**	45.80
Other Bank Balances	**11.64**	4.67
Loans	**16.54**	22.88
Other Financial Assets	**19,64**	17.25
Total Financial Assets	**1,976.93**	2,064.67
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards Foreign Exchange Forward Contracts	**0.08**	0.87
Derivative liability towards put option to purchase subsidiary shares	**35.15**	-
Measured at amortised cost (including trade payables)		
Trade Payables	**428.16**	328.47
Other Financial Liabilities	**402.14**	366.47
Total Financial Liabilities	**865.53**	695.81

(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 foreign exchange forward 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 foreign exchange forward contracts to manage its exposure to foreign currency risk of net imports.

(E) Foreign currency risk management

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 2018	31st March 2017	**31st March 2018**	31st March 2017
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	**16,56,806.25**	16,95,381.40	13.31	11.73
USD	**1,67,96,711.98**	1,29,92,875.98	109.48	84.21
Amounts (payable) / advance in foreign currency on account of the following:				
AED	**(1,39,372.86)**	1,42,373.74	(0.25)	0.25
AUD	**1,820.00**	13,244.00	0.01	0.07
BDT	**16,71,266.40**	16,71,266.40	0.13	0.14
CHF	**(11,000.00)**	1,639.35	(0.08)	0.01
EGP	**(1,74,341.79)**	3,250.00	(0.06)	0.00
EUR	**(17,79,109.08)**	(5,56,547.82)	(14.30)	(3.85)
GBP	**72,019.14**	1,100.62	0.66	0.01
JPY	**(43,80,000.00)**	-	(0.27)	-
SGD	**(18,599.29)**	(1,30,826.34)	(0.09)	(0.61)
USD	**(85,73,829.69)**	(83,87,142.31)	(55.88)	(54.36)
ZAR	**10,170.17**	2,760.17	0.01	0.00

(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 EUR 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 2018	For the year ended 31st March 2017
Impact on profit or loss for the year (a)	**1.07**	0.28

	EUR impact	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Impact on profit or loss for the year (b)	**(0.02)**	1.98

(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 EUR 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) Foreign exchange forward contracts

It is the policy of the Company to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD and EUR. 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 export 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 foreign exchange forward contracts outstanding at the end of the reporting period

Outstanding contracts	Average exchange rates (₹)		Foreign Currency	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
USD - Buy	**64.99**	64.81	**71,09,797.00**	61,25,128.00
EUR - Sell	**74.77**	69.18	**1,96,665.10**	245,263.85

Outstanding contracts	Nominal Amounts (₹ in crores)		Fair value assets / (liabilities) (₹ in crores)	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
USD - Buy	**46.33**	39.70	**(0.08)**	(0.87)
EUR - Sell	**1.58**	1.70	**0.09**	0.03
TOTAL			**0.01**	(0.84)

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

At 31st March 2018, the aggregate amount of gain under foreign exchange forward contracts recognised in the Statement of Profit and Loss is ₹ 0.85 crores (loss of ₹ 0.60 crores as at 31st March 2017).

(F) Credit risk management

Credit risk refers to risk that a counterparty 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 counterparties that have sufficiently high credit rating. The Company'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 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 2018				
Non-interest bearing				
Trade Payables	**428.16**	**-**	**428.16**	**428.16**
Other Financial Liabilities	**299.52**	**7.86**	**307.38**	**307.38**
	727.68	**7.86**	**735.54**	**735.54**
Fixed interest rate instruments				
Trade/ Security Deposit received	**94.76**	**-**	**94.76**	**94.76**
Derivative liabilities towards foreign exchange forward contracts	**0.08**	**-**	**0.08**	**0.08**
Derivative liability towards put option to buy subsidiary shares	**-**	**35.15**	**35.15**	**35.15**
Financial guarantee contracts	**82.65**	**-**	**82.65**	**-**
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 liabilities towards foreign exchange forward contracts	0.87	-	0.87	0.87
Financial guarantee contracts	72.78	-	72.78	-

(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 2018	As at 31st March 2017		
1	Derivative assets and liabilities towards foreign exchange forward contracts	**Assets - ₹ 0.09 crores; and Liabilities - ₹ 0.08 crores**	Assets - ₹ 0.03 crores; and Liabilities- ₹ 0.87 crores	Level 2	Mark to market values acquired from banks, with whom the Company contracts.
2	Derivative asset and liability towards call and put option to buy subsidiary shares	**Assets - ₹ 0.55 crores; and Liabilities - ₹ 35.15 crores**	NIL	Level 2	Fair values of options using black scholes valuation model based on future EBITDA multiples
3	Investment in Mutual Funds	**Various listed funds - aggregate fair value of ₹ 1,172.76 crores**	Various listed funds - aggregate fair value of ₹ 1,366.27 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 2018	As at 31st March 2017
Deferred Tax Assets	**(30.17)**	(27.73)
Deferred Tax Liabilities	**133.07**	111.36
TOTAL	**102.90**	83.63

a 2017- 2018

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	52.05	0.54	-	**52.59**
Intangible Assets	53.99	9.81	-	**63.80**
FVTPL Financial Assets	5.32	11.36	-	**16.68**
Provisions for VRS	(2.96)	0.47	-	**2.49**
Allowance for doubtful debts	(9.40)	(2.01)	-	**(11.41)**
Provision for Employee Benefits	(11.51)	(1.66)	0.07	**(13.10)**
Share issue and buy-back costs	(3.86)	0.69	-	**(3.17)**
TOTAL	83.63	19.20	0.07	**102.90**

b 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 for VRS	(1.97)	(0.99)	-	**(2.96)**
Allowance for doubtful debts	(9.39)	(0.01)	-	**(9.40)**
Provision for Employee Benefits	(9.96)	(1.55)	(0.81)	**(11.51)**
Share issue and buy-back costs	(1.30)	(2.56)	-	**(3.86)**
TOTAL	75.36	8.27	(0.81)	**83.63**

2 Income Taxes relating to continuing operations

a Income Tax recognised in profit or loss

(₹ in crores)

	As at 31st March 2018	As at 31st March 2017
Current Tax		
In respect of the current year	**403.36**	374.89
In respect of prior years	**(46.47)**	(12.23)
TOTAL	**356.89**	362.66
Deferred Tax		
In respect of the current year	**19.20**	8.27
TOTAL	**19.20**	8.27
Total Income Tax expense recognised in the current year relating to continuing operations	**376.09**	370.93

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

	As at 31st March 2018	As at 31st March 2017
Profit Before Tax	**1,331.28**	1,144.72
Income Tax Rate (%)	**34.61**	34.61
Income Tax expense	**460.73**	396.16
Effect of income that is exempt from taxation	**(5.79)**	(3.82)
Effect of expenses that are not deductible in determining taxable profit	**3.98**	36.28
Effect of concessions (research and development,other allowances and deductions)	**(28.59)**	(37.29)
Effect of change in rate	**0.99**	-
Others	**(8.76)**	(8.17)
	422.56	383.16
Adjustments recognised in the current year in relation to the current tax for prior years	**(46.47)**	(12.23)
Income Tax expense recognised in profit or loss	**376.09**	370.93

*The tax rate used for the above reconciliation is the corporate tax rate of 34.608% (previous year 34.608%) payable by corporate entities in India on taxable profits under Indian Tax Law.

Income Tax recognised directly in equity

	As at 31st March 2018	As at 31st March 2017
Current Tax:		
Buy-back Expenses	**1.53**	-
Total Income Tax recognised directly in equity	**1.53**	-

Income Tax recognised in Other Comprehensive Income

	As at 31st March 2018	As at 31st March 2017
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**(0.07)**	0.81
Total Income Tax recognised in Other Comprehensive Income	**(0.07)**	0.81

(₹ in crores)

49 Research & Development Expenditure

	For the year ended 31st March 2018	For the year ended 31st March 2017
Capital expenditure included in Property, Plant and Equipment	**5.06**	2.89
Revenue expenditure charged to Statement of Profit and Loss	**50.80**	33.65
TOTAL	**55.86**	36.54

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

		As at 31st March 2018	As at 31st March 2017
(i)	Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	**19.58**	15.95
(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		**19.58**	15.95

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.

51 Details of Payments to Auditor (net of Service Tax/ GST)

	For the year ended 31st March 2018	For the year ended 31st March 2017
Audit fees	**0.57**	0.58
Other Services:		
Limited Review	**0.26**	0.27
Certification Fees	**0.26**	0.14
Reimbursement of expenses	**0.03**	0.03
Others*	**-**	0.07
TOTAL	**1.12**	1.09

* Fees paid to network firm.

52 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 utilized 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 ₹ **19.34** crores (₹ 15.69 crores for the year ended 31st March 2017)

(b) Amount spent during the year on:

(₹ in crores)

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	**22.03**	-	**22.03**
		(19.02)	(-)	**(19.02)**

53 Other Information

During the year:

a) The Company has acquired 70% stake in equity shares of Cipy Poly Urethanes Pvt Ltd ("CIPY"), thereby making CIPY a subsidiary of the Company on 8th February 2018. CIPY is engaged in the business of manufacture and sale of floor coatings. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 96.25 crores. Pursuant to share purchase agreement, the Company has an option to purchase and the seller has an option to sell balance 30% of equity share capital of CIPY on or after expiry of 3 years from acquisition date i.e on or after 8th February 2021. Accordingly, derivative asset and derivative liability of ₹ 0.55 crores (refer Note 11) and ₹ 35.15 crores (refer Note 23) respectively has been recognised in this financial statement based on a valuation report obtained from an independent valuer.

b) The Company has on 23rd March 2018 completed buy-back of 50,00,000 equity shares of ₹ 1/- each (representing 0.975% of total pre buy-back paid up equity capital of the Company) from the shareholders of the Company on a proportionate basis through the tender offer route at a price of ₹ 1,000 per equity share for an aggregate amount of ₹ 500 crores. Accordingly, the Company has extinguished 49,99,056 fully paid up equity shares of ₹ 1/- each (in dematerialized form) and 944 fully paid up equity shares of ₹ 1/- each (in physical form) as a result of the conclusion of buy-back of 50,00,000 equity shares and final share capital of the company (post extinguishment) is 50,78,10,330 shares ₹ 1/- each. The Company has funded the buy-back from its Securities Premium and General Reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created "Capital Redemption Reserve" of ₹ 0.50 crores equal to the nominal value of the shares bought back as an appropriation from General Reserve.

54 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 ₹ 6.44 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 24th May 2018. The proposed dividend amounting to ₹ 366.72 crores includes dividend distribution tax of ₹ 62.03 crores and is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

55 Approval of the financial statements

The financial statements are approved for issue by the Audit Committee at its meeting held on 23rd May 2018 and by the Board of Directors at its meeting held on 24th May 2018.

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) and Schedule V of the 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 2017-18, 7 Board Meetings were held on 18th May 2017, 25th July 2017, 31st August 2017#, 8th November 2017, 26th December 2017, 5th January 2018 and 24th January 2018.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder. The 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 2018 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)	7	Yes	10	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED (P)	7	Yes	10	1	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	7	Yes	3	-	-
4.	Shri A B Parekh (Whole Time Director)	00035317	ED (P)	7	Yes	14	-	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED (P)	7	Yes	14	1	-
6.	Shri B S Mehta	00035019	NED (I)	7	Yes	9	5	2
7.	Shri Ranjan Kapur*	00035113	NED (I)	7	Yes	NA	NA	NA
8.	Shri Sanjeev Aga	00022065	NED (I)	7	Yes	7	3	1
9.	Shri Uday Khanna	00079129	NED (I)	7	Yes	6	3	3
10.	Smt. Meera Shankar	06374957	NED (I)	5	Yes	3	2	-
11.	Shri Sabyaschi Patnaik (Whole Time Director)	07183784	ED	7	Yes	-	-	-
12.	Shri Vinod Kumar Dasari	00345657	NED (I)	4	No	5	-	-

Notes:

\# The meeting was held on 31st August 2017 and continued till 2nd September 2017.

* Shri Ranjan Kapur ceased to be a Director on the Board of the Company due to his demise on 27th January 2018.

** 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.

The Company provides teleconference/Video Conference facilities to Directors to participate in the meetings.

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 2018:

Shri B S Mehta – 24,716, Shri Sanjeev Aga – 798, Shri Uday Khanna – 5000, Smt Meera Shankar – Nil, Shri Vinod Kumar Dasari – Nil.

Shri N K Parekh, Non-Executive Director and Promoter holds 54,273,688 equity shares.

The familiarization 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 1st September 2017.

3. Audit Committee

The composition of the Audit Committee, its powers and terms of reference are in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management.

During the financial year 2017-18, 4 meetings of the Committee were held on 17th May 2017, 24th July 2017, 8th November 2017 and 23rd January 2018.

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)	4
3	Shri M B Parekh	Member	ED(P)	4
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, Statutory Auditors and Internal Auditors are invited to attend the meetings. The Cost Auditor is invited as and when required.

The Chairman of Audit Committee was present at the last Annual General Meeting held on 31st August 2017.

4. Nomination and Remuneration Committee

A. During the financial year 2017-18, 5 meetings of the Committee were held on 18th May 2017, 25th July 2017, 31st August 2017, 8th November 2017 and 24th January 2018.

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)	5
2	Shri Ranjan Kapur	Member	NED (I)	5
3	Shri N K Parekh	Member	NED (P)	5

Members elect Chairman at each meeting.

During the year, Shri Rahul Kumar Sinha, President of HR was appointed as the Secretary of the Committee.

The 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 Committee has formulated Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel of the Company and is available on the Company's website viz. www.pidilite.com

The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness.

B. Remuneration of Directors

Details of Executive Directors' remuneration for the financial year 2017-18 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)	1.71	-	-	1.99	3.70	5 years from 01.08.2013**
2	Shri Bharat Puri (Managing Director)	5.33	3.36	1.85	9.91	20.45	5 years from 10.04.2015
3	Shri A B Parekh (Whole Time Director)	0.73	4.71	-	0.89	6.32	5 years from 01.08.2013
4	Shri A N Parekh (Whole Time Director)	0.64	4.03	-	0.66	5.33	5 years from 01.07.2015
5	Shri Sabyaschi Patnaik (Whole Time Director)	0.62	-	0.33	1.48	2.43	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 29.07.2017 29.07.2018 08.11.2018 08.11.2019	200* 200 1,600* 1,600 1,500 1,500	5 years from the date of vesting 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 2018 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	5,10,000	20,00,000	25,10,000
2	Shri Ranjan Kapur	4,80,000	16,55,000	21,35,000
3	Shri Sanjeev Aga	2,82,000	20,00,000	22,82,000
4	Shri Uday Khanna	3,60,000	20,00,000	23,60,000
5	Smt. Meera Shankar	2,10,000	20,00,000	22,10,000
6	Shri Vinod Kumar Dasari	1,20,000	20,00,000	21,20,000
7	Shri N K Parekh	7,20,000	20,00,000	27,20,000

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

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the Listing Regulations. During the year, 15 meetings of the Share Transfer Committee were held and 1 meeting of Stakeholders Relationship Committee was held on 19th January 2018 which was attended by all the members of the committee namely Shri N K Parekh, Shri Sanjeev Aga and Shri A B Parekh.

Details of composition of the Stakeholders Relationship Committee 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 is empowered 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 694 of which only 18 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 2 requests for transfers and 1 request for dematerialization of shares were pending as on 31st March 2018. These pending requests lodged in the last week of March 2018 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, the 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 as members. During the year, Shri P Ganesh, Chief Financial Officer has been appointed as the Secretary of the Committee. The Risk Management Committee has been renamed as the Risk Management Oversight Committee. During the year, one meeting of the Committee was held on 19th March 2018.

The Company has a Management Risk Committee also known as the Risk Identification and Mitigation Committee (RIMC). 4 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 2017-18 on 18th May 2017 and 24th January 2018.
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 2017-18 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri N K Parekh	Member	NED (P)	2
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 form part of the Social & Community Service 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	Details of special resolution passed at the AGM
2016-17	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	31st August 2017 at 11.00 a.m.	• Adoption of new Articles of Association of the Company.
2015-16	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	2nd September 2016 at 11.00 a.m.	• 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	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	1st September 2015 at 11.00 a.m.	• No Special Resolutions were passed.

The above mentioned Special Resolutions were passed with requisite majority.

Postal Ballot

During the year 2017-18, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following Special resolution 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	Approval for Buyback of Equity Shares of the Company	41,74,39,041	99.99	55,077	0.01	1,318	0.00	31st January 2018

Shri M M Sheth of M/s M M Sheth & Co., Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

No Special resolutions are proposed to be conducted through postal ballot as covered under Section 110 of the Companies Act, 2013 at the ensuing Annual General Meeting.

Procedure for postal ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Listing Regulations, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company generally engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members /list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are required to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are required to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman or any other person authorised by the Chairman, after the completion of scrutiny of the postal ballots (including remote e-voting). The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other person authorised by the Chairman. The results are also displayed at the registered office and corporate office of the Company, intimated to NSDL and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website viz. www.pidilite.com. The resolution, (if passed by requisite majority), shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

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.
- The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other regulations issued by the SEBI.

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

The 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	230	1,92,635
No. of shareholder's request received for transfer of shares during the year	6	3,384
No. of shareholders to whom shares transferred during the year	6	3,384
No. of shareholders and shares transferred to IEPF A/C	135	1,27,191
No. of shareholders and outstanding shares at the end of the year	89	62,060

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 2018 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 directly 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 2018."

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 2018 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 review of 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 2018 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: 24th May 2018
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, 30st August 2018 at 11.00 a.m.

Venue:

Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021.

Financial Year: 1st April 2017 to 31st March 2018

Date of Book Closure:

24th August 2018 to 30th August 2018 (both days inclusive-only in case of shares held in physical form).

Dividend Payment:

Credit/dispatch of dividend warrants will commence from 3rd September, 2018, 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 2018-19 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 2017-18 at NSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2017	738.00	695.55
May 2017	782.80	716.00
June 2017	838.55	762.00
July 2017	834.95	781.05
August 2017	843.70	775.30
September 2017	868.45	775.00
October 2017	820.95	780.00
November 2017	859.00	751.30
December 2017	971.70	825.00
January 2018	922.90	870.05
February 2018	910.35	845.05
March 2018	934.90	858.35

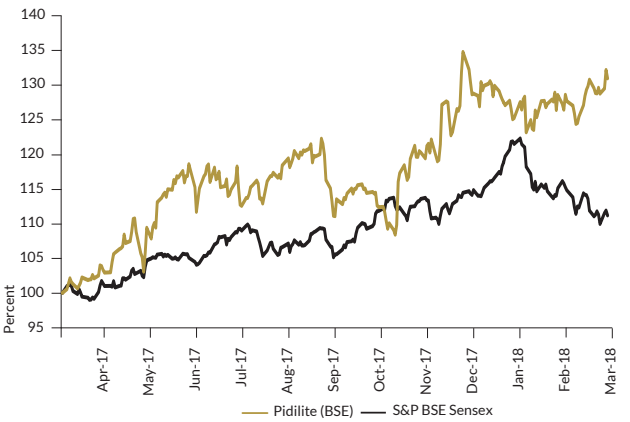
Share prices during the financial year 2017-18 at BSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2017	737.00	696.10
May 2017	781.25	716.10
June 2017	837.10	762.30
July 2017	835.00	781.25
August 2017	843.00	775.00
September 2017	867.40	775.00
October 2017	815.00	780.00
November 2017	857.00	748.75
December 2017	972.00	825.35
January 2018	921.90	871.00
February 2018	907.00	800.00
March 2018	935.00	859.00

Stock Performance

Base is considered to be 100 as on 1st April 2017

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 2018

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	93,608	97.64	19,442,197	3.83
5001 – 10000	1,565	1.63	11,696,818	2.30
10001– 20000	311	0.32	4,440,468	0.87
20001 – 30000	73	0.08	1,809,793	0.36
30001 – 40000	54	0.06	1,893,588	0.37
40001 – 50000	37	0.04	1,648,152	0.32
50001 – 100000	62	0.06	4,557,771	0.90
100001 and above	157	0.16	462,321,543	91.04
Total	**95,867**	**100.00**	**507,810,330**	**100.00**
No. of Shareholders and shares in physical mode	1,310	1.37	2,477,321	0.49
No. of beneficial owners & shares in electronic mode	94,554	98.63	505,268,507	99.50
No. of shareholders and shares held in both physical and electronic mode	3	0.00	64,502	0.01
Total	**95,867**	**100.00**	**507,810,330**	**100.00**

Dematerialisation of shares & liquidity

As on 31st March 2018, 99.51% 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.

