

Board of Directors

B.K. Parekh

(Chairman)

S.K. Parekh

(Vice Chairman)

M.B. Parekh

(Managing Director)

N.K. Parekh

(Joint Managing Director)

H.K. Parekh

R.M. Gandhi

N.J. Jhaveri

Bansi S. Mehta

Ranjan Kapur

Yash Mahajan

A.B. Parekh

(Whole-Time Director)

Santosh Kumar

(Whole-Time Director)

S.T. Dave

(Whole-Time Director)

Sr. Vice President & Secretary

P.C. Patel

Solicitors & Advocates

Wadia Ghandy & Co.

Auditors

Haribhakti & Co.

Bankers

Indian Overseas Bank

Corporation Bank

HDFC Bank

Corporate Office

Ramkrishna Mandir Road

Off Mathuradas VasANJI Road

Andheri (E), Mumbai 400 059

Registered Office

7th Floor, Regent Chambers

Jamnalal Bajaj Marg

208, Nariman Point

Mumbai 400 021

Registrar & Transfer Agent

Tata Share Registry Limited

Army & Navy Building

148, Mahatma Gandhi Road

Fort, Mumbai 400 001

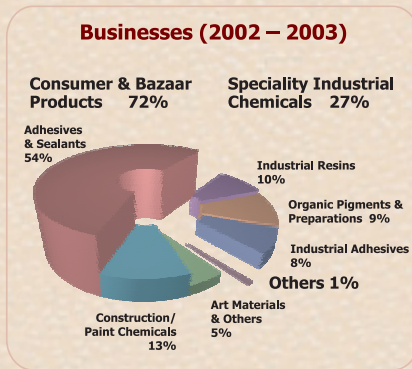
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Pidilite continued its consistent performance in 2002-03 with 16.1% growth in gross sales and 13.8% growth in net profit.

Segment-wise Performance

Branded consumer and bazaar products contributed 72% of the total sales of the Company and the sales value of these products grew by 18% during the year.

Most products in the consumer and bazaar products segment



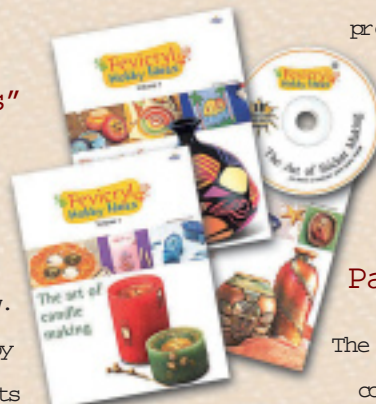
performed well during the year. Adhesives and sealants, which contributed 54% to the total sales of the Company, grew by over 15% during the year under review.

Most brands in adhesives and sealants maintained or improved their market share. Construction and paint chemicals grew by over 30% due to good growth in the "Dr. Fixit" range of construction chemicals and "DDL" brand of distempers.

Sales of industrial speciality chemicals contributed 27% to the total sales of the Company and the sales value of these products grew by 10% during the year. Exports of industrial speciality chemicals grew by 27% to Rs. 28.1 crore during the year.

Launch of "Fevicryl Hobby Ideas"

The Company has been a pioneer in the hobby colours market with brand "Fevicryl" enjoying a leadership position. A new brand "Fevicryl Hobby Ideas" was launched during the year under review. "Fevicryl Hobby Ideas" aims to offer hobby enthusiasts with a large range of hobby products



The "Fevicryl Hobby Ideas" series of books and video CDs help to promote our range of hobby products

and aids like books and videos to make hobby activities fun and easy.

New Products

The Steelgrip brand was acquired in March 2002 and Steelgrip PVC electrical insulation tapes were launched in April 2002. The product continues to remain a market leader, with a significant share of the Rs. 40 crore PVC electrical insulation tapes market. With increased focus on distribution and brand building activities, we expect this product to grow at a healthy rate in the coming years.

The "Dr. Fixit" range has been steadily expanded through the year with introduction of several new products for waterproofing as well as repair and maintenance of buildings.

Liquid pipe sealants under the brand "M-Seal Plumber" and underwater sealants under the brand "M-Seal Instant" were launched during the year.

The export range was expanded, with the introduction of several products in the adhesives and art materials categories, like laminator glue, transfer glue, design stencils, fabric outliner, water-based glass colours etc.

We expect to continue new product introductions and product improvements in the coming year.

Several such introductions have already taken place in the first three months of the current year.

Packaging Design

The newly designed international-look containers of Fevicol were launched during



Some of the new products launched this year

the year. Aside from contemporary styling, the packs feature a tamper-proof seal, an easy-to-grip transparent lid, prominent branding and several useful features.



The entire range of packs for the footwear, flooring and foam fixing products, as well as the Wudfin range, has been redesigned.

Major improvements have been made in the packaging of FEVICOL and other products

"Jai Jayen Tyohaar Pe", was launched with the objective of celebrating important festivals with our dealers and their families.

Building on the tremendous consumer interest generated by Fevicol advertising, the "Kya Idea Hai" contest was run nationally across various TV channels. Contest participants had to rate six award-winning Fevicol advertisements.



The Company won awards at advertising festivals.

Advertising

The Company continues to win recognition for its advertising, created by Ogilvy & Mather. At the ABBY awards, Fevicol won the silver for the Best Continuing Campaign over the years. The Fevicol "Train" TV Commercial also won silver in the category of Single Advertisement for Daily Household Products.