Transfer of unclaimed dividend & shares to the Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends and shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more have been transferred by the Company to the Investor Education and Protection Fund (IEPF) Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred to IEPF following unpaid or unclaimed dividends and corresponding shares as under:

Particulars	Amount of dividend (₹)	No. of shares
Final Dividend for the Financial Year 2009-10	732,381	256,417

The Company has uploaded the above mentioned details on its website: www.pidilite.com and also on the website of the IEPF Authority (www.iepf.gov.in).

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares from the IEPF Authority.

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, need to apply by making an application to the IEPF Authority in Form IEPF-5 (available on http:// www.iepf.gov.in).

Plant Locations

Major Plant locations- Mahad, Taloja,Karad (Maharashtra); Vapi, Surat, Dahej (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi, Nalagarh (Himachal Pradesh); Secunderabad (Telangana); Guwahati (Assam).

Address for Correspondence

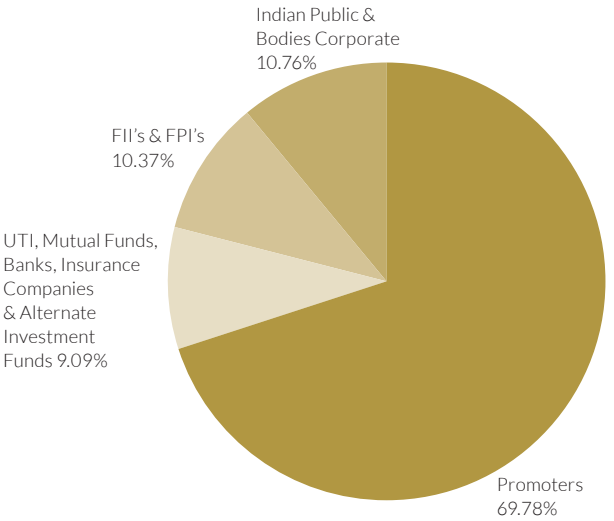
Registered Office:

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 2018



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 2018.

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"), which includes Group's share of profit of its associate and share of loss of its joint venture, comprising the Consolidated Balance Sheet as at 31st March 2018, 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 consolidated statement of changes in equity of the Group including its Associate and Joint venture in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Boards 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, 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 consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2018, 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 28 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 1,199.78 crores as at 31st March 2018, total revenues of ₹ 755.85 crores and net cash inflows amounting to ₹ 35.96 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 ₹ 4.75 crores for the year ended 31st March 2018, 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 loss of ₹ 0.16 crores for the year ended 31st March 2018, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial information have not been audited by us. These 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 information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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 companies and its associate 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 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March 2018, 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 internal financial controls over financial reporting of those companies, for the reasons stated therein.

(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 and its associate.

ii. The Group and its associate 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 and associate company incorporated in India.

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

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

Place: **Mumbai**
Date: 24th May 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of Pidilite Industries Limited for the year ended 31st March 2018

(Referred to in paragraph 1(f) 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 2018, we have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as "the Parent"), 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 Boards 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 and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, 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 and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable.

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 and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the criteria for internal financial control over financial reporting 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 insofar as it relates to 9 subsidiary companies and an associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, is based solely on the corresponding reports of the auditors of such companies.

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: 24th May 2018

CONSOLIDATED BALANCE SHEET

as at 31st March 2018

(₹ in crores)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**802.59**	789.12
(b) Capital Work-In-Progress	4	**227.73**	147.71
(c) Goodwill	5	**177.42**	133.83
(d) Other Intangible Assets	5	**362.18**	352.30
(e) Investments accounted for using equity method	6	**25.03**	22.02
(f) Financial Assets			
(i) Investments	7	**105.99**	31.27
(ii) Loans	10	**5.91**	8.43
(iii) Other Financial Assets	12	**38.81**	34.30
(g) Income Tax Assets (net)	17	**64.82**	42.10
(h) Deferred Tax Assets (net)	53	**5.86**	3.76
(i) Other Non-Current Assets	18	**79.34**	75.36
Total Non-Current Assets		**1,895.68**	1,640.20
2 Current Assets			
(a) Inventories	16	**804.33**	720.86
(b) Financial Assets			
(i) Investments	8	**1,114.92**	1,389.81
(ii) Trade Receivables	9	**938.13**	768.54
(iii) Cash and Cash Equivalents	14	**149.34**	90.37
(iv) Bank balances other than (iii) above	15	**14.24**	9.57
(v) Loans	11	**11.85**	13.03
(vi) Other Financial Assets	13	**65.49**	48.99
(c) Current Tax Assets (net)	19	**28.64**	0.28
(d) Other Current Assets	20	**175.49**	92.54
(e) Assets held for Sale		**6.35**	-
Total Current Assets		**3,308.78**	3,133.99
TOTAL ASSETS		**5,204.46**	4,774.19
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	**50.78**	51.27
(b) Other Equity	22	**3,523.26**	3,419.64
Equity attributable to owners of the Company		**3,574.04**	3,470.91
Non-Controlling Interests	41	**175.01**	127.32
Total Equity		**3,749.05**	3,598.23
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**7.11**	4.85
(ii) Other Financial Liabilities	26	**91.24**	24.45
(b) Provisions	28	**38.17**	32.78
(c) Deferred Tax Liabilities (net)	53	**110.66**	91.47
Total Non-Current Liabilities		**247.18**	153.55
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**115.44**	92.66
(ii) Trade Payables	25	**543.81**	390.32
(iii) Other Financial Liabilities	27	**443.12**	418.29
(b) Other Current Liabilities	31	**79.09**	90.04
(c) Provisions	29	**13.07**	14.14
(d) Current Tax Liabilities (net)	30	**13.70**	16.96
Total Current Liabilities		**1,208.23**	1,022.41
TOTAL LIABILITIES		**1,455.41**	1,175.96
TOTAL EQUITY AND LIABILITIES		**5,204.46**	4,774.19
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2018

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
INCOME			
Revenue from Operations	32	**6,218.76**	6,062.31
Other Income	33	**148.41**	112.25
Total Income		**6,367.17**	6,174.56
EXPENSES			
Cost of Materials Consumed	34	**2,565.02**	2,270.43
Purchases of Stock-in-Trade		**318.86**	399.86
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	35	**3.77**	(30.73)
Excise Duty on sale of goods		**140.35**	445.52
Employee Benefits Expense	36	**712.40**	645.27
Finance Costs	37	**15.54**	13.93
Depreciation and Amortisation Expense	38	**119.88**	115.14
Other Expenses	39	**1,137.14**	1,072.17
Total Expenses		**5,012.96**	4,931.59
Share of Profit in Associate	40(a)	**4.75**	3.53
Share of Profit in Joint Venture	40(b)	**(0.16)**	1.77
Profit before Tax		**1,358.80**	1,248.27
Tax Expense			
Current Tax	53	**374.08**	375.28
Deferred Tax	53	**18.63**	9.77
Net Tax Expense		**392.71**	385.05
Profit for the year		**966.09**	863.22
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(0.02)**	(2.21)
Income tax relating to items that will not be reclassified to profit or loss		**-**	0.04
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**(1.52)**	-
Total Other Comprehensive Loss		**(1.54)**	(2.17)
Total Comprehensive Income for the year		**964.55**	861.05
Total Profit for the year Attributable to:			
Shareholders of the Company		**962.35**	859.99
Non-Controlling Interest	41	**3.74**	3.23
Other Comprehensive Income Attributable to:			
Shareholders of the Company		**(1.70)**	(2.17)
Non-Controlling Interest	41	**0.16**	-
Total Comprehensive Income for the year Attributable to:			
Shareholders of the Company		**960.65**	857.82
Non-Controlling Interest		**3.90**	3.23
Earnings Per Equity Share:			
Basic (₹)	45	**18.95**	16.77
Diluted (₹)		**18.94**	16.77
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2018

(₹ in crores)

a. Equity Share Capital

	Amount
Balance as at 1st April 2016	51.27
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme 2012* (refer Note 48)	0.00
Balance as at 31st March 2017	**51.27**
Changes in equity share capital during the year	
• Buy-back of Shares [refer Note 56(a)]	(0.50)
• Issue of equity shares under Employee Stock Option Scheme-2012 (refer Note 48)	0.01
• Issue of equity shares under Employee Stock Option Plan-2016** (refer Note 48)	0.00
Balance as at 31st March 2018	**50.78**

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

** Issue of equity shares under Employee Stock Option Plan-2016 amounts to ₹ 21,600 during the year 2017-18.

b. Other Equity

	Reserves and Surplus										TOTAL
	Capital Reserve	Securities Premium Reserve	Capital Redemption 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 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 (including tax thereon)	-	-	-	-	-	-	-	-	-	(30.85)	**(30.85)**
Recognition of share-based payments (refer Note 48)	-	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**

(₹ in crores)

	Reserves and Surplus										TOTAL
	Capital Reserve	Securities Premium Reserve	Capital Redemp-tion Reserve	Cash Subsidy Reserve	Legal Reserve	State Invest-ment Reserve	Share Options Out-standing Account	Foreign Currency Transla-tion Reserve	General Reserve	Retained Earnings	
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**
Profit for the year	-	-	-	-	-	-	-	-	-	962.35	**962.35**
Addition during the year	-	-	-	-	-	-	-	(1.71)	-	-	**(1.71)**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	0.01	**0.01**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	-	-	-	(293.09)	**(293.09)**
Transferred to Capital Redemption Reserve for Buy-back of Shares [refer Note 56(a)]	-	-	0.50	-	-	-	-	-	(0.50)	-	**-**
Gross Obligation towards acquisition (refer Note 52)	-	-	-	-	-	-	-	-	-	(66.78)	**(66.78)**
Buy-back of Shares [refer Note 56(a)]*	-	(73.57)	-	-	-	-	-	-	(425.93)	-	**(499.50)**
Transaction cost related to Buy-back of Shares [refer Note 56(a)]	-	-	-	-	-	-	-	-	(2.89)	-	**(2.89)**
Recognition of share-based payments (refer Note 48)	-	7.21	-	-	-	-	(1.98)	-	-	-	**5.23**
Transferred to Securities Premium on Options exercised during the year	-	7.21	-	-	-	-	(7.21)	-	-	-	**-**
Exercised during the year	-	-	-	-	-	-	0.74	-	-	-	**0.74**
Amortised during the year	-	-	-	-	-	-	4.64	-	-	-	**4.64**
Lapsed during the year	-	-	-	-	-	-	(0.15)	-	-	-	**(0.15)**
Balance as at 31st March 2018	**0.34**	**-**	**0.50**	**0.95**	**0.24**	**0.15**	**9.03**	**7.31**	**1,335.38**	**2,169.36**	**3,523.26**

* Net of Tax

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2018

(₹ in crores)

		For the year ended 31st March 2018		For the year ended 31st March 2017	
A	**Cash Flows From Operating Activities**				
	Profit before tax for the year		**1,358.80**		1,248.27
	Adjustments for:				
	Share of profit from Associate	**(4.75)**		(3.53)	
	Share of Loss / (Profit) from Joint Venture	**0.16**		(1.77)	
	Finance costs recognised in Statement of Profit and Loss	**15.54**		13.93	
	Interest income recognised in Statement of Profit and Loss	**(7.44)**		(5.89)	
	Dividend income recognised in Statement of Profit and Loss	**(15.58)**		(7.15)	
	Dividend from Associate	**1.34**		1.12	
	(Profit) / Loss on disposal of Property, Plant and Equipment	**(6.53)**		2.08	
	Net gain arising on financial assets designated at FVTPL	**(92.42)**		(76.86)	
	Allowance for Doubtful Debts	**23.37**		4.27	
	Depreciation and Amortisation Expense	**119.88**		115.14	
	Net Foreign Exchange Loss	**0.28**		6.25	
	Provision for Employee Benefits	**0.93**		2.76	
	Provision / Write back of Warranties and Others	**2.58**		0.51	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**5.24**		7.80	
	Operating Profits before Working Capital changes		**1,401.40**		1,306.93
	Movements in Working Capital:				
	Increase in Trade Receivables	**(148.30)**		(70.94)	
	Increase in Inventories	**(63.73)**		(81.74)	
	Decrease in Non-Current Loans	**2.64**		1.12	
	Decrease / (Increase) in Current Loans	**1.43**		(0.98)	
	Increase in Other Non-Current Financial Assets	**(0.18)**		(5.34)	
	Increase in Other Current Financial Assets	**(16.17)**		(12.90)	
	Decrease / (Increase) in Other Non-Current Non Financial Assets	**4.11**		(23.37)	
	Increase in Other Current Non Financial Assets	**(79.91)**		(19.49)	
	Increase in Trade Payables	**129.71**		15.27	
	Increase in Other Current Financial Liabilities	**16.25**		55.56	
	Decrease in Other Non-Current Financial Liabilities	**(8.30)**		(0.07)	
	(Decrease) / Increase in Other Current Non Financial Liabilities	**(14.92)**		3.02	
	Cash generated from Operations		**1,224.03**		1,167.07
	Taxes paid		**(427.60)**		(373.32)
	Net Cash generated from Operating Activities [A]		**796.43**		793.75
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment & Other Intangible Assets	**(176.83)**		(133.06)	
	Proceeds from disposal of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**0.83**		10.64	
	Amount paid against business combinations (refer Note 52)	**(96.40)**		(107.69)	
	Payments to acquire Investments	**(2,168.78)**		(3,157.41)	
	Proceeds on sale of Investments	**2,458.36**		2,496.11	
	Decrease / (Increase) in Bank Deposits	**5.63**		(1.82)	
	(Increase) / Decrease in Other Bank Balances	**(6.57)**		1.22	
	Interest received	**7.44**		5.89	
	Dividend received	**15.58**		7.15	
	Net cash generated from / (used in) Investing Activities [B]		**39.26**		(878.97)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2018

(₹ in crores)

		For the year ended 31st March 2018		For the year ended 31st March 2017	
C	**Cash Flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company (₹ 7,400 as at 31st March 2017)	**0.01**		0.00	
	Payment for Buy-back of Equity Shares	**(500.00)**		-	
	Payment for Buy-back Expenses	**(4.43)**		-	
	Net (Decrease) / Increase in Current Borrowings	**(4.35)**		6.19	
	Net Increase / (Decrease) in Non-Current Borrowings	**3.92**		(0.68)	
	Proceeds from Share Capital issued to Minority	**23.64**		80.71	
	Dividend paid on Equity Shares (including tax thereon)	**(293.00)**		(31.63)	
	Interest paid	**(15.54)**		(13.93)	
	Net Cash (used in) / generated from Financing Activities [C]		**(789.75)**		40.66
	Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C]		**45.94**		(44.56)
	Cash and Cash Equivalents at the beginning of the year	**55.37**		99.76	
	Bank Unrealised Gain	**0.88**		1.05	
	Cash and Cash Equivalents at the beginning of the year		**56.25**		100.81
	Acquisition through business combination (refer Note 52)	**10.65**		-	
	Cash and Cash Equivalents at the end of the year	**91.49**		55.37	
	Bank Unrealised Gain	**0.05**		0.88	
	Cash and Cash Equivalents at the end of the year		**102.19**		56.25
	Net Increase / (Decrease) in Cash and Cash Equivalents		**45.94**		(44.56)

Notes:

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash Flow.

b) Amendment to IND AS 7

The amendments to IND AS 7 - Statement of Cash Flow 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. This amendment has become effective from 1st April 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(₹ in crores)

Particulars	As at 31st March 2017	Cash Flows	Acquisitions through business combinations (refer Note 52)	Non-Cash Changes: Current/ Non-Current Classification	As at 31st March 2018
Borrowings - Non-Current	4.85	3.92	0.36	(2.02)	**7.11**
Borrowings - Current	57.66	(4.35)	4.28	-	**57.59**
Other Financial Liabilities					
- Current portion of Non-Current Borrowings	-	-	-	2.02	**2.02**

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 24th May 2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 24th May 2018

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 amendment thereafter.

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 / loss in its Associate and Joint Venture as at 31st March 2018. 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 2018:

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 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 recognized in Consolidated Statement of Profit and Loss.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

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.

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 recognized 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 upto 30th June 2017 but exclude VAT / GST. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

Revenue from sale of service is recognized as sale as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognized 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.

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 recognized 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 as per the useful life prescribed in Schedule II to the Companies Act, 2013.

For certain items of Property, Plant and Equipment, the Company depreciates over estimated useful life which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 which is based upon technical assessment made by technical expert and management estimate. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. 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	20-60 years
Leasehold Improvements	5-20 years
Plant and Machinery	5-25 years
Vehicles	4-10 years
Furniture and Fixtures	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	10-15 years
Non-Compete Fees	10-15 years
Copyrights	Indefinite Life
Trademark	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 liabilities are not recognised but disclosed in the Notes to the consolidated financial statements.

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, National Pension Scheme, 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, National Pension Scheme 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.

2.19.2 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 or 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 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.21 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

2.21.1 Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1st April 2018. The Company plans to adopt the new standard on the required effective date. The Company is evaluating the effect on the timing of revenue and impact on the financial statements of the Company under new standard.

2.21.2 Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

i. the beginning of the reporting period in which the entity first applies the Appendix, or
ii. the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.

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 LLC as a Joint Venture

Plus Call Technical Services LLC is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the LLC 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 LLC 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 LLC, Bamco Supply and Services Ltd, ICA Pidilite Pvt Ltd and Building System Solution Trading LLC (upto 5th March 2018) 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 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.

3.2.2 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 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 50).

3.2.4 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 53).

3.2.5 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.

(₹ in crores)

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

	As at 31st March 2018	As at 31st March 2017
Carrying Amounts		
• Freehold Land	**84.39**	71.29
• Buildings	**232.32**	227.75
• Plant and Machinery	**417.66**	418.92
• Vehicles	**8.76**	9.02
• Furniture and Fixtures	**32.46**	34.06
• Office Equipment	**27.00**	28.08
	802.59	789.12
Capital Work-In-Progress	**227.73**	147.71
TOTAL	**1,030.32**	936.83

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equip-ment	TOTAL
Cost							
Balance as at 1st April 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 52)	-	-	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)**
Foreign Currency Translation	(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**
Additions	13.50	9.77	65.20	0.64	4.23	7.72	**101.06**
Acquisitions through business combinations (refer Note 52)	-	5.72	9.56	1.62	0.89	1.55	**19.34**
Disposals/ Adjustments	-	(0.21)	(11.49)	(0.71)	(5.91)	(1.05)	**(19.37)**
Foreign Currency Translation	(0.40)	(0.17)	(2.62)	0.17	5.50	(2.15)	**0.33**
Balance as at 31st March 2018	**84.39**	**321.34**	**1,089.68**	**25.06**	**84.47**	**110.25**	**1,715.19**
Accumulated Depreciation and Impairment							
Balance as at 1st April 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)**
Foreign Currency Translation	-	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)**
Eliminated on disposal of assets	-	0.08	9.26	0.67	5.50	1.10	**16.61**
Acquisitions through business combinations (refer Note 52)	-	(1.03)	(1.36)	(0.76)	(0.60)	(1.37)	**(5.12)**
Depreciation expense	-	(10.33)	(72.40)	(1.79)	(5.61)	(8.71)	**(98.84)**
Foreign Currency Translation	-	0.74	2.59	(0.10)	(5.60)	1.83	**(0.54)**
Balance as at 31st March 2018	**-**	**(89.02)**	**(672.02)**	**(16.30)**	**(52.01)**	**(83.25)**	**(912.60)**
Carrying Amount							
Balance as at 1st April 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 52)	-	-	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**
Foreign Currency Translation	(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**
Additions	13.50	9.77	65.20	0.64	4.23	7.72	**101.06**
Acquisitions through business combinations (refer Note 52)	-	5.72	9.56	1.62	0.89	1.55	**19.34**
Disposals/ Adjustments	-	(0.21)	(11.49)	(0.71)	(5.91)	(1.05)	**(19.37)**
Depreciation expense	-	(10.33)	(72.40)	(1.79)	(5.61)	(8.71)	**(98.84)**
Acquisition (Depreciation) through business combinations (refer Note 52)	-	(1.03)	(1.36)	(0.76)	(0.60)	(1.37)	**(5.12)**
Depreciation Eliminated on disposal of assets	-	0.08	9.26	0.67	5.50	1.10	**16.61**
Foreign Currency Translation	(0.40)	0.57	(0.03)	0.07	(0.10)	(0.32)	**(0.21)**
Balance as at 31st March 2018	**84.39**	**232.32**	**417.66**	**8.76**	**32.46**	**27.00**	**802.59**

Notes:

(₹ in crores)

a) Assets given under operating lease included in Note 4 above are as under:	As at 31st March 2018	As at 31st March 2017
Carrying Amounts		
• Freehold Land	**13.79**	13.79
• Buildings	**20.25**	19.63
TOTAL	**34.04**	33.42

	Freehold Land	Buildings	TOTAL
Cost			
Balance as at 1st April 2016	**13.79**	**32.13**	**45.92**
Additions	-	2.31	**2.31**
Disposals/ Adjustments	-	(9.80)	**(9.80)**
Foreign Currency Translation	-	-	**-**
Balance as at 31st March 2017	**13.79**	**24.64**	**38.43**
Additions	-	1.48	**1.48**
Disposals/ Adjustments	-	-	**-**
Foreign Currency Translation	-	-	**-**
Balance as at 31st March 2018	**13.79**	**26.12**	**39.91**
Accumulated Depreciation and Impairment			
Balance as at 1st April 2016	-	(5.01)	**(5.01)**
Eliminated on disposal of assets	-	1.49	**1.49**
Depreciation expense	-	(1.49)	**(1.49)**
Foreign Currency Translation	-	-	**-**
Balance as at 31st March 2017	-	**(5.01)**	**(5.01)**
Eliminated on disposal of assets	-	-	**-**
Depreciation expense	-	(0.86)	**(0.86)**
Foreign Currency Translation	-	-	**-**
Balance as at 31st March 2018	-	**(5.87)**	**(5.87)**
Carrying Amount			
Balance as at 1st April 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**
Foreign Currency Translation	-	-	**-**
Balance as at 31st March 2017	**13.79**	**19.63**	**33.42**
Additions	-	1.48	**1.48**
Disposals/ Adjustments	-	-	**-**
Depreciation expense	-	(0.86)	**(0.86)**
Depreciation Eliminated on disposal of assets	-	-	**-**
Foreign Currency Translation	-	-	**-**
Balance as at 31st March 2018	**13.79**	**20.25**	**34.04**

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 2018	As at 31st March 2017
Carrying Amounts		
• Vehicles	-	-
• Office Equipment	**0.01**	0.04
TOTAL	**0.01**	0.04

	Vehicles	Office Equipment	Total
Cost			
Balance as at 1st April 2016	0.28	-	**0.28**
Additions	-	0.05	**0.05**
Disposals / Adjustments	(0.28)	-	**(0.28)**
Foreign Currency Translation	-	-	-
Balance as at 31st March 2017	-	0.05	**0.05**
Additions	-	-	-
Disposals / Adjustments	-	-	-
Foreign Currency Translation	-	-	-
Balance as at 31st March 2018	-	0.05	**0.05**
Accumulated Depreciation and Impairment			
Balance as at 1st April 2016	(0.28)	-	**(0.28)**
Eliminated on disposal of assets	0.28	-	**0.28**
Depreciation expense	-	(0.01)	**(0.01)**
Foreign Currency Translation	-	-	-
Balance as at 31st March 2017	-	(0.01)	**(0.01)**
Eliminated on disposal of assets	-	-	-
Depreciation expense	-	(0.03)	**(0.03)**
Foreign Currency Translation	-	-	-
Balance as at 31st March 2018	-	(0.04)	**(0.04)**
Carrying Amount			
Balance as at 1st April 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**
Foreign Currency Translation	-	-	-
Balance as at 31st March 2017	-	0.04	**0.04**
Additions	-	-	-
Disposals / Adjustments	-	-	-
Depreciation expense	-	(0.03)	**(0.03)**
Depreciation Eliminated on disposal of assets	-	-	-
Foreign Currency Translation	-	-	-
Balance as at 31st March 2018	-	**0.01**	**0.01**

(₹ in crores)

5 Goodwill and Other Intangible Assets

	As at 31st March 2018	As at 31st March 2017
Carrying Amounts		
• Goodwill on Consolidation	**72.52**	22.89
• Goodwill (acquired separately)	**104.90**	110.94
Total Goodwill (A)	**177.42**	133.83
Other Intangible Assets		
• Trademark	**243.11**	241.58
• Computer Software	**14.14**	13.95
• Copyrights	**4.72**	4.72
• Technical Knowhow Fees	**49.70**	35.06
• Commercial Knowhow Fees	**48.45**	54.44
• Non Compete Fees	**2.06**	2.26
• Intangible assets under development	**-**	0.29
Total Other Intangible Assets (B)	**362.18**	352.30
Total Intangible Assets (A+B)	**539.60**	486.13

	Good-will	Trade-mark	Com-puter Software	Copy-rights	Technical Knowhow Fees	Commer-cial Knowhow Fees	Non Com-pete Fees	Intangible assets under develop-ment	Total
Cost									
Balance as at 1st April 2016	**133.42**	**220.66**	**43.17**	**4.72**	**23.05**	**-**	**5.68**	**-**	**430.70**
Additions	-	0.45	4.33	-	-	-	-	0.27	**5.05**
Acquisitions through business combinations (refer Note 52)	2.08	24.54	-	-	31.41	59.94	0.50	-	**118.47**
Disposals/ Adjustments	-	-	(0.18)	-	-	-	-	-	**(0.18)**
Foreign Currency Translation	(1.67)	0.61	0.09	-	(0.19)	-	(0.01)	0.02	**(1.15)**
Balance as at 31st March 2017	**133.83**	**246.26**	**47.41**	**4.72**	**54.27**	**59.94**	**6.17**	**0.29**	**552.89**
Additions	-	-	4.77	-	16.79	-	-	-	**21.56**
Acquisitions through business combinations (refer Note 52)	49.44	19.29	-	-	-	-	-	-	**68.73**
Disposals / Adjustments	(5.57)	(20.15)	(0.16)	-	-	-	(0.06)	(0.28)	**(26.22)**
Foreign Currency Translation	(0.28)	6.12	(1.65)	-	3.07	0.01	0.40	(0.01)	**7.66**
Balance as at 31st March 2018	**177.42**	**251.52**	**50.37**	**4.72**	**74.13**	**59.95**	**6.51**	**-**	**624.62**
Accumulated Amortisation and Impairment									
Balance as at 1st April 2016	**-**	**(2.70)**	**(28.99)**	**-**	**(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)**
Foreign Currency Translation	-	0.27	(0.06)	-	0.02	-	-	-	**0.23**
Balance as at 31st March 2017	**-**	**(4.68)**	**(33.46)**	**-**	**(19.21)**	**(5.50)**	**(3.91)**	**-**	**(66.76)**
Eliminated on disposal of assets	-	10.65	0.05	-	-	-	-	-	**10.70**
Amortisation expense	-	(4.53)	(4.87)	-	(5.12)	(5.99)	(0.53)	-	**(21.04)**
Foreign Currency Translation	-	(9.85)	2.05	-	(0.10)	(0.01)	(0.01)	-	**(7.92)**
Balance as at 31st March 2018	**-**	**(8.41)**	**(36.23)**	**-**	**(24.43)**	**(11.50)**	**(4.45)**	**-**	**(85.02)**

(₹ in crores)

	Good-will	Trade-mark	Com-puter Software	Copy-rights	Technical Knowhow Fees	Commer-cial Knowhow Fees	Non Com-pete Fees	Intangible assets under develop-ment	Total
Carrying Amounts									
Balance as at 1st April 2016	133.42	217.96	14.18	4.72	8.84	-	2.60	-	**381.72**
Additions	-	0.45	4.33	-	-	-	-	0.27	**5.05**
Acquisitions through business combinations (refer Note 52)	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**
Foreign Currency Translation	(1.67)	0.88	0.03	-	(0.17)	-	(0.01)	0.02	**(0.92)**
Balance as at 31st March 2017	**133.83**	**241.58**	**13.95**	**4.72**	**35.06**	**54.44**	**2.26**	**0.29**	**486.13**
Additions	-	-	4.77	-	16.79	-	-	-	**21.56**
Acquisitions through business combinations (refer Note 52)	49.44	19.29	-	-	-	-	-	-	**68.73**
Disposals/ Adjustments	(5.57)	(20.15)	(0.16)	-	-	-	(0.06)	(0.28)	**(26.22)**
Amortisation expense	-	(4.53)	(4.87)	-	(5.12)	(5.99)	(0.53)	-	**(21.04)**
Amortisation Eliminated on disposal of assets	-	10.65	0.05	-	-	-	-	-	**10.70**
Foreign Currency Translation	(0.28)	(3.73)	0.40	-	2.97	-	0.39	(0.01)	**(0.26)**
Balance as at 31st March 2018	**177.42**	**243.11**	**14.14**	**4.72**	**49.70**	**48.45**	**2.06**	**-**	**539.60**

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 2018	As at 31st March 2017
Goodwill on Consolidation		
• Pagel Concrete Technologies Pvt Ltd (PCTPL)	**-**	1.18
• Cipy Poly Urethanes Pvt Ltd (CIPY)	**49.44**	-
• Pidilite Bamco Ltd (Bamco)	**21.19**	19.96
• Bhimad Commercial Co Pvt Ltd (Bhimad)	**0.01**	0.01
• Madhumala Traders Pvt Ltd (Madhumala)	**0.01**	0.01
• Pidilite Industries Egypt SAE (PIE)	**1.87**	1.73
Total (A)	**72.52**	22.89
Goodwill acquired separately*		
• Pidilite Industries Limited	**86.11**	86.11
• Nitin Enterprises (Nitin)	**0.23**	0.23
• Building Envelope Systems India Ltd (BESI)	**0.55**	0.55
• Nina Waterproofing Systems Pvt Ltd	**5.13**	5.13
• ICA Pidilite Pvt Ltd (ICA)	**2.08**	2.08
• Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda (Pulvitec)	**10.34**	10.84
• Pidilite USA Inc (PUSA)	**0.46**	6.00
Total (b)	**104.90**	110.94
Total Goodwill (A+B)	**177.42**	133.83

*Goodwill acquired in business combination is allocated, at acquisition date, to the cash-generating units that are expected to benefit from that business combination.

Goodwill, Copyrights and Trademark

Goodwill, copyrights and trademark 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, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cashflows from Consumer and Bazaar business. Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill in the books as on 31st March 2018. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark 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 (12.5% per annum as at 31st March 2017).

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 (9% per annum as at 31st March 2017) 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 13.8% (CAGR) (13.1% as at 31st March 2017), 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 0.6% (0.3% as at 31st March 2017) 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 accounted for using equity method

	As at 31st March 2018		As at 31st March 2017	
	Qty	₹ in crores	Qty	₹ in crores
Carrying amount determined using the Equity method of accounting				
A] Investments in Equity Instruments (Quoted)				
Investment in Associates (fully paid up)				
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18
Add: Share in accumulated Profits / Reserves		**22.08**		18.90
Total [A]		**23.26**		20.08
B] Investment in Joint Venture (fully paid up) (Unquoted)				
• Equity Shares of AED 1,000 each of Plus Call Technical Services LLC.	**57**	**0.21**	57	0.22
Add: Share in accumulated Profits/Reserves		**1.56**		1.72
Total [B]		**1.77**		1.94
TOTAL [(A)+(B)]		**25.03**		22.02
• Aggregate carrying value of quoted investments		**23.26**		20.08
• Aggregate market value of quoted investments		**74.48**		52.24
• Aggregate carrying value of unquoted investments		**1.77**		1.94

7 Investments - Non-Current

	As at 31st March 2018		As at 31st March 2017	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Equity Instruments (fully paid up) (at FVTPL) (Unquoted)				
Equity Shares of ₹ 10 each of Pal Peugeot Ltd	**1,21,300**	**0.12**	1,21,300	0.12
Less : Impairment in value of investment		**(0.12)**		(0.12)
Total [A]		**-**		-
A] Investment in Promissory Note (at amortised cost) (Unquoted)				
Convertible Promissory Note of Optmed Inc*	**1**	**4.89**	**1**	4.85
Total [B]		**4.89**		4.85
C] Other Investments				
Deposits (at amortised cost)				
IL & FS Financial Services Limited		**-**		2.35
Infrastructure Leasing & Financials Services Limited		**0.35**		10.98
Total [C]		**0.35**		13.33

	As at 31st March 2018		As at 31st March 2017	
	Qty	₹ in crores	Qty	₹ in crores
D] Investments in Mutual Funds (Unquoted) (at FVTPL)				
• Units of Reliance Fixed Horizon Fund XXV-Series 28 - Growth Plan	-	-	1,00,00,000	13.09
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	**1,00,00,000**	**10.07**	-	-
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	**2,00,00,000**	**20.11**	-	-
• Units of DSP BlackRock FMP S223-39M - Direct Growth	**1,50,00,000**	**15.14**	-	-
• Units of DSP BlackRock FMP S224-39M - Direct Growth	**1,50,00,000**	**15.09**	-	-
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	**1,00,00,000**	**10.07**	-	-
• Units of IDFC Fixed Term Plan Series 140 Direct Plan - Growth (1,145 days)	**1,50,00,000**	**15.14**	-	-
• Units of Kotak FMP Series 219 - Direct Growth	**1,50,00,000**	**15.13**	-	-
Total [D]		**100.75**		13.09
Total Investments [A+B+C+D]		**105.99**		31.27
• Aggregate carrying value of unquoted investments		**105.99**		31.27
• Aggregate amount of Impairment in value of investments		**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 occurrence of the specific future event. Interest has been accrued on the promissory notes based on the terms of the notes.

8 Investments - Current

	As at 31st March 2018		As at 31st March 2017	
	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
• Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth	-	-	50,00,000	6.46
• Units of HDFC-FMP 441D Feb 2014 (1) Series 29- Growth	-	-	1,00,00,000	12.96
• 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
• Units of DSP- Black Rock FMP- S146-12M-Reg-Growth	-	-	1,00,00,000	13.00
• Units of Birla Sun Life Fixed Term Plan Series KN (1099 days) GR Regular	-	-	1,00,00,000	12.87
• Units of Aditya Birla Sun Life Saving Fund - Growth-Regular Plan	**27,39,323**	**93.66**	27,39,323	87.29
• Units of UTI Treasury Adv Fund-Institutional Plan - Direct Growth Plan	**2,28,954**	**55.26**	3,62,028	81.65
• Units of SBI Premier Liquid Fund - Direct Plan- Growth	-	-	3,47,688	88.74
• Units of Kotak Treasury Adv Fund - Direct Plan - Growth	**3,63,21,092**	**102.54**	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
• Units of DSP BR Low Duration Fund Dir Plan - G	**4,85,61,619**	**61.88**	1,64,01,488	19.53

	As at 31st March 2018		As at 31st March 2017	
	Qty	₹ in crores	Qty	₹ in crores
• Units of HDFC Floating Rate IF-ST-Direct Option-WS-Growth Option	**3,28,56,177**	**99.82**	51,24,050	14.53
• Units of Reliance Money Manager Fund - Direct Growth Plan	-	-	65,450	14.90
• Units of IDFC Ultra Short Term - Growth - Direct Plan	**4,17,68,452**	**103.57**	3,14,35,815	72.78
• Units of ICICI Prudential Short Term Fund - Growth	**1,12,15,155**	**42.06**	60,96,371	20.80
• Units of ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	**1,31,84,101**	**32.63**	1,31,84,101	30.75
• Units of ICICI Prudential Ultra Short Term - Direct Plan - Growth	**4,33,00,226**	**79.17**	4,33,00,226	74.10
• Units of IDFC Banking Debt Fund - Regular Plan - Growth	-	-	91,03,616	12.68
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	**4,81,11,596**	**57.59**	4,81,11,596	53.96
• Units of HDFC Short Term Opportunity Fund - Dir Plan Growth Option	**1,77,04,254**	**34.21**	1,77,04,254	32.05
• Units of HDFC Medium Term Opportunity Fund - Dir Plan Growth Option	**2,31,55,787**	**44.94**	2,31,55,787	42.09
• Units of Reliance Banking & PSU Debit Fund - Direct Growth Plan	**5,52,03,331**	**69.61**	5,52,03,331	65.32
• Units of Aditya Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	**15,28,949**	**34.33**	15,28,949	32.16
• Units of Aditya Birla Sun Life Short Term Fund - Growth - Direct Plan	**64,44,650**	**43.06**	64,44,650	40.31
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	**2,67,44,404**	**54.83**	2,67,44,404	51.43
• Units of TATA Short Term Bond Fund - Direct Plan - Growth	**1,30,70,486**	**43.83**	1,30,70,486	41.15
• Units of HDFC Arbitrage Fund-Wholesale Plan- Direct Plan-Monthly Dividend	-	-	4,82,06,123	50.60
• 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
• Units of Reliance Fixed Horizon Fund XXV- Series 28 - Growth Plan	**1,00,00,000**	**14.01**	-	-
• Units of Kotak Floater Short Term - Direct Growth	**17,557**	**5.01**	-	-
• Units of ICICI Prudential Liquid Plan- Direct Growth	**7,21,703**	**18.56**	15,21,736	36.63
• Units of ICICI Prudential Flexible Income Plan- Direct Growth	**3,13,744**	**10.51**	-	-
TOTAL [A]		**1,101.08**		1,389.81
B] Other Investments				
Deposits (at amortised cost)				
IL & FS Financial Services Ltd		**13.84**		-
TOTAL [B]		**13.84**		-
TOTAL [A+B]		**1,114.92**		1,389.81

(₹ in crores)

9 Trade Receivables

	As at 31st March 2018	As at 31st March 2017
• Secured, Considered good	**71.13**	60.93
• Unsecured, Considered good	**867.00**	707.61
• Considered doubtful	**58.66**	35.87
	996.79	804.41
Less: Allowance for expected credit loss	**(58.66)**	(35.87)
TOTAL	**938.13**	768.54

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 expected credit loss allowance

	For the year ended 31st March 2018	For the year ended 31st March 2017
Balance at the beginning of the year	**35.87**	31.89
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**22.79**	3.98
Balance at the end of the year	**58.66**	35.87

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.

(₹ in crores)

10 Loans - Non-Current

	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good		
Loans and Advances to Employees & Others *	**3.43**	4.40
Loans to Joint Venture*	**2.48**	4.03
TOTAL	**5.91**	8.43

*Loans given for business purpose.

11 Loans - Current

	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**11.85**	13.03
TOTAL	**11.85**	13.03

*Loans given for business purpose.

(₹ in crores)

12 Other Financial Assets - Non-Current

	As at 31st March 2018	As at 31st March 2017
Security Deposit	**15.22**	15.88
Fixed Deposits with Banks with original maturity of more than 12 months*	**4.53**	1.90
Other Receivables		
Unsecured, Considered good	**0.02**	0.95
Considered doubtful	**1.74**	1.74
	1.76	2.69
Less: Allowance for doubtful balances	**(1.74)**	(1.74)
	0.02	0.95
Retention Money Receivable	**19.04**	15.57
TOTAL	**38.81**	34.30
* Includes Fixed Deposit under lien.	**0.06**	0.24

13 Other Financial Assets - Current

	As at 31st March 2018	As at 31st March 2017
Security Deposit		
Unsecured, Considered good	**5.43**	3.10
Considered doubtful	**0.49**	0.49
	5.92	3.59
Less: Allowance for doubtful balances	**(0.49)**	(0.49)
	5.43	3.10
Derivative Assets towards foreign exchange forward contracts	**0.12**	0.05
Other Receivables*	**8.98**	6.87
Retention Money Receivable		
Unsecured, Considered good	**13.46**	9.26
Considered doubtful	**0.58**	-
	14.04	9.26
Less: Allowance for doubtful balances	**(0.58)**	-
	13.46	9.26
Uncertified Revenue from Works Contract	**37.50**	29.71
TOTAL	**65.49**	48.99
*Includes Windmill income and Insurance claim receivable		

14 Cash and Cash Equivalents

	As at 31st March 2018	As at 31st March 2017
Cash and Cash Equivalents		
Cash on Hand	**0.28**	1.93
Cheques on Hand	**49.79**	29.07
Balance with banks		
In Current Account (refer Note a)	**89.96**	46.40
In EEFC Account	**7.74**	9.66
In Fixed Deposit Accounts with original maturity of 3 months or less	**1.57**	3.31
TOTAL	**149.34**	90.37
Cash and Cash Equivalents (as above)	**149.34**	90.37
Cash Credits and Bank Overdrafts (refer Note 24)	**(57.85)**	(35.00)
Cash and Cash equivalents (as per Statement of Cash Flows)	**91.49**	55.37

(₹ in crores)

15 Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2018	As at 31st March 2017
Balance with banks		
In Current Account (balances with restriction on repatriation)	**0.34**	0.50
In Escrow Account	**6.64**	-
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**0.42**	2.58
In Fixed Deposit Accounts with original maturity of more than 3 months but less than 12 months (refer Note a)	**5.84**	5.58
Earmarked Account		
Dividend Payment Bank Account	**1.00**	0.91
TOTAL	**14.24**	9.57
a. Includes Fixed Deposit under lien	**2.49**	2.99

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

	As at 31st March 2018	As at 31st March 2017
Raw Material and Packing Material	**351.63**	273.72
Work-in-Progress	**66.84**	56.43
Finished Goods	**291.38**	296.70
Stock-in-Trade (acquired for trading)	**90.46**	90.47
Stores and Spares	**4.02**	3.54
TOTAL	**804.33**	720.86
Included above Goods-in-Transit		
Raw Material and Packing Material	**47.22**	19.00
Work-in-Progress	**3.22**	2.28
Finished Goods	**43.81**	40.65
Stock-in-Trade (acquired for trading)	**2.52**	2.68
TOTAL	**96.77**	64.61

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **2,887.64** crores (₹ 2,639.56 crores for the year ended 31st March 2017).

b. The cost of inventories recognised as an expense includes ₹ **0.17** crores in respect of write-downs of inventory to net realisable value (₹ 0.74 crores for the year ended 31st March 2017).

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

17 Income Tax Asset (net) - Non-Current

	As at 31st March 2018	As at 31st March 2017
Advance Payment of Taxes (net of provisions)	**64.82**	42.10
TOTAL	**64.82**	42.10

(₹ in crores)

18 Other Non-Current Assets

	As at 31st March 2018	As at 31st March 2017
Unsecured, Considered good		
Capital Advances	**13.40**	6.14
Prepaid Expenses	**42.63**	43.56
Balance with Government Authorities*	**23.31**	25.66
TOTAL	**79.34**	75.36

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

19 Current Tax Assets (net) - Current

	As at 31st March 2018	As at 31st March 2017
Advance Payment of Taxes (net of provisions)	28.64	0.28
TOTAL	**28.64**	0.28

20 Other Current Assets

	As at 31st March 2018	As at 31st March 2017
Export Benefits receivable		
Unsecured, Considered good	**12.73**	14.50
Considered doubtful	**-**	0.44
	12.73	14.94
Less: Allowance for doubtful debts	**-**	(0.44)
	12.73	14.50
Balances with Government Authorities*		
Unsecured, Considered good	**117.41**	42.43
Considered doubtful	**0.06**	0.06
	117.47	42.49
Less: Allowance for doubtful debts	**(0.06)**	(0.06)
	117.41	42.43
Advances to vendors		
Unsecured, Considered good	**32.82**	20.99
Considered doubtful	**0.10**	0.10
	32.92	21.09
Less: Allowance for doubtful debts	**(0.10)**	(0.10)
	32.82	20.99
Prepaid Expenses	**11.13**	14.62
Prepaid Gratuity (net) (refer Note 50)	**1.40**	-
TOTAL	**175.49**	92.54

* Includes input tax credit, VAT/ GST receivable, etc.

(₹ in crores)

	As at 31st March 2018	As at 31st March 2017
21 Equity Share Capital		
Authorised Capital:		
70,00,00,000 Equity Shares of ₹ 1 each	**70.00**	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31st March 2017)		
TOTAL	**70.00**	70.00
Issued, Subscribed and Paid-up Capital:		
50,78,10,330 Equity Shares of ₹ 1 each, fully paid up	**50.78**	51.27
(51,26,82,730 Equity Shares of ₹ 1 each as at 31st March 2017)		
TOTAL	**50.78**	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 as at 1st April 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 as at 31st March 2017	51,26,82,730	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme-2012	106,000	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan-2016**	21,600	-
Buy-back of Shares [refer Note 56(a)]	(50,00,000)	(0.50)
Balance as at 31st March 2018	**50,78,10,330**	**50.78**

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

** Issue of equity shares under Employee Stock Option Plan-2016 amounts to ₹ 21,600 during the year 2017-18.

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 24th May 2018 declared a Final Dividend of ₹ **6.00** per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2018, the Company had paid Final Dividend of ₹ 4.75 per equity share of ₹ 1 each for the financial year 2016-17.

During the year ended 31st March 2017, the Company had paid 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 2018		As at 31st March 2017	
	Number of Shares held	**% of Holding**	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,27,62,286**	**10.39**	5,33,27,568	10.40
Shri Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.69**	5,17,32,178	10.09
Shri Ajay Balvantray Parekh	**4,74,33,489**	**9.34**	4,79,22,844	9.35
Shri Sushilkumar Kalyanji Parekh	**4,18,17,646**	**8.23**	4,23,58,636	8.26
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.16**	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 2018	As at 31st March 2017
	Number of Shares	Number of Shares
Equity Shares		
Allotted on Conversion of FCCB (in 2011-12 and 2012-13)	-	65,07,718
Buy-back of Shares [refer Note 56(a)]	**50,00,000**	-

e. The Company had issued on 6th December 2007, 400 Foreign Currency Convertible Bonds (FCCB) of US$ 1,00,000 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 2018	As at 31st March 2017
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme-2012	**34,200**	29,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan-2016	**43,99,400**	44,53,500

(₹ in crores)

22 Other Equity

	As at 31st March 2018	As at 31st March 2017
Capital Reserve	**0.34**	0.34
Securities Premium Reserve	**-**	66.36
Capital Redemption Reserve	**0.50**	-
Cash Subsidy Reserve	**0.95**	0.95
Legal Reserve	**0.24**	0.24
State Investment Reserve	**0.15**	0.15
Share Options Outstanding Account	**9.03**	11.01
Foreign Currency Translation Reserve	**7.31**	9.02
General Reserve	**1,335.38**	1,764.70
Retained Earnings	**2,169.36**	1,566.87
TOTAL	**3,523.26**	3,419.64

22.1 Capital Reserve

	As at 31st March 2018	As at 31st March 2017
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.

22.2 Securities Premium Reserve

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**66.36**	65.96
Add: Premium on Shares issued against ESOP	**7.21**	0.40
Less: Amount paid on account of Buy-back of Shares [refer Note 56(a)]	**(73.57)**	-
Closing Balance	**-**	66.36

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 Securities Premium Reserve Account and Company can use this reserve for buy-back of shares.

22.4 Capital Redemption Reserve

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**-**	-
Add : Transferred from General Reserve on Buy-back of Shares	**0.50**	-
Closing Balance	**0.50**	**-**

The Company has recognised Capital Redemption Reserve on Buy-back of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to the nominal amount of equity shares bought back. The Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

22.3 Cash Subsidy Reserve

	As at 31st March 2018	As at 31st March 2017
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.

22.5 Legal Reserve

	As at 31st March 2018	As at 31st March 2017
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.

22.6 State Investment Reserve

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**0.15**	0.15
Add / (Less) : Additions/ (Deductions) during the year	-	-
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.

22.7 Share Options Outstanding Account

	As at 31st March 2018	As at 31st March 2017
Employees Stock Options Outstanding		
Balance at the beginning of the year	**15.84**	12.31
Add : Options granted during the year	**4.22**	4.73
Less : Transferred to Securities Premium on Options exercised during the year	**(7.21)**	(0.40)
Less : Lapsed during the year	**(0.31)**	(0.80)
Closing Balance (A)	**12.54**	15.84
Deferred Employees Stock Options Cost		
Balance at the beginning of the year	**(4.83)**	(8.70)
Less : Options granted during the year	**(4.22)**	(4.73)
Add : Exercised during the year	**0.74**	0.33
Add : Amortised during the year	**4.64**	7.56
Add : Lapsed during the year	**0.16**	0.71
Closing Balance (B)	**(3.51)**	(4.83)
Closing Balance (A+B)	**9.03**	11.01

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 48.

(₹ in crores)

22.8	Foreign Currency Translation Reserve	As at 31st March 2018	As at 31st March 2017
	Balance at the beginning of the year	**9.02**	10.87
	Less : Exchange difference arising on translatory foreign operations	**(1.71)**	(1.85)
	Closing Balance	**7.31**	9.02

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. Indian Rupee.

22.9	General Reserve	As at 31st March 2018	As at 31st March 2017
	Balance at the beginning of the year	**1,764.70**	1,764.70
	Less : Transferred to Capital Redemption Reserve on Buy-back of Shares [refer Note 56(a)]	**(0.50)**	-
	Less : Amount paid on account of Buy-back of Shares [refer Note 56(a)]	**(425.93)**	-
	Less : Transaction cost related to Buy-back of Shares [refer Note 56(a)]	**(2.89)**	-
	Closing Balance	**1,335.38**	1,764.70

General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

22.10	Retained Earnings	As at 31st March 2018	As at 31st March 2017
	Balance at the beginning of the year	**1,566.87**	739.90
	Add : Profit for the year	**962.35**	859.99
	Add / (Less) : Other Comprehensive Income for the year, net of income tax	**0.01**	(2.17)
	Less : Payment of Dividend	**(243.52)**	(25.63)
	Less : Tax on Dividend	**(49.57)**	(5.22)
	Less : Gross obligation towards acquisition	**(66.78)**	-
	Closing Balance	**2,169.36**	1,566.87

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.

23	Borrowings - Non-Current	As at 31st March 2018	As at 31st March 2017
	Unsecured- Term Loan from Bank	**7.11**	4.85
	TOTAL	**7.11**	4.85

Unsecured term loan from bank carries an interest rate of SLIBOR+0.8% (international) as at 31st March 2018 and 2017, APLR+1.4% (international) & 12% p.a. (domestic) as at 31st March 2018. The maturity date varies from 30th November 2019 to 1st December 2023.

(₹ in crores)

24 Borrowings - Current

		As at 31st March 2018	As at 31st March 2017
Secured - at amortised cost			
1)	Loans repayable on demand from banks		
	i) Working Capital Demand Loan	**25.79**	11.66
	ii) Cash Credit	**8.62**	-
	iii) Bank Overdraft	**16.73**	1.36
2)	Short Term Loans from Banks - Buyer's Credit	**8.54**	2.56
3)	Amount due on Factoring	**4.48**	1.36
Unsecured - at amortised cost			
1)	Loans repayable on demand from banks		
	i) Working Capital Demand Loan	**18.61**	42.08
	ii) Bank Overdraft	**32.50**	33.64
2)	Amount due on Factoring	**0.17**	-
TOTAL		**115.44**	92.66

Secured

1) i) Secured working capital demand loan carries interest rate of 8.50% - 9.90% p.a.(domestic) as at 31st March 2018 & 8.90% - 9.85% p.a. (domestic) as at 31st March 2017.

Company has a working capital facility line of credit with a maximum permissible limit of ₹ 39.10 crores (USD 0.60 crores). The current line of credit is secured totally by Working Capital (Receivables, Inventory and other assets).

ii) Secured cash credit facility interest rate varies from 10.10% - 11.50% as at 31st March 2018 & 10-12% p.a. as at 31st March 2017. 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 9.30% - 9.40% p.a. (domestic) as at 31st March 2018 & SLIBOR +0.7% (international) as at 31st March 2017. It is secured by way of Debtors, Stock and Non-Disclosure Undertaking by Holding Company.

2) Secured buyer's credit facility which carries interest rate of 2.50% - 9.40% p.a. (domestic) as at 31st March 2018 and 2.50% as at 31st March 2017. The maturity period varies from 3-6 months. 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 2018 & 31st March 2017.

Unsecured

1) i) Unsecured working capital demand loan carries interest rate of 9.94% to 13.20% p.a. (international) as at 31st March 2018 & 3.10% p.a. and SELIC+6% p.a. (international) as at 31st March 2017.

ii) Unsecured bank overdraft carries interest rate of SLIBOR +0.70% and EIBOR + 1.85% (international) as at 31st March 2018 & 9.40% - 11.30% p.a. (domestic), EIBOR +2.20% and SLIBOR +0.70% (international) as at 31st March 2017.

2) Unsecured amount due on factoring carries interest rate of 13.20% p.a. (international) as at 31st March 2018.

(₹ in crores)

25 Trade Payables

	As at 31st March 2018	As at 31st March 2017
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	**22.33**	16.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	**521.48**	373.49
TOTAL	**543.81**	390.32

(₹ in crores)

26 Other Financial Liabilities - Non-Current

	As at 31st March 2018	As at 31st March 2017
BTA payable (refer Note 52)	**2.42**	1.97
Contingent consideration payable (refer Note 52)	**11.23**	16.96
Payable on purchase of assets	**8.31**	-
Gross obligation towards acquisition (refer Note 52)	**66.78**	-
Retention money payable	**1.29**	-
Employees related liabilities	**1.21**	5.52
TOTAL	91.24	24.45

27 Other Financial Liabilities - Current

	As at 31st March 2018	As at 31st March 2017
Unclaimed Dividend	**1.00**	0.91
BTA payable (refer Note 52)	**2.40**	4.62
Contingent consideration payable (refer Note 52)	**3.68**	11.31
Payable on purchase of assets	**6.11**	6.16
Trade / Security Deposit received	**95.01**	83.78
Liabilities for expenses	**293.39**	284.15
Derivative liabilities towards foreign exchange forward contract	**0.08**	0.87
Current portion of non-current borrowings (refer Note 23)	**2.02**	-
Retention money payable	**9.08**	0.36
Employees related liabilities	**30.35**	26.13
TOTAL	**443.12**	418.29

28 Provisions - Non-Current

	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		
Gratuity (net) (refer Note 50)	**2.20**	2.86
Compensated Absences	**27.43**	23.64
Anniversary Awards	**1.27**	0.88
Premature Death Pension Scheme	**1.05**	0.86
Total Disability Pension Scheme	**0.21**	0.14
Other Retirement Benefits	**2.96**	0.52
Provision for warranty expenses (refer Note 55)	**0.53**	0.32
Others (refer Note 55)	**2.52**	3.56
TOTAL	**38.17**	32.78

(₹ in crores)

29 Provisions - Current

	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		
Gratuity (net) (refer Note 50)	**0.58**	3.16
Compensated Absences	**11.21**	10.77
Anniversary Awards	**0.20**	0.12
Premature Death Pension Scheme	**0.01**	0.01
Total Disability Pension Scheme	**0.03**	0.02
Other Retirement Benefits	**0.83**	-
Provision for warranty expenses (refer Note 55)	**0.21**	0.06
TOTAL	**13.07**	14.14

30 Current Tax Liabilities (net)

	As at 31st March 2018	As at 31st March 2017
Provision for Tax (net of Advance Tax)	**13.70**	16.96
TOTAL	**13.70**	16.96

31 Other Current Liabilities

	As at 31st March 2018	As at 31st March 2017
Statutory remittances	**42.06**	52.20
Advance from customers	**31.28**	28.25
Other liabilities	**5.75**	9.59
TOTAL	**79.09**	90.04

32 Revenue from Operations

	For the year ended 31st March 2018	For the year ended 31st March 2017
Revenue from Operations		
Sale of Products	**5,942.26**	5,849.54
Sale of Services	**230.49**	183.89
TOTAL (A)	**6,172.75**	6,033.43
Other Operating Revenue		
Scrap Sales	**11.19**	10.66
Export Incentives	**14.12**	15.50
GST Refund	**16.75**	-
Others	**3.95**	2.72
TOTAL (B)	**46.01**	28.88
TOTAL (A+B)	**6,218.76**	6,062.31

(₹ in crores)

33 Other Income

	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest on:		
Bank Deposit (at amortised cost)	**0.68**	2.72
Overdue Trade Receivables	**0.65**	1.00
Others	**6.11**	2.17
Dividend on:		
Current Investments (at FVTPL)	**15.58**	7.15
Other Non-Operating Income:		
Windmill Income	**3.77**	4.39
Insurance claim received	**0.72**	-
Liabilities no longer required written back	**14.15**	8.61
Rental Income from Operating Leases	**2.21**	2.35
Net gain arising on financial assets designated as at FVTPL	**92.42**	76.86
Profit on Sale of Assets (net)	**6.53**	-
Miscellaneous Income	**5.59**	7.00
TOTAL	**148.41**	112.25

34 Cost of Materials Consumed

	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventory at the beginning of the year	**273.72**	212.04
Add: Purchases	**2,631.26**	2,332.11
Add: Acquisitions through business combinations (refer Note 52)	**11.67**	-
	2,916.65	2,544.15
Less: Inventory at the end of the year	**351.63**	273.72
TOTAL	**2,565.02**	2,270.43

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
Inventories at the end of the year		
Stock-in-Trade	**90.46**	90.47
Work-in-Progress	**66.84**	56.43
Finished Goods	**291.38**	296.70
(A)	**448.68**	443.60
Acquisitions through business combinations (refer Note 52)		
Work-in-Progress	**5.28**	-
Finished Goods	**3.57**	-
(B)	**8.85**	-
Inventories at the beginning of the year		
Stock-in-Trade	**90.47**	81.20
Work-in-Progress	**56.43**	55.56
Finished Goods	**296.70**	275.58
(C)	**443.60**	412.34
TOTAL (C)+(B)-(A)	**3.77**	(31.26)
Increase of Excise Duty on inventory of Finished Goods	**-**	0.53
TOTAL	**3.77**	(30.73)

(₹ in crores)

36 Employee Benefits Expense

	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries and Wages	**647.07**	589.69
Contribution to Provident and Other Funds (refer Note 50)	**37.29**	31.08
Share-based Payments to Employees (refer Note 48)	**5.23**	7.80
Staff Welfare Expenses	**22.81**	16.70
TOTAL	**712.40**	645.27

37 Finance Costs

	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest expense on:		
Borrowings	**7.86**	6.72
Unwinding of Liabilities (refer Note 52)	**1.40**	-
Dealer Deposits & others	**6.28**	7.21
TOTAL	**15.54**	13.93

38 Depreciation and Amortisation Expense

	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation on Property, Plant and Equipment (refer Note 4)	**98.84**	96.95
Amortisation of Other Intangible Assets (refer Note 5)	**21.04**	18.19
TOTAL	**119.88**	115.14

(₹ in crores)

39 Other Expenses

		For the year ended 31st March 2018	For the year ended 31st March 2017
Consumption of Stores and Spares		**21.31**	18.85
Clearing, Forwarding and Octroi Duty		**240.86**	242.47
Power and Fuel		**56.09**	50.51
Water Charges		**3.07**	2.70
Rent		**43.55**	43.19
Rates and Taxes		**4.47**	6.35
Insurance		**5.40**	5.89
License fees		**0.80**	-
Repairs:			
Buildings	**9.23**		9.32
Machinery	**17.60**		14.82
Others	**14.13**		13.84
		40.96	37.98
Directors' Fees		**0.48**	0.35
Advertisement and Publicity		**212.69**	193.52
Legal, Professional and Consultancy fees		**42.68**	38.66
Communication Expenses		**19.09**	17.41
Printing and Stationery		**7.34**	7.39
Travelling and Conveyance Expenses		**97.71**	91.81
Bad Debts		**2.09**	3.42
Provision for Doubtful Debts		**22.79**	4.27
Processing and Packing Charges		**74.98**	68.16
Sales Commission		**14.70**	19.51
Payments to Auditor (refer Note 44)		**2.02**	2.04
Donations		**0.37**	0.52
Corporate Social Responsibility Expenses		**22.24**	19.17
Loss on Fixed Assets Sold / Discarded (net)		**-**	2.10
Net Loss on Foreign Currency Transactions and Translation		**3.67**	8.22
Miscellaneous Expenses		**197.78**	187.68
TOTAL		**1,137.14**	1,072.17

40 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 2018	As at 31st March 2017
Vinyl Chemicals (India) Ltd	Trading in chemicals	India	**40.64%**	40.64%

(₹ in crores)

(ii) Financial information in respect of Associate

Particulars	**For the year ended 31st March 2018**	For the year ended 31st March 2017
Group's share of profit	**4.75**	3.54
Group's share of Other Comprehensive Income	**-**	(0.01)
Group's share of Total Comprehensive Income	**4.75**	**3.53**

(iii) Reconciliation with carrying amount of investment

Particulars	**As at 31st March 2018**	As at 31st March 2017
Net assets of the Associate excluding dividend adjustment	**54.33**	46.51
Share in accumulated Profits / Reserves (%)	**40.64%**	40.64%
Share in accumulated Profits / Reserves	**22.08**	18.90
Investment in Equity Share Capital	**1.18**	1.18
Total Investment	**23.26**	20.08

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 2018	As at 31st March 2017
Plus Call Technical Services LLC	Flooring, tiling, painting, concrete work and related contracting activities	United Arab Emirates	**40.00%**	40.00%

(₹ in crores)

(ii) Financial information in respect of Joint Venture

Particulars	**For the year ended 31st March 2018**	For the year ended 31st March 2017
Group's share of profit/ (loss)	**(0.16)**	1.77
Group's share of Other Comprehensive Income	**-**	-
Group's share of Total Comprehensive Income	**(0.16)**	1.77

(₹ in crores)

41 Non-Controlling Interest

	As at 31st March 2018	As at 31st March 2017
Balance at the beginning of the year	**127.32**	43.38
Share of Profit for the year	**3.74**	3.23
Share of Other Comprehensive Income for the year	**0.16**	-
Non-Controlling Interests arising on the acquisition of:		
ICA Pidilite Pvt Ltd	**-**	80.67
Nina Lanka Construction Technologies Pvt Ltd	**-**	0.04
Cipy Poly Urethanes Pvt Ltd	**20.15**	-
Additional non-controlling interests arising on increase in capital of:		
Pidilite Lanka Pvt Ltd	**2.84**	-
ICA Pidilite Pvt Ltd	**20.80**	-
TOTAL	**175.01**	127.32

Non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	
		As at 31st March 2018	As at 31st March 2017
Nina Waterproofing Systems Pvt Ltd	India	**30%**	30%
ICA Pidilite Pvt Ltd	India	**50%**	50%
Cipy Poly Urethanes Pvt Ltd	India	**30%**	-
Building Envelope Systems India Pvt Ltd	India	**40%**	40%
Bamco Supply and Services Ltd	India	**49%**	49%

(₹ in crores)

Name of subsidiaries	Profit / (Loss) allocated to non-controlling interests		Other Comprehensive Income		Accumulated non-controlling interest	
	For the year ended 31st March 2018	For the year ended 31st March 2017	For the year ended 31st March 2018	For the year ended 31st March 2017	As at 31st March 2018	As at 31st March 2017
Nina Waterproofing Systems Pvt Ltd	**4.27**	1.79	**(0.06)**	-	**35.56**	31.35
ICA Pidilite Pvt Ltd	**(2.46)**	0.23	**0.02**	-	**99.03**	80.67
Cipy Poly Urethanes Pvt Ltd	**0.31**	-	**(0.01)**	-	**20.45**	-
Building Envelope Systems India Pvt Ltd	**0.88**	0.29	**-**	-	**8.14**	7.26
Bamco Supply and Services Ltd	**0.09**	-	**0.18**	-	**0.27**	-
Individually immaterial subsidiaries with non-controlling interests	**0.65**	0.92	**0.03**	-	**11.56**	8.04
TOTAL	**3.74**	3.23	**0.16**	-	**175.01**	127.32

(₹ in crores)

42 Contingent Liabilities and Commitments

		As at 31st March 2018	As at 31st March 2017
A)	**Contingent liabilities not provided for:**		
1.	Claims against the Group not acknowledged as debts comprise:		
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	**41.17**	20.77
b)	Excise Duty claims disputed by the Group relating to issues of classifications	**15.65**	36.65
c)	Sales Tax claims disputed by the Group relating to issues of declaration forms and classifications	**122.80**	170.25
d)	Federal Taxes (PIS, COFINS and other taxes) claims disputed by the Group related to denial of input credit	**-**	6.28
e)	Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)	**6.39**	4.24
2.	Guarantees given by Banks in favour of Government and others*	**73.38**	70.82
	*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 and Equipment and not provided for	**66.22**	27.69
b)	For other commitments, refer Note 49(E)(ii) and 52		

43 Research & Development Expenditure

	For the year ended 31st March 2018	For the year ended 31st March 2017
Capital expenditure included in Property, Plant and Equipment	**5.73**	5.40
Revenue expenditure charged to Statement of Profit and Loss	**51.71**	36.61
TOTAL	**57.44**	42.01

44 Details of Payments to Auditor (net of Service Tax / GST)

	For the year ended 31st March 2018	For the year ended 31st March 2017
Audit fees	**1.29**	1.32
Other Services:		
Limited Review	**0.26**	0.27
Certification Fees	**0.30**	0.16
Reimbursement of Expenses	**0.04**	0.03
Others*	**0.13**	0.26
TOTAL	**2.02**	2.04

* Fees paid to network firm.

(₹ in crores)

45 Earnings Per Share (EPS)

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

	For the year ended 31st March 2018	For the year ended 31st March 2017
Basic:		
Profit attributable to shareholders of the Company (₹ in crores)	**962.35**	859.99
Weighted average number of equity shares in calculating basic EPS	**50,78,58,798**	51,26,75,918
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**18.95**	16.77
Diluted:		
Profit attributble to shareholders of the Company (₹ in crores)	**962.35**	859.99
Weighted average number of equity shares in calculating basic EPS	**50,78,58,798**	51,26,75,918
Add: Effect of Employee Stock Option Scheme	**2,06,700**	2,76,900
Weighted average number of equity shares in calculating diluted EPS	**50,80,65,498**	51,29,52,818
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**18.94**	16.77

46 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.	Plus Call Technical Services LLC	Joint Venture
	c.	Parekh Marketing Ltd	Significant Influence of KMP
	d.	Pargro Investment Pvt Ltd	Significant Influence of KMP
(ii)	**Key Management Personnel (KMP):**		
	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 Sabyasachi Patnaik	Whole Time Director
(iii)	**Close member of Key Management Personnel:**		
	a.	Smt. Mala M Parekh	Wife of Executive Chairman

(₹ in crores)

46 (iv) Transactions with Related Parties for the year ended 31st March 2018 are as follows:

	Nature of Transaction	Remuneration/ Commission to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Pargro Invest-ment Pvt Ltd	Plus Call Technical Services LLC	Mala M Parekh	TOTAL
a	Sales and Related Income		**85.26**	**NIL**	**NIL**	**NIL**	**NIL**	**85.26**
			(82.67)	(NIL)	(NIL)	(NIL)	(NIL)	(82.67)
b	Purchases and Other Related Services		**NIL**	**348.52**	**NIL**	**NIL**	**NIL**	**348.52**
			(NIL)	(282.45)	(NIL)	(NIL)	(NIL)	(282.45)
c	Remuneration/ Commission to Directors:							
	- Shri M B Parekh	**3.89**						**3.89**
		(3.78)						(3.78)
	- Shri Bharat Puri	**21.18**						**21.18**
		(12.73)						(12.73)
	- Shri A B Parekh	**6.42**						**6.42**
		(5.68)						(5.68)
	- Shri A N Parekh	**5.41**						**5.41**
		(4.81)						(4.81)
	- Shri Sabyasachi Patnaik	**2.51**						**2.51**
		(2.25)						(2.25)
	Total Remuneration/ Commission	**39.41**						**39.41**
		(29.25)						(29.25)
d	Purchase of Fixed Assets		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.16)	(NIL)	(NIL)	(NIL)	(NIL)	(0.16)
e	Rent Paid / (Received)		**NIL**	**NIL**	**(0.07)**	**NIL**	**0.73**	**0.66**
			(NIL)	(NIL)	((0.02))	(NIL)	(0.66)	(0.64)
f	Reimbursement of expenses made		**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
			(0.02)	(NIL)	(NIL)	(NIL)	(NIL)	(0.02)
	- Trade Receivables		**15.04**	**NIL**	**0.01**	**NIL**	**NIL**	**15.05**
			(13.98)	(NIL)	(NIL)	(NIL)	(NIL)	(13.98)
	- Loans and Advances		**NIL**	**NIL**	**NIL**	**2.48**	**NIL**	**2.48**
			(NIL)	(NIL)	(0.01)	(4.03)	(NIL)	(4.04)
	- Trade Payables		**0.02**	**29.76**	**NIL**	**NIL**	**NIL**	**29.78**
			(0.01)	(20.66)	(NIL)	(NIL)	(NIL)	(20.67)
	- Net Outstanding Receivable/(Payable)		**15.02**	**(29.76)**	**0.01**	**2.48**	**NIL**	**(12.25)**
			(13.97)	((20.66))	(0.01)	(4.03)	(NIL)	((2.65))

(₹ in crores)

46 (v) Compensation of Key Management Personnel of the Company:

	For the year ended 31st March 2018	For the year ended 31st March 2017
Short-term employee benefits	**39.40**	29.24
Share-based payments	**0.01**	0.01
TOTAL	**39.41**	29.25

47 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. 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 2017-18				Year 2016-17			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Revenue								
Segment Revenue	**5,274.09**	**994.77**	**55.81**	**6,324.67**	5,132.29	963.37	49.03	6,144.69
Less: Inter Segment Revenue (at cost plus fixed margin)	**(3.49)**	**(102.42)**	**-**	**(105.91)**	(1.73)	(80.65)	-	(82.38)
Net Revenue	**5,270.60**	**892.35**	**55.81**	**6,218.76**	5,130.56	882.72	49.03	6,062.31
Revenue								
India				**5,328.04**				4,817.72
Outside India				**890.72**				1,244.59
Segment Result	**1,371.80**	**158.29**	**(1.94)**	**1,528.15**	1,256.88	166.23	(4.06)	1,419.05
Unallocable Expenses				**(195.03)**				(188.68)
Unallocable Income				**13.61**				13.49
Operating Income				**1,346.73**				1,243.86
Finance Cost				**(15.54)**				(13.93)
Interest / Dividend Income				**23.02**				13.04
Share of Profit of Associates / Joint Ventures				**4.59**				5.30
Profit Before Tax				**1,358.80**				1,248.27
Tax Expense				**392.71**				385.05
Profit for the year				**966.09**				863.22
Other Comprehensive Income				**(1.54)**				(2.17)
Total Comprehensive Income				**964.55**				861.05
Non-Controlling Interest				**3.90**				3.23
Total Comprehensive Income attributable to shareholders				**960.65**				857.82
The above includes:								
Depreciation and Amortisation (allocable)	**76.72**	**14.55**	**1.65**	**92.92**	70.93	13.55	2.25	86.73
Depreciation and Amortisation (unallocable)				**26.96**				28.41
Capital Expenditure (including Capital Work-in-Progress) (allocable)	**243.08**	**25.18**	**8.23**	**276.49**	233.96	21.70	0.56	256.22
Capital Expenditure (unallocable)				**14.22**				4.15
Capital Expenditure				**290.71**				260.37
India				**272.78**				226.42
Outside India				**17.93**				33.95

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

Segment Assets & Liabilities	As at 31st March 2018				As at 31st March 2017			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Segment Assets	**3,011.47**	**508.51**	**46.54**	**3,566.52**	2,521.07	435.06	42.05	2,998.18
Unallocable Assets				**1,637.94**				1,776.01
Total Assets				**5,204.46**				4,774.19
India				**4,697.06**				4,191.00
Outside India				**507.40**				583.19
Segment Liabilities	**1,087.08**	**163.22**	**5.92**	**1,256.22**	878.35	165.77	8.80	1,052.92
Unallocable Liabilities				**199.19**				123.04
Total Liabilities				**1,455.41**				1,175.96
Capital Employed				**3,749.05**				3,598.23

48 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	Vesting 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
6	Granted on 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15

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.

b) 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	Granted on 8th November 2017-ESOP 2016
Share price (on the date previous to grant date)	544.95	556.80	751.60	751.60	691.40	758.55
Exercise price	1.00	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**	**08.11.2018**
Dividend yield (%)	0.91	0.93	0.79	0.74	0.89	0.85
Option life (no. of years)	3.50	3.50	3.50	2.50	3.50	2.50
Risk free interest rate (%)	8.07	7.80	7.39	7.28	6.73	6.69
Expected volatility (%)	52.17	54.46	21.51	17.70	20.94	22.12
Date of vesting (2)	**10.04.2018**	**29.01.2018**	**29.07.2018**	**29.07.2018**	**09.11.2018**	**08.11.2019**
Dividend yield (%)	0.97	1.21	0.85	0.79	0.96	0.91
Option life (no. of years)	4.50	4.50	4.50	3.50	4.50	3.50
Risk free interest rate (%)	8.07	7.80	7.56	7.39	6.93	6.64
Expected volatility (%)	52.17	54.46	24.25	21.51	23.94	24.01
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 2018		During the year ended 31st March 2017	
	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	**2,30,400**	**₹ 1**	233,800	₹ 1
- ESOP 2016	**46,500**	**₹ 1**	-	₹ 1
Granted during the year				
- ESOS 2012	**-**	**₹ 1**	18,000	₹ 1
- ESOP 2016	**57,500**	**₹ 1**	47,200	₹ 1
Vested during the year - ESOS 2012	**1,14,900**	**₹ 1**	7,400	₹ 1
Vested during the year - ESOP 2016	**22,950**	**₹ 1**	-	₹ 1
Exercised during the year - ESOS 2012	**1,06,000**	**₹ 1**	7,400	₹ 1
Exercised during the year - ESOP 2016	**21,600**	**₹ 1**	-	₹ 1
Lapsed during the year*				
- ESOS 2012 (granted on 29th January 2016)	**5,000**	**₹ 1**	14,000	₹ 1
- ESOP 2016 (granted on 29th July 2016)	**3,400**	**₹ 1**	700	₹ 1
Options outstanding at the end of the year				
- ESOS 2012	**1,19,400**	**₹ 1**	2,30,400	₹ 1
- ESOP 2016	**79,000**	**₹ 1**	46,500	₹ 1
Options available for grant				
- ESOS 2012	**34,200**	**₹ 1**	29,200	₹ 1
- ESOP 2016	**43,99,400**	**₹ 1**	44,53,500	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 926.11**		₹ 676.25
Range of exercise price for options outstanding at the end of the year		**₹ 1**		₹ 1

*Lapsed due to termination of employment with the Group.

49 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 2018	As at 31st March 2017
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual Funds / Other Investments	**1,201.83**	1,403.02
Derivative assets towards foreign exchange forward contracts	**0.12**	0.05
Measured at amortised cost		
Investments in Deposits & Promissory Notes	**19.08**	-
Trade Receivables	**938.13**	768.54
Cash and Cash Equivalents	**149.34**	90.37
Other Bank balances	**14.24**	9.57
Loans	**17.76**	21.46
Other Financial Assets	**104.18**	83.24
Total Financial Assets	**2,444.68**	2,376.25
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards foreign exchange forward contracts	**0.08**	0.87
Measured at amortised cost (including trade payables)		
Borrowings	**124.57**	97.51
Trade Payables	**543.81**	390.32
Gross obligation towards acquisition	**66.78**	-
Other Financial liabilities	**465.48**	441.87
Total Financial Liabilities	**1,200.72**	930.57

(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, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward 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 derivative 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 foreign exchange forward contracts to manage its exposure to foreign currency risk of net imports.

(E) Foreign currency risk mangement

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 2018	31st March 2017	**31st March 2018**	31st March 2017
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	**16,56,806.25**	16,95,381.40	**13.31**	11.73
USD	**1,73,91,562.23**	89,32,188.19	**113.36**	57.89
SGD	**2,73,732.00**	3,29,603.35	**1.36**	1.53
Amounts (payable) / advance in foreign currency on account of the following:				
AED	**(1,96,178.86)**	(3,37,617.57)	**(0.35)**	(0.62)
AUD	**(12,584.60)**	59,405.04	**(0.06)**	0.29
BDT	**16,71,266.40**	16,14,341.40	**0.13**	0.13
CHF	**(11,000.00)**	1,639.35	**(0.08)**	0.01
EGP	**(1,74,341.79)**	3,250.00	**(0.06)**	-
EUR	**(44,09,427.62)**	10,98,694.86	**(35.43)**	7.60
GBP	**(65,821.51)**	1,09,951.94	**(0.60)**	0.89
JPY	**(43,80,000.00)**	-	**(0.27)**	-
SGD	**(4,68,745.29)**	(80,362.50)	**(2.34)**	(0.37)
USD	**(1,31,98,197.83)**	(38,83,645.36)	**(86.03)**	(25.22)
ZAR	**10,170.17**	2,760.17	**0.01**	-
Malaysian Ringgit	**(83,697.16)**	2,760.17	**(0.14)**	-

(i) Foreign currency sensitivity analysis

The Group is mainly exposed to the USD and EUR. The following table demonstrates the sensitivity to a 2% increase or 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 2018	For the year ended 31st March 2017
Impact on profit or loss for the year (refer Note a)	**0.55**	0.87

	EUR impact	
	For the year ended 31st March 2018	For the year ended 31st March 2017
Impact on profit or loss for the year (refer Note b)	**(0.44)**	0.05

(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 EUR 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) Foreign exchange forward contracts

It is the policy of the Group to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD and EUR. 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 foreign exchange forward contracts outstanding at the end of the reporting period

Outstanding contracts	Average exchange rates (₹)		Foreign Currency (Amount)	
	31st March 2018	31st March 2017	**31st March 2018**	31st March 2017
USD - Buy	**64.99**	64.81	**74,39,075.21**	62,03,064.00
GBP - Buy	**86.36**	81.31	**-**	35,152.26
EUR - Sell	**74.77**	69.18	**1,96,665.10**	2,45,263.85
EUR - Buy	**74.76**	71.43	**36,303.13**	59,691.06

Outstanding contracts	Nominal Amounts (₹ in crores)		Fair value assets / (liabilities) (₹ in crores)	
	31st March 2018	31st March 2017	**31st March 2018**	31st March 2017
USD - Buy	**48.48**	40.21	**(0.06)**	(0.84)
GBP - Buy	**-**	0.29	**-**	(0.00)
EUR - Sell	**1.58**	1.70	**0.09**	0.03
EUR - Buy	**0.29**	0.43	**0.01**	(0.01)
TOTAL			**0.04**	(0.82)

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

At 31st March 2018, the aggregate amount of gain under foreign exchange forward contracts recognised in profit or loss is ₹ **0.87** crores (₹ 0.62 crores as at 31st March 2017).

(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.

(i) 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 2018				
Non-interest bearing				
Trade Payables	543.81	-	543.81	**543.81**
Other Financial Liabilities	346.01	24.46	370.47	**370.47**
	889.82	24.46	914.28	**914.28**
Fixed interest rate instruments				
Trade/ Security Deposit received	95.01	-	95.01	**95.01**
Variable interest rate instruments				
Borrowings	115.44	7.11	122.55	**122.55**
Current Maturity of Term Loan	2.02	-	2.02	**2.02**
Derivative liabilities towards foreign exchange forward contracts	0.08	-	0.08	**0.08**
Gross obligation towards acquisition	-	66.78	66.78	**66.78**
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
	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 liabilities towards foreign exchange forward contracts	0.87	-	0.87	0.87

(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 heirarchy	Valuation Technique(s) and key input(s)
		As at 31st March 2018	As at 31st March 2017		
1	Derivative assets and liabilities towards foreign exchange forward contracts	**Assets - ₹ 0.12 crores; and liabilities - ₹ 0.08 crores**	Assets - ₹ 0.05 crores; and liabilities - ₹ 0.87 crores	Level 2	Mark to market values acquired from banks, with whom the Group contracts.
2	Gross obligation towards acquisition	**Liabilities - ₹ 66.78 crores**	NIL	Level 2	Fair Value of liabilities based on discounted future EBITDA multiples
3	Investment in Mutual Funds	**Various listed funds - aggregate fair value of ₹ 1,201.83 crores**	Various listed funds - aggregate fair value of ₹ 1,402.90 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.

50 Employee Benefits

The Group 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
- Labour Welfare Fund

(d) National Pension Scheme

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner, the Superannuation Fund is administered by the LIC of India and National Pension Fund is administered by Pension Fund Regulatory and Development Authority (PFRDA), 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 Group has recognised the following amounts in the Statement of Profit and Loss:

(₹ in crores)

		For the year ended 31st March 2018	For the year ended 31st March 2017
(i)	Contribution to Provident Fund	**13.88**	21.06
(ii)	Contribution to Employees' Superannuation Fund	**0.88**	0.89
(iii)	Contribution to Employees' State Insurance Scheme & Labour Welfare Fund	**0.96**	0.53
(iv)	Contribution to Employees' Pension Scheme 1995	**6.82**	6.24
(iv)	Contribution to National Pension Scheme	**1.36**	0.61
(v)	Other Funds (International)	**7.81**	-
	TOTAL	31.71	29.33
(B)	**Defined Benefit Plans**		
	Gratuity		
(C)	**Other Long-Term Benefits**		
(a)	Compensated Absences		
(b)	Anniversary Awards		
(c)	Premature Death Pension Scheme		
(d)	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 2018	31st March 2017
(i)	Discount Rate (per annum)	**7.4% - 11.1%**	6.9% - 11.30%
(ii)	Rate of increase in Compensation levels (per annum)	**1st 2 yrs - 8.50%, thereafter 6.50%**	4.5% - 9.00%
(iii)	Expected Rate of Return on Assets	**7.55% - 11.1%**	6.9% - 11.30%
(iv)	Attrition Rate	**upto 5 yrs-17%, 5 - 10 yrs-10%, Above 10 yrs-4%**	upto 5 yrs-19%, 5 - 10 yrs-9%, Above 10 yrs-8%
(v)	Retirement Age	**58 - 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.		

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 2018		31st March 2017	
		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	**57.35**	**3.34**	49.24	2.05
2	Unfunded Scheme converted into funded during the year	**1.47**	**(1.47)**	-	-
3	Acquisition through Business Combination (refer Note 52)	**0.62**	**-**	-	0.18
4	Current Service Cost	**5.26**	**0.30**	4.23	0.39
5	Interest Cost	**3.89**	**0.12**	3.41	0.20
6	Actuarial (Gains)/Loss				
	Actuarial (gains)/ losses arising from changes in demographic assumption	**(0.30)**	**0.03**	-	0.03
	Actuarial (gains)/ losses arising from changes in financial assumption	**(1.80)**	**0.12**	1.97	0.05
	Actuarial (gains)/ losses arising from changes in experience adjustment	**2.31**	**0.02**	1.07	0.23
7	Past Service cost	**-**	**-**	-	0.45
8	Benefits Paid	**(3.60)**	**(0.08)**	(2.57)	(0.24)
9	Foreign Currency Translation	**(0.03)**	**-**	-	-
10	**Present value of defined benefit obligation at the end of the year**	**65.17**	**2.38**	57.35	3.34
(ii)	**Changes in Fair value of Plan Assets**				
1	Fair value of plan assets at the beginning of the year	**54.70**	**-**	48.78	-
2	Unfunded Scheme converted into funded during the year	**0.73**	**-**	-	-
3	Acquisition through Business Combination (refer Note 52)	**0.21**	**-**	-	-
4	Expected Return on Plan Assets	**3.99**	**-**	3.78	-
5	Acturial Gain / (Loss)	**0.40**	**-**	0.25	-
6	Employer's Contributions	**9.77**	**-**	4.46	-
7	Benefits Paid	**(3.59)**	**-**	(2.57)	-
8	Foreign Currency Translation	**(0.04)**	**-**	-	-
9	**Fair value of plan assets at the end of the year**	**66.17**	**-**	54.70	-
(iii)	**Net Benefit (Asset) / Liability**				
1	Defined benefit obligation	**65.17**	**2.38**	57.35	3.34
2	Fair value of plan assets	**66.17**	**-**	54.70	-
3	**Net Benefit (Asset) / Liability**	**(1.00)**	**2.38**	2.65	3.34

(₹ in crores)

			31st March 2018		31st March 2017	
			Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(iv)	**Expenses recognized in the Statement of Profit and Loss**					
	1	Current Service Cost	**5.26**	**0.30**	4.23	0.39
	2	Past Service Cost	-	-	-	0.45
	3	Interest cost on benefit obligation (Net)	**(0.10)**	**0.12**	(0.37)	0.20
	4	**Total Expenses recognized in the Statement of Profit and Loss**	**5.16**	**0.42**	3.86	1.04
(v)	**Remeasurement Effects recognised in Other Comprehensive Income for the year**					
	1	Actuarial (gains)/ losses arising from changes in demographic assumption	**(0.30)**	**0.03**	-	0.03
	2	Actuarial (gains)/ losses arising from changes in financial assumption	**(1.80)**	**0.12**	1.97	0.05
	3	Actuarial (gains)/ losses arising from changes in experience adjustment	**2.31**	**0.02**	1.07	0.23
	4	Return on plan asset	**(0.43)**	**-**	(0.25)	-
	5	**Recognised in Other Comprehensive Income**	**(0.22)**	**0.17**	2.79	0.31
(vi)	**Actual return on plan assets**		**4.42**	**-**	4.03	-
(vii)	**Sensitivity Analysis**					
	Defined Benefit Obligation					
	Discount Rate					
	a	Discount Rate - 100 basis points	**69.51**	**2.16**	60.68	3.55
	b	Discount Rate + 100 basis points	**61.11**	**1.96**	54.37	3.23
	Salary Increase Rate					
	a	Rate - 100 basis points	**61.04**	**1.96**	54.33	3.23
	b	Rate + 100 basis points	**69.51**	**2.16**	60.66	3.55

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.

(viii)	**Expected Future Cashflows**					
		Year 1	**8.25**	**0.36**	9.78	0.32
		Year 2	**10.94**	**0.29**	9.77	0.23
		Year 3	**5.78**	**0.32**	6.14	0.22
		Year 4	**6.22**	**0.22**	5.62	0.24
		Year 5	**6.96**	**0.26**	5.65	0.17
		Year 6 to 10	**26.58**	**0.77**	24.08	0.62
(ix)	**Average Expected Future Working life (yrs)**		**14.40**	**9.86**	14.03	7.50

51 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 2018	As at 31st March 2017
a.	Fevicol Company Ltd (Fevicol)	India	**100.00%**	100.00%
b.	Bhimad Commercial Company Pvt Ltd (Bhimad)	India	**100.00%**	100.00%
c.	Madhumala Traders Pvt Ltd (Madhumala)	India	**100.00%**	100.00%
d.	Pagel Concrete Technologies Pvt Ltd (PCTPL)	India	**80.00%**	80.00%
e.	Nitin Enterprises (Nitin)	India	**100.00%**	99.99%
f.	Building Envelope Systems India Ltd (BESI)	India	**60.00%**	60.00%
g.	Percept Waterproofing Services Ltd (PWSL)	India	**80.00%**	80.00%
h.	Hybrid Coatings (Hybrid)	India	**60.00%**	60.00%
i.	Pidilite International Pte Ltd (PIPL)	Singapore	**100.00%**	100.00%
j.	Pidilite Middle East Ltd (PMEL)	United Arab Emirates	**100.00%**	100.00%
k.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	Brazil	**100.00%**	100.00%
l.	Pidilite USA Inc (PUSA)	USA	**100.00%**	100.00%
m.	Pidilite MEA Chemicals LLC (Jupiter)*	United Arab Emirates	**49.00%**	49.00%
n.	PT Pidilite Indonesia (PTPI)	Indonesia	**100.00%**	100.00%
o.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	Bangladesh	**100.00%**	100.00%
p.	Pidilite Innovation Centre Pte Ltd (PICPL)	Singapore	**100.00%**	100.00%
q.	Pidilite Industries Egypt SAE (PIE)	Egypt	**100.00%**	100.00%
r.	Pidilite Bamco Ltd (Bamco)	Thailand	**100.00%**	100.00%
s.	Pidilite Chemical PLC (PCPLC)	Ethiopia	**100.00%**	100.00%
t.	PIL Trading (Egypt) Company (PTC)	Egypt	**100.00%**	100.00%
u.	Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	China	**100.00%**	100.00%
v.	Bamco Supply and Services Ltd (BSSL)*	Thailand	**49.00%**	49.00%
w.	Nina Waterproofing Systems Pvt Ltd (Nina)	India	**70.00%**	70.00%
x.	ICA Pidilite Pvt Ltd (ICA) (formerly known as Wood Coat Pvt Ltd)*	India	**50.00%**	50.00%
y.	Cipy Poly Urethanes Pvt Ltd (from 8th February 2018)	India	**70.00%**	-
z.	Building System Solution Trading LLC (BSST)* (upto 5th March 2018)	Qatar	**-**	49.00%
aa.	Pidilite Lanka (Pvt) Ltd (PLPL)	Sri Lanka	**76.00%**	76.00%
ab.	Nebula East Africa Pvt Ltd (Nebula)	Kenya	**100.00%**	100.00%
ac.	Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)**	Sri Lanka	**70.00%**	70.00%

* Jupiter, BSSL, ICA and BSST (upto 5th March 2018) 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)

52 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 2017-18	Cipy Poly Urethanes Pvt Ltd	Manufacture and sale of floor coatings	8th February 2018	70%	96.40
During 2016-17	ICA Pidilite Pvt Ltd	Distribution of Wood Finish	25th April 2016	50%	131.00

2 Consideration transferred

(₹ in crores)

	2017-18	2016-17
	Cipy Poly Urethanes Pvt Ltd	ICA Pidilite Pvt Ltd
Cash (i)	**96.40**	104.14
Contingent consideration (ii)	-	26.86
Total (A)	**96.40**	**131.00**

(i) In case of ICA Pidilite Pvt Ltd, out of the total consideration of ₹ **104.14** crores, the Group had made a payment of ₹ **104.13** (previous year ₹ 103.78) crores to the seller and the balance ₹ 0.01 crores will be paid based on No Objection to be received from Dealers & Distributors.

(ii) As per the agreements, in case of ICA Pidilite Pvt Ltd, 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 ₹ **13.51** (previous year ₹ 26.86) crores based on a valuation report obtained from an independent valuer. Interest of ₹ **1.40** (previous year 1.41) crores had been accrued on the contingent consideration payable.

3 Identifiable assets acquired and liabilities assumed and goodwill arising on date of acquisition

	2017-18	2016-17
	Cipy Poly Urethanes Pvt Ltd (Refer Note A)	ICA Pidilite Pvt Ltd (Refer Note B)
Property, Plant and Equipment	**9.95**	0.75
Intangible Assets		-
Trade Mark	**13.50**	24.53
Technical Knowhow Fees	**-**	31.41
Commercial Knowhow Fees	**-**	59.95
Non Compete Fees	**-**	0.50
Loans - Non-Current	**0.09**	-
Other Financial Assets - Non-Current	**0.29**	-
Other Non-Current Assets	**0.72**	-
Deferred Tax Assets (net)	**0.89**	-
Inventories	**14.35**	11.68
Trade Receivables	**34.20**	-
Cash and Cash Equivalents	**0.21**	-
Other bank balances	**4.45**	-
Loans-Current	**0.18**	0.28
Other Financial Assets - Current	**0.64**	-
Current Tax Assets (net)	**0.17**	-
Other Current Assets	**2.13**	-
Assets held for Sale	**4.45**	-
Total Assets Acquired (B)	**86.22**	129.10

(₹ in crores)

	2017-18	2016-17
	Cipy Poly Urethanes Pvt Ltd (Refer Note A)	ICA Pidilite Pvt Ltd (Refer Note B)
Borrowings - Non-Current	**0.05**	-
Provisions - Non-Current	**0.42**	-
Borrowings - Current	**10.67**	-
Trade Payables	**19.52**	-
Other Financial Liabilities - Current	**5.01**	0.18
Other Current Liabilities	**2.77**	-
Provisions - Current	**0.13**	-
Current Tax Liabilities (net)	**0.69**	-
Total Liabilities taken over (C)	**39.26**	0.18
Net Assets Acquired (D)=(B)-(C)	**46.96**	128.92
Goodwill (E)=(A)-(D)	**49.44**	**2.08**

Note A:

The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 96.4 crores. This acquisition will help the Group to participate in the growth of the resin flooring and floor coatings market.

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 35.39 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable. Total goodwill on acquisition was ₹ 49.44 crores. The Goodwill on acquisition can be attributable to Cipy's skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately. No amount of Goodwill is expected to be deductible for tax purpose.

For the period 9th February to 31st March 2018, Cipy contributed revenue from operations of ₹ 26.72 crores and ₹ 1.04 crores to the Group's results. If the acquisition had occurred on 1st April 2017, consolidated revenue from operations would have been higher by ₹ 95.66 crores and consolidated profit would have been higher by ₹ 2.69 crores. In determining these amounts, it has assumed that the fair value adjustments, that arose on date of acquisition would have been same if the acquisition had occurred on 1st April 2017. Pursuant to share purchase agreement, the Company has an option to purchase and the seller has an option to sell balance 30% of equity share capital of CIPY on or after expiry of 3 years from acquisition date i.e on or after 8th February 2021. Accordingly, a gross liability towards acquisition (refer Note 26) has been recognised in this financial statement based on a valuation report obtained from an independent valuer.

Note B:

During the previous year, 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.

(₹ in crores)

53 Taxes

1. Deferred Tax

	As at 31st March 2018	As at 31st March 2017
Deferred Tax Assets (net)	**(5.86)**	(3.76)
Deferred Tax Liabilities (net)	**110.66**	91.47
TOTAL	**104.80**	87.71

a 2017-2018

Deferred Tax (Assets) / Liabilities in relation to:

	Opening Balance	Acquired on business combination	Recognised in Profit or Loss	Recognised in Other Comprehen-sive Income	Foreign Currency Translation	**Closing balance**
Property, Plant and Equipment	56.47	(2.57)	8.24	-	(0.08)	**62.06**
Intangible Assets	64.90	-	8.80	-	(0.01)	**73.69**
FVTPL financial assets	5.37	(0.05)	11.46	-	-	**16.78**
Other Provisions	(9.23)	(0.09)	3.11	-	0.02	**(6.19)**
Allowance for Doubtful Debts	(12.45)	(1.71)	(1.99)	-	(0.01)	**(16.16)**
Provision for Employee Benefits	(12.26)	(0.02)	(2.59)	-	0.07	**(14.80)**
Share issue and buy-back costs	(3.86)	-	0.69	-	-	**(3.17)**
Tax Losses	(1.23)	2.92	(9.09)	-	(0.01)	**(7.39)**
TOTAL	87.71	(1.52)	18.63	-	(0.02)	**104.81**

b 2016- 2017

Deferred Tax (Assets) / Liabilities in relation to:

	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehen-sive 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**
Other Provisions	(7.97)	(1.25)	-	**(9.23)**
Allowance for Doubtful Debts	(11.66)	(0.79)	-	**(12.45)**
Provision for Employee Benefits	(10.37)	(1.88)	0.04	**(12.26)**
Share issue and buy-back costs	(1.30)	(2.56)	-	**(3.86)**
Tax Losses	(1.14)	(0.09)	-	**(1.23)**
TOTAL	75.30	9.77	0.04	**87.71**

(₹ in crores)

2 Income Taxes relating to Continuing Operations

a Income Tax recognised in Profit or Loss

	As at 31st March 2018	As at 31st March 2017
Current Tax		
In respect of the current year	**420.58**	386.97
In respect of prior years	**(46.50)**	(11.69)
TOTAL	**374.08**	375.28
Deferred Tax		
In respect of the current year	**18.63**	9.77
Total income tax expense recognised in the current year relating to continuing operations	**392.71**	385.05

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

	As at 31st March 2018	As at 31st March 2017
Profit before tax from continuing operations	**1,354.21**	1,184.32
Income Tax Rate (%)	**35.07**	34.48
Income Tax expense	**474.93**	408.40
Effect of income that is exempt from taxation	**(3.53)**	(3.90)
Effect of expenses that are not deductible in determining taxable profit	**8.90**	36.49
Effect of concessions (research and development, other allowances and deductions)	**(28.44)**	(37.69)
Foreign tax paid non eligible for credit	**-**	0.68
Effect of change in rates	**0.75**	-
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax liabilities	**0.40**	-
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**(0.39)**	(0.09)
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	**(13.41)**	(7.54)
Total	**439.21**	396.74
Adjustments recognised in the current year in relation to the current tax of prior years	**(46.50)**	(11.69)
Income tax expense recognised in profit or loss (relating to continuing operations)	**392.71**	385.05

c. Income Tax recognised directly in equity

	As at 31st March 2018	As at 31st March 2017
Current Tax:		
Buy-back Expenses	**1.53**	-
Total Income Tax recognised directly in equity	**1.53**	-

d. Income Tax recognised in Other Comprehensive Income

	As at 31st March 2018	As at 31st March 2017
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**-**	0.04
Total Income Tax recognised in Other Comprehensive Income	**-**	0.04

54 Operating Lease

a) Operating Lease payment recognised in Statement of Profit and Loss amounting to ₹ **43.55** crores (₹ 43.19 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 Group 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 5 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 2018**	For the year ended 31st March 2017
not later than one year	**7.21**	7.72
later than one year and not later than five years	**11.03**	8.42
later than five years	**17.61**	4.55

Finance Lease

The Group has entered into finance lease arrangements for certain equipment and vehicles, which provide the Group an option to purchase the assets at the end of the lease period.

Future minimum lease payments	**For the year ended 31st March 2018**	For the year ended 31st March 2017
not later than one year	**0.02**	0.02
later than one year and not later than five years	**0.01**	0.02
later than five years	**-**	-

55 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 2017	Addition on acquisition	Additions	Utilisation	Reversal (withdrawn as no longer required)	Foreign Currency Translation	**As at 31st March 2018**
Provision for Employee related claims	2.12	-	1.81	(2.06)	-	(0.09)	**1.78**
	(1.81)	-	(0.62)	(0.54)	-	((0.22))	**(2.11)**
Provision for other contingencies (regulatory tax related claims)	1.44	-	-	(0.65)	-	(0.05)	**0.74**
	(2.12)	-	(0.05)	(0.93)	-	((0.20))	**(1.44)**
Provision for Warranty Expenses	0.38	0.09	0.27	-	-	-	**0.74**
	(0.19)	-	(0.19)	-	-	-	**(0.38)**
TOTAL	3.93	0.09	2.09	(2.71)	-	(0.14)	**3.26**
	(4.12)	-	(0.86)	(1.47)	-	((0.42))	**(3.93)**

Of the above, the following amounts are expected to be incurred within a year:

Particulars	**As at 31st March 2018**	As at 31st March 2017
Provision for Warranty Expenses	**0.21**	0.06

56 Other Information

a) During the year, the Company has on 23rd March 2018 completed buyback of 50,00,000 equity shares of ₹ 1/- each (representing 0.975% of total pre buy-back paid up equity capital of the Company) from the shareholders of the Company on a proportionate basis through the tender offer route at a price of ₹ 1,000 per equity share for an aggregate amount of ₹ 500 crores. Accordingly, the Company has extinguished 49.99,056 fully paid up equity shares of ₹ 1/- each (in dematerialised form) and 944 fully paid up equity shares of ₹ 1/- each (in physical form) as a result of the conclusion of buyback of 50,00,000 equity shares and final share capital of the Company (post extinguishment) is 50,78,10,330 shares ₹ 1/- each. The Company has funded the buyback from its Securities Premium and General Reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created "Capital Redemption Reserve" of ₹ 0.50 crores equal to the nominal value of the shares bought back as an appropriation from General Reserve.

b) A merger petition has been filed with National Company Law Tribunal, Mumbai division (NCLT) for amalgamation of Percept Waterproofing Services Ltd (Percept) with Nina Waterproofing Systems Pvt Ltd (Nina). The Company holds 80% equity capital in Percept and 70% equity capital in Nina and shall hold 71.53% equity capital post merger in Nina. The said petition is pending for approval by NCLT.

57 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 ₹ 6 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 24th May 2018. The proposed dividend amounting to ₹ 366.72 crores includes dividend distribution tax of ₹ 62.03 crores & is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

58 Approval of financial statements

The consolidated financial statements are approved for issue by the Audit Committee at its meeting held on 23rd May 2018 and by the Board of Directors on 24th May 2018.

59 Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule 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 and Loss	Amount	As % of consolidated Other Comprehen-sive Income	Amount	As % of consolidated Total Comprehen-sive Income	Amount
Pidilite Industries Limited	78.95	2,961.33	89.79	867.58	1.95	(0.03)	89.92	867.55
Indian Subsidiaries								
Bhimad Commercial Co Pvt Ltd (Bhimad)	0.00	0.01	-	-	-	-	-	-
Building Envelope Systems India Ltd (BESI)	0.10	3.57	(0.90)	(8.71)	-	-	(0.90)	(8.71)
Fevicol Company Ltd (Fevicol)	0.00	0.06	-	-	-	-	-	-
Hybrid Coatings (Hybrid)	0.14	5.36	(1.26)	(12.19)	-	-	(1.26)	(12.19)
Madhumala Traders Pvt Ltd (Madhumala)	0.00	0.01	-	-	-	-	-	-
Nina Waterproofing Systems Pvt Ltd (Nina)	2.73	102.44	4.30	41.54	9.09	(0.14)	4.29	41.40
Nitin Enterprises (Nitin)	0.33	12.28	(3.37)	(32.51)	-	-	(3.37)	(32.51)
Pagel Concrete Technologies Pvt Ltd (PCTPL)	0.00	0.05	-	-	-	-	-	-
Percept Waterproofing Services Ltd (PWSL)	0.65	24.19	3.23	31.16	1.30	(0.02)	3.23	31.14
Cipy Poly Urethanes Pvt Ltd (CIPY)	2.59	97.06	0.08	0.73	1.95	(0.03)	0.07	0.70
ICA Pidilite Pvt Ltd (ICA)	2.66	99.24	(0.26)	(2.47)	(1.30)	0.02	(0.25)	(2.45)
Foreign Subsidiaries								
Pidilite Bamco Ltd (Bamco)	1.16	43.36	0.10	0.92	14.29	(0.22)	0.07	0.70
Bamco Supply and Services Ltd (BSSL)	0.08	2.89	0.02	0.21	16.88	(0.26)	(0.01)	(0.05)
Building System Solution Trading LLC (BSST) (upto 5th March 2018)	-	-	(0.02)	(0.15)	-	-	(0.02)	(0.15)
Pidilite MEA Chemicals LLC (Jupiter)	1.36	51.09	3.70	35.70	(3.90)	0.06	3.71	35.76
Pidilite Chemical PLC (PCPLC)	0.06	2.23	(0.07)	(0.70)	1.30	(0.02)	(0.07)	(0.72)
Pidilite Industries Egypt SAE (PIE)	0.35	13.01	0.22	2.09	(7.14)	0.11	0.23	2.20
Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	0.01	0.21	(0.07)	(0.71)	0.65	(0.01)	(0.07)	(0.72)
Pidilite Innovation Centre Pte Ltd (PICPL)	0.19	7.22	(0.29)	(2.77)	-	-	(0.29)	(2.77)
Pidilite International Pte Ltd (PIPL)	0.58	21.62	0.66	6.39	0.65	(0.01)	0.66	6.38
Pidilite Lanka (Pvt) Ltd (PLPL)	0.67	25.22	1.26	12.17	3.90	(0.06)	1.26	12.11
Pidilite Middle East Ltd (PMEL)	(2.02)	(76.09)	0.04	0.39	(2.60)	0.04	0.04	0.43
Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	1.46	54.59	2.69	26.03	(5.84)	0.09	2.71	26.12
Pidilite USA Inc (PUSA)	2.54	95.19	(0.39)	(3.78)	(4.55)	0.07	(0.38)	(3.71)
PIL Trading (Egypt) Company (PTC)	0.04	1.49	0.06	0.59	(1.95)	0.03	0.06	0.62
PT Pidilite Indonesia (PTPI)	0.04	1.68	(0.04)	(0.43)	1.30	(0.02)	(0.05)	(0.45)
Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda (Pulvitec)	0.63	23.72	(0.45)	(4.38)	85.06	(1.31)	(0.59)	(5.69)
Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)	0.02	0.60	0.10	0.96	(0.65)	0.01	0.10	0.97
Nebula East Africa Pvt Ltd (Nebula)	0.01	0.41	0.01	0.10	-	-	0.01	0.10
Non-Controlling Interest	**4.67**	**175.01**	**0.39**	**3.74**	**(10.39)**	**0.16**	**0.40**	**3.90**
Vinyl Chemicals (India) Ltd (Associate)	**-**	**-**	**0.49**	**4.75**	**-**	**-**	**0.49**	**4.75**
Plus Call Technical Services LLC (Joint Venture)	**-**	**-**	**(0.02)**	**(0.16)**	**-**	**-**	**(0.02)**	**(0.16)**
TOTAL	100.00	3,749.05	100.00	966.09	100.00	(1.54)	100.00	964.55

INFORMATION ON SUBSIDIARY COMPANIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in Form AOC-1

Sr. No.	Particulars		Names of the subsidiaries							
			Pidilite International Pte Ltd#	Pidilite Middle East Ltd#	Pidilite MEA Chemicals LLC#	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	Date of Acquisition/ incorporation of subsidiary		29.12.2004	18.05.2005	28.06.2005	29.12.2005	27.02.2006	01.03.2006	12.05.2006	20.12.2006
2	Reporting Period (FY)		31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
3	Reporting Currency		US Dollars	AED	AED	Taka	Baht	IDR	US Dollars	Singapore Dollars
4	Exchange Rates as at year end		65.17	17.72	17.72	0.78	2.09	0.0047	65.17	49.82
5	Average Exchange Rates		64.99	17.70	17.70	0.80	1.99	0.0048	64.99	48.15
6	Share Capital	Foreign Currency	2,40,81,494	8,83,79,492	3,00,000	35,26,94,638	3,50,00,000	11,50,29,05,800	1,47,80,000	9,95,155
	(includes Share application money)	Indian ₹ in crores	156.94	156.61	0.53	27.59	7.31	5.45	96.32	4.96
7	Reserves & Surplus	Foreign Currency	14,92,371	(4,76,32,909)	(6,23,71,059)	31,53,68,446	7,74,37,474	(7,84,57,68,332)	(2,06,650)	2,30,189
		Indian ₹ in crores	9.73	(84.41)	(110.52)	24.67	16.18	(3.72)	(1.35)	1.15
8	Total Assets	Foreign Currency	2,56,06,400	4,07,57,783	5,27,97,405	85,07,82,202	14,12,43,499	3,90,54,44,109	1,87,86,303	17,95,272
		Indian ₹ in crores	166.88	72.22	93.56	66.57	29.52	1.85	122.43	8.94
9	Total Liabilities	Foreign Currency	32,535	11,200	11,48,68,464	18,27,19,118	2,88,06,024	24,83,06,641	42,12,953	5,69,928
		Indian ₹ in crores	0.21	0.02	203.55	14.30	6.02	0.12	27.46	2.84
10	Investments	Foreign Currency	-	-	-	-	-	-	7,50,000	-
	(except in case of subsidiaries)	Indian ₹ in crores	-	-	-	-	-	-	4.89	-
11	Turnover	Foreign Currency	-	-	4,76,17,543	1,06,73,33,087	23,45,24,806	-	1,89,75,945	14,98,766
		Indian ₹ in crores	-	-	83.43	85.38	46.67	-	123.32	7.22
12	Profit / (Loss) Before Taxation	Foreign Currency	10,48,013	(4,56,925)	(83,87,460)	15,95,52,115	1,64,83,835	(6,45,59,254)	3,24,630	(23,341)
		Indian ₹ in crores	6.81	(0.81)	(14.82)	12.30	3.76	(0.03)	2.41	(0.02)
13	Provision For Tax	Foreign Currency	3,158	-	-	5,35,96,296	39,20,938	(2,11,30,349)	3,95,533	46,702
	(including Deferred Tax)	Indian ₹ in crores	0.02	-	-	4.28	0.78	(0.01)	2.57	0.22
14	Profit / (Loss) After Taxation	Foreign Currency	10,44,855	(4,56,925)	(83,87,460)	10,59,55,819	1,25,62,897	(4,34,28,905)	(70,903)	(70,043)
		Indian ₹ in crores	6.79	(0.81)	(14.82)	8.02	2.98	(0.02)	(0.16)	(0.24)
15	Proposed Dividend	Foreign Currency	-	-	-	-	-	-	-	-
		Indian ₹ in crores	-	-	-	-	-	-	-	-
16	% of shareholding*		100.00%	100.00%	49.00%	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 2018

#Figures of international Subsidiaries are as per Ind AS

Name of subsidiaries which are yet to commenced operation: Not Applicable

Names of subsidiaries which have been liquidated or sold during the year : Building System Solution Trading Limited Liability Company ceased to be subsidiary with effect from 5th March 2018.

INFORMATION ON SUBSIDIARY COMPANIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in Form AOC-1

Sr. No.	Particulars		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 LLC# (upto 5th March 2018)	Nebula East Africa Pvt Ltd#	Pidilite Lanka (Pvt) Ltd#
			9	10	11	12	13	14	15	16	17
1	Date of Acquisition/ incorporation of subsidiary		18.10.2007	10.05.2005	22.04.2008	27.07.2009	22.11.2010	10.12.2014	09.11.2015	09.09.2015	07.08.2015
2	Reporting Period (FY)		31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	upto 05.03.2018	31.03.2018	31.03.2018
3	Reporting Currency		EGP	Brazilian Reais	Baht	EGP	RMB	Birr	Qatari Rial	KES	LKR
4	Exchange Rates as at year end		3.69	19.68	2.09	3.69	10.35	2.33	17.72	0.64	0.42
5	Average Exchange Rates		3.62	20.16	1.99	3.62	9.89	2.57	17.74	0.63	0.42
6	Share Capital	Foreign Currency	6,47,31,020	6,94,60,777	10,00,000	54,40,000	9,58,005	1,25,32,800	-	50,00,000	59,29,18,342
	(includes Share application money)	Indian ₹ in crores	23.85	136.73	0.21	2.00	0.99	2.92	-	0.32	24.78
7	Reserves & Surplus	Foreign Currency	(3,00,12,106)	(5,74,08,796)	2,66,63,070	(93,34,163)	3,25,281	(28,41,472)	-	14,56,228	32,70,862
		Indian ₹ in crores	(11.06)	(113.00)	5.57	(3.44)	0.34	(0.66)	-	0.09	0.14
8	Total Assets	Foreign Currency	5,90,83,665	2,97,96,210	2,97,42,649	84,98,423	13,97,773	2,30,00,275	-	2,40,15,863	1,20,09,53,062
		Indian ₹ in crores	21.77	58.65	6.22	3.13	1.45	5.36	-	1.53	50.20
9	Total Liabilities	Foreign Currency	2,43,64,751	1,77,44,229	20,79,579	1,23,92,586	1,14,487	1,33,08,947	-	1,75,59,635	60,47,63,857
		Indian ₹ in crores	8.98	34.93	0.43	4.57	0.12	3.10	-	1.12	25.28
10	Investments	Foreign Currency	-	-	-	-	-	-	-	-	-
	(except in case of subsidiaries)	Indian ₹ in crores	-	-	-	-	-	-	-	-	-
11	Turnover	Foreign Currency	6,46,84,300	4,62,24,130	3,95,39,654	90,87,258	4,38,482	-	5,96,751	2,56,21,097	76,04,81,515
		Indian ₹ in crores	23.43	93.17	7.87	3.29	0.43	-	1.06	1.61	32.26
12	Profit / (Loss) Before Taxation	Foreign Currency	(48,21,230)	(19,22,744)	9,78,480	(8,89,234)	(2,00,233)	(17,36,842)	11,19,329	22,60,332	(77,41,983)
		Indian ₹ in crores	(1.61)	(4.42)	0.36	(0.29)	(0.20)	(0.45)	1.99	0.14	(0.46)
13	Provision For Tax	Foreign Currency	(1,26,294)	-	9,08,957	73,293	(23,434)	-	-	6,32,481	9,96,176
	(including Deferred Tax)	Indian ₹ in crores	(0.05)	-	0.18	0.03	(0.02)	-	-	0.04	0.04
14	Profit / (Loss) After Taxation	Foreign Currency	(46,94,936)	(19,22,744)	69,523	(9,62,527)	(1,76,799)	(17,36,842)	11,19,329	16,27,851	(87,38,159)
		Indian ₹ in crores	(1.56)	(4.42)	0.18	(0.32)	(0.17)	(0.45)	1.99	0.10	(0.50)
15	Proposed Dividend	Foreign Currency	-	-	-	-	-	-	-	-	-
		Indian ₹ in crores	-	-	-	-	-	-	-	-	-
16	% of shareholding*		100.00%	100.00%	49.00%	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 2018

#Figures of international Subsidiaries are as per Ind AS

Name of subsidiaries which are yet to commenced operation: Not Applicable

Names of subsidiaries which have been liquidated or sold during the year : Building System Solution Trading Limited Liability Company ceased to be subsidiary with effect from 5th March 2018.

INFORMATION ON SUBSIDIARY COMPANIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in Form AOC-1

Sr. No.	Particulars		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	Cipy Poly Urethanes Pvt Ltd
			18	19	20	21	22	23	24	25	26	27
1	Date of Acquisition/ incorporation of subsidiary		20.02.2017	28.07.1979	01.06.1989	01.06.1989	24.01.2007	07.09.2012	11.11.2013	30.03.2015	20.11.2015	29.11.1994
2	Reporting Period (FY)		31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
3	Reporting Currency		LKR	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹
4	Exchange Rates as at year end		0.42									
5	Average Exchange Rates		0.42									
6	Share Capital	Foreign Currency	35,00,000									
	(includes Share application money)	Indian ₹ in crores	0.15	0.27	0.01	0.01	0.10	8.35	6.00	1.00	5.78	0.94
7	Reserves & Surplus	Foreign Currency	53,63,175									
		Indian ₹ in crores	0.22	1.96	6.30	6.30	(0.43)	10.98	7.80	117.39	192.48	67.14
8	Total Assets	Foreign Currency	1,61,80,772									
		Indian ₹ in crores	0.68	2.23	6.31	6.32	-	20.32	44.07	215.76	250.63	129.94
9	Total Liabilities	Foreign Currency	73,17,547									
		Indian ₹ in crores	0.31	0.00	0.00	0.00	0.33	0.99	30.27	97.37	52.37	61.86
10	Investments	Foreign Currency	-									
	(except in case of subsidiaries)	Indian ₹ in crores	-	-	-	-	-	-	-	14.19	29.07	-
11	Turnover	Foreign Currency	5,21,84,846									
		Indian ₹ in crores	2.21	-	-	-	-	8.95	55.58	182.15	104.36	26.72
12	Profit / (Loss) Before Taxation	Foreign Currency	64,87,279									
		Indian ₹ in crores	0.26	-	1.05	1.05	-	2.12	5.87	20.26	(6.46)	1.71
13	Provision For Tax	Foreign Currency	7,31,342									
	(including Deferred Tax)	Indian ₹ in crores	0.03	-	-	-	-	(0.09)	2.12	6.23	(1.53)	0.67
14	Profit / (Loss) After Taxation	Foreign Currency	57,55,937									
		Indian ₹ in crores	0.23	-	1.05	1.05	-	2.21	3.75	14.03	(4.93)	1.04
15	Proposed Dividend	Foreign Currency	-									
		Indian ₹ in crores	-	-	-	-	-	-	-	-	-	-
16	% of share-holding*		100.00%	100.00%	100.00%	100.00%	80.00%	60.00%	80.00%	70.00%	50.00%	70.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2018

#Figures of international Subsidiaries are as per Ind AS

Name of subsidiaries which are yet to commenced operation: Not Applicable

Names of subsidiaries which have been liquidated or sold during the year : Building System Solution Trading Limited Liability Company ceased to be subsidiary with effect from 5th March 2018.

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 2018**
2	Share of Associate held by the Company at the year end	
	• Number	**74,51,540**
	• 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	**24.17**
6	Profit/Loss for the year	
	(i) Considered in Consolidation	**4.75**
	(ii) Not Considered in Consolidation	**6.92**

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 LLC
1	Latest unaudited Balance Sheet Date	**31st March 2018**
2	Share of Joint Venture held by the Company at the year end	
	• Number	**57**
	• 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	**1.77**
6	Profit/Loss for the year	
	(i) Considered in Consolidation	**0.16**
	(ii) Not Considered in Consolidation	**0.24**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SAVITHRI PAREKH
Company Secretary

P GANESH
Chief Financial Officer

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

Place: Mumbai
Date: 24th May 2018



"*Bina* Pidilite *ke hum jaise* carpenter *reh nahi payenge*. My father used Fevicol, so do I today."

HEMANT TATARIA
FCC Contractor since 15 years


“I have been with Pidilite for 44 years and seen the journey of transformation. Now this is my second home.”
LAVINA FERNANDES
Employed with Pidilite since 44 years



DESIGN Pidilite Design Studio | **PRINT** Parksons Graphics

www.pidilite.com

Pidilite Industries Limited
Registered Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

Notice

NOTICE is hereby given that the FORTY NINTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, the 30th August, 2018 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, 2018 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, 2018 together with the report of Auditors' thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri A B Parekh (DIN: 00035317), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Sabyaschi Patnaik (DIN: 07183784), who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution for appointment of Statutory Auditors of the Company:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Audit Commitee, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117364W), to hold office for a term of five consecutive years from the conclusion of the 49th Annual General Meeting (AGM) until the conclusion of the 54th AGM of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory 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 Sections 149, 152, Schedule IV read with all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee, Shri Piyush Pandey (DIN: 00114673), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act by the Board of Directors with effect from 11th April, 2018 and who holds office upto the date of this Annual General Meeting (AGM) and being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for 5 consecutive years from the date of this AGM upto the conclusion of the 54th AGM of the Company to be held in respect of Financial Year ending 31st March, 2023."

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V read with other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), approval of the members of the Company be and is hereby accorded for re-appointment of Shri M. B. Parekh (DIN:00180955) as the Whole Time Director for a further period of 5 years with effect from 1st August, 2018 on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice."

   "RESOLVED FURTHER THAT Shri M B Parekh shall be designated as the Executive Chairman or such other designation as may be approved by the Board of Directors from time to time, the same not being inconsistent with the provisions of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended from time to time)."

"RESOLVED FURTHER THAT Shri M B Parekh shall have substantial powers of management and be in charge of general management of the Company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors."

"RESOLVED FURTHER THAT Shri M B Parekh will be a non-rotational Director and shall not be liable to retire by rotation during his term."

"RESOLVED FURTHER THAT Shri M B Parekh shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment and remuneration and perquisites payable to Shri M B Parekh in such manner as may be agreed to between the Board of Directors and Shri M B Parekh within and in accordance with the limits prescribed in Schedule V to the Act including any modifications thereof."

"RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances payable to Shri M B Parekh, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year calculated as per the applicable provisions of the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V read with other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the re-appointment of Shri A B Parekh (DIN: 00035317), as a Whole Time Director of the Company, for a further period of 5 years with effect from 1st August, 2018, whose period of office shall be liable to determination by retirement of Directors by rotation, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice."

"RESOLVED FURTHER THAT Shri A B Parekh, the Whole Time Director shall work under the superintendence, control and direction of the Board of Directors."

"RESOLVED FURTHER THAT the Whole Time Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment and remuneration and perquisites payable to Shri A B Parekh in such manner as may be agreed to between the Board of Directors and Shri A B Parekh within and in accordance with the limits prescribed in Schedule V to the Act including any modifications thereof."

"RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites, allowances and commissions payable to Shri A B Parekh, Whole Time Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year calculated as per the applicable provisions of the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V read with other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Sabyaschi Patnaik (DIN: 07183784), as a Whole Time Director of the Company designated as "Director-Operations", for a further period of 3 years with effect from 19th May, 2018, whose period of office shall be liable to determination by retirement of Directors by rotation, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice."

"RESOLVED FURTHER THAT Shri Sabyaschi Patnaik, Whole Time Director shall work under the superintendence, control and direction of the Board of Directors."

"RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances payable to Shri Sabyaschi Patnaik, Whole Time Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year calculated as per applicable provisions of the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary and/or modify the terms and conditions of re-appointment including remuneration and perquisites payable to Shri Sabyaschi Patnaik in such manner as may be agreed to between the Board of Directors and Shri Sabyaschi Patnaik within and in accordance with the limits prescribed in Schedule V to the Act including any modifications thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

"RESOLVED FURTHER THAT Shri Sabyaschi Patnaik, Whole Time Director shall function as "Director-Operations" and apart from other duties that are entrusted to him from time to time, he shall be in overall charge of all the factories of the Company (both existing and which may be set up in future) including factories situated in State of Maharashtra, Gujarat, Himachal Pradesh, Telangana, Assam, Union Territory of Daman or any other State or Union Territory in India in which a factory may be set up in future."

10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), a sum not exceeding 1% p.a. of the net profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013 be paid by way of commission to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole Time Directors of the Company) in such amounts, subject to such ceiling/s and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year for a period of 5 years commencing 1st April, 2018."

11. 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, 2019, be paid the remuneration as set out in the explanatory statement annexed to the 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."

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 24th May, 2018

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, 28th August, 2018.

   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 is 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 and signed, and 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 item nos 5 to 11 of the Notice 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 in physical or in electronic form by the members at the Registered Office and Corporate Office of the Company during normal business hours on all working days (Monday to Friday) upto the date of the AGM as well as at the Meeting.

11. Route Map of Venue of the Meeting is attached.

12. The Notice of the AGM along with the Annual Report 2017-18 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 2017-18 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 Piyush Pandey, Shri M B Parekh, Shri A B Parekh and Shri Sabyaschi Patnaik, 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, 24th August, 2018 to Thursday, 30th August, 2018 (both days inclusive) for the purpose of payment of the Dividend for the financial year ended 31st March, 2018 and the AGM.

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 30th August, 2018. 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. The members are advised to consider utilising the Electronic Clearing Systems (ECS) for receiving dividends.

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 as well as Bank details 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 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, 2010 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 as referred to in the said section read with the relevant Rules, have been transferred to the IEPF Demat Account.

    E. The Company has sent notice to all the members whose Dividends for the Financial year ending 31st March, 2011 are lying unpaid/unclaimed against their name. 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 31st August, 2017 (date of last AGM) on the website of the Company (www.pidilite.com) and also on the Ministry of Corporate Affairs website.

    Members who have not yet encashed their Dividend Warrants for the years ended 31st March, 2011 to 31st March, 2017 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 IEPF, as above, no claim shall lie in respect thereof against the Company.

H. SEBI has mandated that w.e.f 5th December, 2018 securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

24. In March, 2008, some of the members of Vinyl Chemicals (India) Limited (VCIL) were allotted 6% Secured Redeemable Preference Shares of ₹ 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.

25. The unclaimed Preference shares redemption amount and the dividend pertaining to the same has been transferred to IEPF and hence no claim shall lie in respect thereof against the Company.

26. 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 Shareholders - Login

(iv) Put user ID and password as initial password/ PIN noted in step (i) above and verification code shown on the screen. 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 i.e. assent and dissent, verify/modify the number of shares for which you wish to cast vote 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 of any queries, please refer to "Frequently Asked Questions" (FAQs) for members and "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 or send a request at evoting@nsdl.co.in.

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. 23rd August, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

VII. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password. 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 password by sending a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

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, 27th August, 2018 at 9.00 a.m. and ends on Wednesday, 29th August, 2018 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 23rd August, 2018 (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 23rd August, 2018, the cut off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

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) have 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 49th 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. 5

This statement is provided though strictly not required as per Section 102 of the Act.

M/s Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 117364W), Statutory Auditors, were appointed by the Members for a period of 4 consecutive years to hold office upto the conclusion of the 49th Annual General Meeting of the Company. M/s Deloitte Haskins & Sells, Chartered Accountants are not seeking re-appointment as the Statutory Auditors of the Company.

The Audit Committee and the Board of Directors (the Board) of the Company have recommended appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) (which belongs to the same network as that of existing Statutory Auditors), as the Statutory Auditors for a period of 5 consecutive financial years, to hold office from the conclusion of this AGM (49th AGM) till the conclusion of 54th AGM to be held in respect of the financial year ending 31st March, 2023 and payment of such remuneration as may be mutually agreed upon from time to time between the Board and the Statutory Auditors.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants have provided their consent under Section 139 of the Companies Act, 2013 for appointment as Statutory Auditors along with a certificate stating that their appointment will be as per the criteria as specified under Section 141(3) of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested (financially or otherwise), in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 6

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, the Board of Directors (the Board) has appointed, Shri Piyush Pandey as an Additional Director of the Company with effect from 11th April, 2018 who would hold office upto the date of the ensuing Annual General Meeting.

Shri Piyush Pandey is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Nomination and Remuneration Committee has recommended the appointment of Shri Piyush Pandey as an Independent Director for a period of five consecutive years.

The Company has received a declaration from Shri Piyush Pandey stating that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Shri Piyush Pandey possesses appropriate skills, experience and knowledge, inter alia, in the field of advertising, sales and marketing and general management. Brief profile of Shri Piyush Pandey as stipulated under Regulation 36(3) of the Listing Regulations is given as an annexure to this Notice.

In the opinion of the Board, Shri Piyush Pandey fulfills the conditions for his appointment as an Independent Director as specified in the Act.

Keeping in view his expertise and vast knowledge, it will be in the interest of the Company to appoint Shri Piyush Pandey as an Independent Director, not liable to retire by rotation.

Copy of the draft letter of appointment of Shri Piyush Pandey as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company on all working days (Monday to Friday) during business hours, upto the date of the Annual General Meeting.

Except Shri Piyush Pandey, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested (financially or otherwise), in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 7

The present term of Shri M B Parekh is valid upto 31st July, 2018. The Board of Directors (the Board) at their meeting held on 24th May, 2018, have re-appointed Shri M B Parekh as a Whole Time Director with substantial powers of the management for a further period of 5 years with effect from 1st August, 2018 on the following terms and conditions, based on the recommendation of Nomination and Remuneration Committee:

A. Salary:

   Salary of ₹ 11,37,864/- (Rupees Eleven Lakh Thirty Seven Thousand Eight Hundred Sixty Four Only) per month with first increment due on 1st April, 2019. The increment will be decided by the Board and be subject to a ceiling of 15% p.a. of the salary. Subsequent increments will become due on 1st April every year.

B. Special Allowance:

   The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to annual salary.

C. Perquisites/Benefits/ Allowances:

i. Residential Accommodation:

The Company shall provide rent free furnished accommodation to Shri M B Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.

ii. Contribution to Provident Fund, payment of Superannuation/ Gratuity:

a. Contribution to Provident Fund as per rules of the Company.

b. Shri M B Parekh will be entitled to Superannuation benefit as per rules of the Company. In lieu of Superannuation as per Rules of the Company, the Company may purchase Deferred Annuity Policy from Life Insurance Corporation of India or other institutions. Alternately, the Company may make similar payment for any Pension Scheme.

c. Shri M B Parekh will be entitled to Gratuity payment as per rules of the Company.

iii. Other Perquisites/ Allowances:

Following Perquisites/ Allowances shall not exceed an amount equivalent to the annual salary:

a. Reimbursement of gas, electricity, water.

b. Furnishings/ Furnitures/ Equipments and Home Appliances.

c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family.

d. Reimbursement of membership fees / subscription for 2 clubs in India.

e. Medical and Personal Accident Insurance.

f. Other Allowances as may be approved by the Board from time to time.

iv. Following perquisites / benefits over and above the ceiling prescribed in (C)(iii) above:

a. Company's car/s with driver/s and/or other suitable conveyance facilities.

b. Telephone and other communication facilities at residence.

c. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family (Family shall mean spouse, children and parents).

d. Encashment of unavailed earned leave as per rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri M B Parekh, aged 72 years, is a qualified Chemical Engineer [B.Chem. Engg. (Bom), M.S. Chem. Engg. (USA)] and has over 47 years of experience. Last remuneration drawn by Shri M B Parekh is as approved by the members earlier. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri M B Parekh is given as an annexure to this Notice and forms part of this explanatory statement.

Shri M B Parekh is a fit and proper person for the post of Whole Time Director. He has guided the Company through decades of diversification and growth. The terms and conditions of his re-appointment are fair and reasonable. It would be in the interest of the Company to continue to avail services of Shri M B Parekh as Whole Time Director.

The Members' approval is required for the above under Schedule V and other applicable provisions of the Companies Act, 2013. Shri M B Parekh is also the Chairman and Managing Director of M/s. Vinyl Chemicals (India) Limited (VCIL) drawing remuneration from VCIL.

The above may be treated as a written memorandum, setting out the terms of re-appointment of Shri M B Parekh, under section 190 of the Act.

Shri M B Parekh and his relative Shri A B Parekh are interested in this resolution.

Save and except above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise), in any way, in this resolution.

A special resolution is proposed as per the provisions of Section 196(3) of the Act and the Board recommends this special resolution for approval by the members.

Item No. 8

The present term of Shri A B Parekh is valid upto 31st July, 2018. The Board of Directors (the Board) at their meeting held on 24th May, 2018, have re-appointed Shri A B Parekh as Whole Time Director for a further period of 5 years with effect from 1st August, 2018 on the following terms and conditions, based on the recommendation of Nomination and Remuneration Committee:

A. Salary:

Salary of ₹ 4,87,655/- (Rupees Four Lakh Eighty Seven Thousand Six Hundred Fifty Five Only) per month with first increment due on 1st April, 2019. The increment will be decided by the Board and be subject to a ceiling of 15% p.a. of the salary. Subsequent increments will become due on 1st April every year.

B. Commission:

Shri A B Parekh shall be entitled to commission of such amount, to be determined by the Board from time to time, based on the net profits of the Company subject to overall ceiling laid down in Sections 197 and 198 of the Companies Act, 2013.

C. Special Allowance:

The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to annual salary.

D. Perquisites/Benefits/ Allowances:

i. Residential Accommodation:

The Company shall provide rent free furnished accommodation to Shri A B Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.

ii. Contribution to Provident Fund, payment of Superannuation/ Gratuity as per the rules of the Company.

iii. Other Perquisites/ Allowances:

Following Perquisites/ Allowances shall not exceed an amount equivalent to the annual salary:

a. Reimbursement of gas, electricity, water.

b. Furnishings/ Furnitures/ Equipments and Home Appliances.

c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family.

d. Reimbursement of membership fees / subscription for 2 clubs in India.

e. Medical and Personal Accident Insurance.

f. Other Allowances as may be approved by the Board from time to time.

iv. Following perquisites / benefits over and above the ceiling prescribed in (D)(iii) above:

a. Company's car/s with driver/s and/or other suitable conveyance facilities.

b. Telephone and other communication facilities at residence.

c. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family (Family shall mean spouse, children and parents).

d. Encashment of unavailed earned leave as per rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri A B Parekh, aged 61 years, is a B.Chem (Engg.), M.B.A (USA) having experience of 36 years. Last remuneration drawn by Shri A B Parekh is as approved by the members earlier. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri A B Parekh is given as an annexure to this Notice and forms part of this explanatory statement.

Shri A B Parekh is a fit and proper person for the post of Whole Time Director. The terms and conditions of his re-appointment are fair and reasonable. It would be in the interest of the Company to continue to avail services of Shri A B Parekh as Whole Time Director.

The Members approval is required for the above under Schedule V and other applicable provisions of the Companies Act, 2013.

The above may be treated as a written memorandum, setting out the terms of re-appointment of Shri A B Parekh, under section 190 of the Act.

Shri A B Parekh and his relative Shri M B Parekh are interested in this resolution.

Save and except above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise), in any way, in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 9

The members at their meeting held on 1st September, 2015 had appointed Shri Sabyaschi Patnaik as a Whole Time Director designated as "Director-Operations" for a period of 3 years upto 19th May, 2018. The Board of Directors (the Board) at their meeting held on 24th January, 2018 have re-appointed Shri Sabyaschi Patnaik as a Whole Time director of the Company, designated as Director - Operations for a further period of 3 years with effect from 19th May, 2018 on the following terms and conditions based on the recommendation of Nomination and Remuneration Committee.

I. Salary:

Salary of ₹ 3,42,200/- (Rupees Three Lakh Forty Two Thousand Two Hundred Only) per month with first increment due on 1st April, 2019. The increment will be decided by the Board and be subject to a ceiling of 15% p.a of the salary. Subsequent increments will become due on 1st April every year.

II. Allowances:

₹ 9,98,702 (Rupees Nine Lakh Ninety Eight Thousand Seven Hundred and Two Only) per month and the increment will be subject to a ceiling of 20% p.a.

III. Perquisites:

i. Housing: House Rent Allowance of ₹ 1,71,100/- per month which may be revised from time to time as per rules of the Company as applicable to senior employees.

ii. Car Allowance (including driver allowance and fuel allowance) of ₹ 97,500/- per month which may be revised from time to time as per rules of the Company.

iii. Employee Stock Option Plan (ESOP) as may be granted from time to time.

IV. Other Benefits:

Other Benefits shall include use of telephone for the Company's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the Company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the Company (including but not limited to gratuity, medical benefits, leave entitlement, encashment of leave) in accordance with the rules of the Company.

V. Other Perquisites:

Other Perquisites (including allowances not covered above) in such form and to such extent as may be decided by the Managing Director subject to a ceiling of ₹ 60,00,000 (Rupees Sixty Lakhs Only) p.a.

The increment will be determined by the Board on the recommendation of the Nomination and Remuneration Committee.

In accordance with the resolution, within the aforesaid limits, the amount of salary and perquisites payable to Shri Sabyaschi Patnaik (including the types and amount of each type of perquisite) will be decided by the Managing Director from time to time as he may deem fit in his absolute discretion.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

Shri Sabyaschi Patnaik, aged 55 years, has a Bachelor's degree in Chemical Engineering from Institute of Technology-Banaras Hindu University. He has also obtained a Master's degree from Colorado State University, USA and has completed an Advanced Management Program at the Wharton Business School. Shri Sabyaschi Patnaik brings with him a rich and varied experience of over 28 years in Manufacturing Operations, Supply Chain & General Management. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri Sabyaschi Patnaik is given as an annexure to this Notice and forms part of the explanatory statement.

Shri Sabyaschi Patnaik is a fit and proper person for the post of Whole Time Director. The remuneration payable to him is fair and reasonable.

The proposed remuneration payable is within the limits specified in Schedule V of the Companies Act, 2013.

The Members' approval is required for the same under Schedule V and other applicable provisions of the Companies Act, 2013.

The above may be treated as a written memorandum, setting out the terms of re-appointment of Shri Sabyaschi Patnaik, under section 190 of the Act.

Except Shri Sabyaschi Patnaik, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned (financially or otherwise) in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 10

At the 44th Annual General Meeting of the Company held on 23rd July, 2013, members had passed a Special Resolution under Section 309 of the Companies Act, 1956 (erstwhile Act) authorising payment of commission to Non Whole-Time Directors of the Company upto 1% of the net profits of the Company for a period of 5 years from 1st April, 2013.

It is proposed that commencing from 1st April, 2018 for a further period of 5 years, commission not exceeding 1% p.a. of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013, be paid and distributed amongst the Directors of the Company other than the Managing Director and Whole Time Directors in accordance with the directions of the Board of Directors (the Board). Such payment will be in addition to the Sitting Fees for attending Board Meetings and Committee Meetings. It would be in the interest of the Company to continue payment of commission to Non Whole-Time Directors.

All the Directors of the Company except Shri M B Parekh, Executive Chairman, Shri Bharat Puri, Managing Director, Shri A B Parekh and Shri Sabyaschi Patnaik, Whole Time Directors may be deemed to be interested or concerned (financially or otherwise) in this resolution to the extent of the commission that may be paid to the Non Whole-Time Directors of the Company.

The Board recommends the Ordinary resolution for approval by the members.

Item No. 11

The Board of Directors (the Board), 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, 2019 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 and the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board 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 in the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2019.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this resolution.

The Board recommends the resolution for approval by the members.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 24th May, 2018

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 Piyush Pandey has been appointed by the Board of Directors as an Additional Director from 11th April, 2018. He is a post-graduate from St Stephen's College, Delhi. Shri Piyush Pandey is the Executive Chairman and Creative Director of Ogilvy & Mather South Asia. He was the first Asian to chair the Cannes Jury in 2004. Shri Piyush Pandey was awarded the Lifetime Achievement Award by the AAAI in 2010 and the Clio Lifetime Achievement Award in 2012. In 2016, he was honoured with the 'Padma Shri'. Shri Piyush Pandey has been a brand ambassador for Indian advertising at many international forums and was also a mentor at the Berlin School of Creative Leadership. He is a Director and Member of Audit Committee and Compensation Committee of D.B. Corp Limited. He does not hold any Equity Shares of the Company as on 31st March, 2018. He is not related to any Director or Key Managerial Personnel of the Company.

Shri M B Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1972. He is a qualified Chemical Engineer [B.Chem. Engg. (Bom), M.S.Chem.Engg. (USA)] and has experience in the industry of over 47 years. He is the Chairman and Managing Director of Vinyl Chemicals (India) Limited (VCIL) and is the Executive Chairman of the Company. He is a Director of Excel Industries Limited. He is a Member of Audit Committee and Corporate Social Responsibility Committee of VCIL. He holds 5,27,62,286 Equity Shares in the Company as on 31st March, 2018. Shri M B Parekh is related to Shri A B Parekh, Whole-Time Director of the Company.

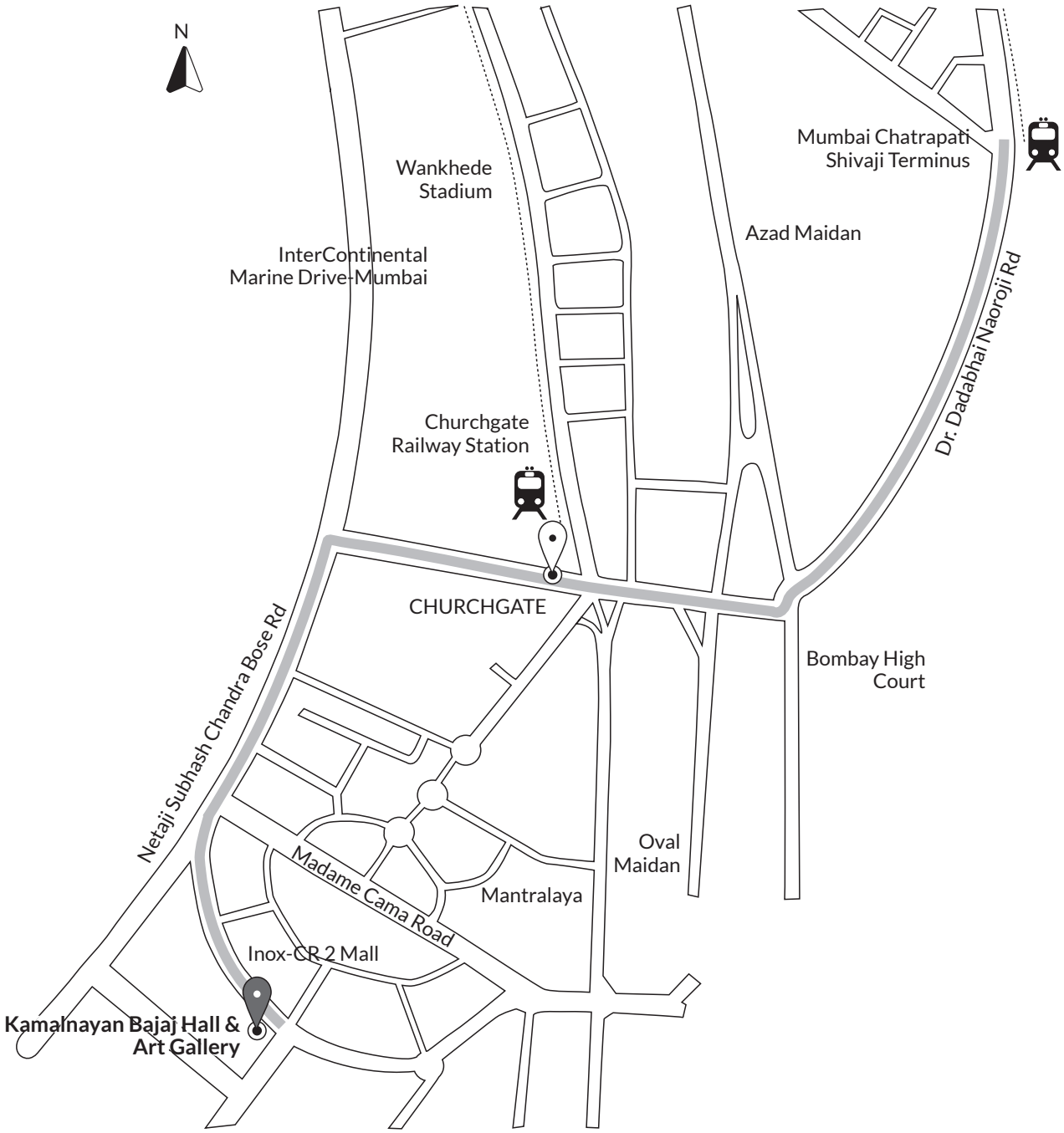
Shri A B Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1985. He is a B.Chem (Engg.), M.B.A (USA) and has experience of over 36 years. He holds 4,74,33,489 Equity Shares in the Company as on 31st March, 2018. Shri A B Parekh is related to Shri M B Parekh, Executive Chairman of the Company.

Shri Sabyaschi Patnaik is a Whole Time Director of the Company since 19th May, 2015. He is a graduate in Chemical Engineering from the Institute of Technology-Banaras Hindu University. Subsequently, he obtained his Master's degree from Colorado State University, USA. He has completed the Advanced Management Program at the Wharton Business School. Shri Sabyaschi Patnaik brings with him a rich and varied experience of over 28 years in Manufacturing Operations, Supply Chain and General Management. He joined the Company in December 2014 as President - Manufacturing Operations and Supply Chain. He holds 1,800 Equity Shares in the Company as on 31st March, 2018. He is not related to any Director or Key Managerial Personnel 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. Directorships & Committee Positions mentioned above are in respect of other listed entities excluding the Company.

Route map to the AGM Venue of:

Pidilite Industries Ltd.
49th Annual General Meeting
Thursday, 30th August 2018 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 (on a poll) for me/ us and on my/our behalf at the FORTY NINTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th August 2018 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:

Ordinary Business:

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 2018.
2. Declaration of dividend on Equity Shares.
3. Re-appointment of Shri A B Parekh as a Director.
4. Re-appointment of Shri Sabyaschi Patnaik as a Director.
5. Appointment of M/s. Deloitte Haskins & Sells LLP as Statutory Auditors.

Special Business:

6. Appointment of Shri Piyush Pandey as an Independent Director for a period of 5 years.
7. Re-appointment of Shri M B Parekh as a Whole Time Director for a period of 5 years.
8. Re-appointment of Shri A B Parekh as a Whole Time Director for a period of 5 years.
9. Re-appointment of Shri Sabyaschi Patnaik as a Whole Time Director for a period of 3 years.
10. Payment of a sum not exceeding 1% of the net profits of the Company as Commission to Non Whole-Time Directors.
11. Ratification of payment of remuneration to M/s. V J Talati & Co., Cost Auditors.

Affix Revenue Stamp

Signed this _____ day of _____ 2018.

Signature of the Shareholder _____

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.

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, 30th August, 2018 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 49th Annual General Meeting of the Company to be held on Thursday, 30th August, 2018 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 MEMBER/PROXY

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 49th Annual General Meeting. The e-voting period commences on Monday, 27th August, 2018 at 9.00 a.m. (IST) and ends on Wednesday, 29th August, 2018 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.