International Business

Exports of the Company grew by 37% for the period under review. The major products exported include organic pigments, adhesives and art materials.

Organic pigments contribute significantly to the total exports of the Company. Several initiatives like introduction of new products and penetration in new markets have been taken in last few years to increase the exports of adhesives and art materials. We expect the contribution of adhesives and art materials to improve in the coming years.

Sales Promotion

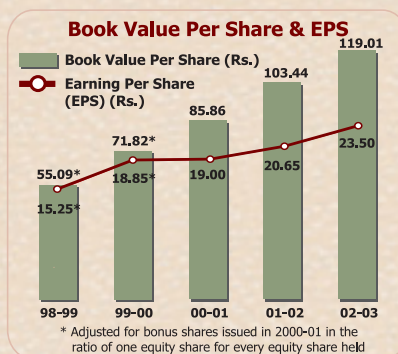
Several innovative sales promotion initiatives were undertaken during the year. A new initiative, called

Young-at-Art, a magazine targeted at art teachers, was also launched during the year under review.

Shareholder Value

The Net Worth of the Company has grown from Rs.13487 lac in 1998-1999 to over Rs. 30039 lac at the end of 2002-2003, giving a CAGR of 22.16%.

Based on the criterion of market capitalisation, the company was ranked 122nd (last year 133rd) amongst



India's top 500 listed companies, including those in the private and public sectors (ET 500, Published by The Economic Times in April, 2003).



Paawan Zaheer Khan (third from right) celebrates with team-mates after dismissing New Zealand batsman Craig McMillan in the World Cup Super Six match in Centurion, South Africa, on Friday. India won by seven wickets.

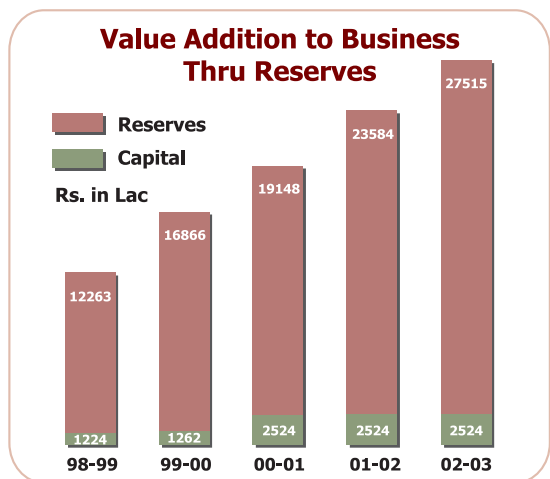
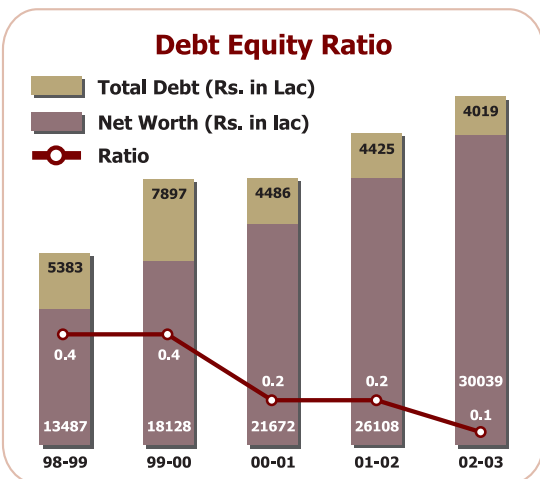
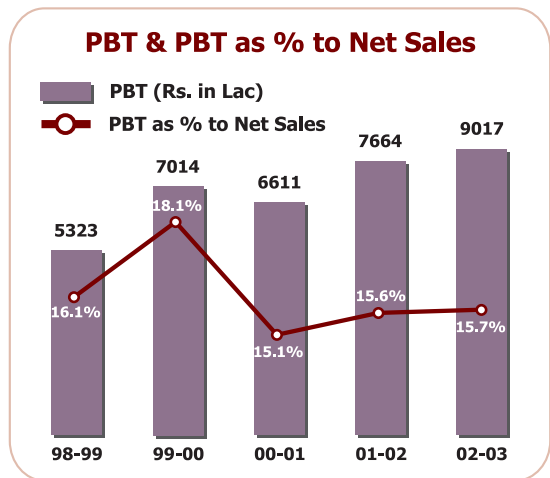
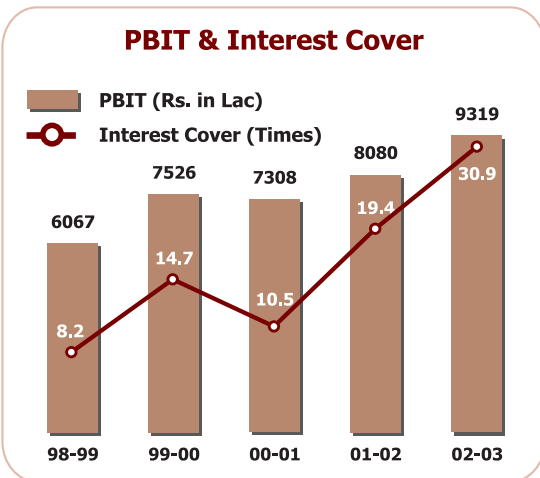
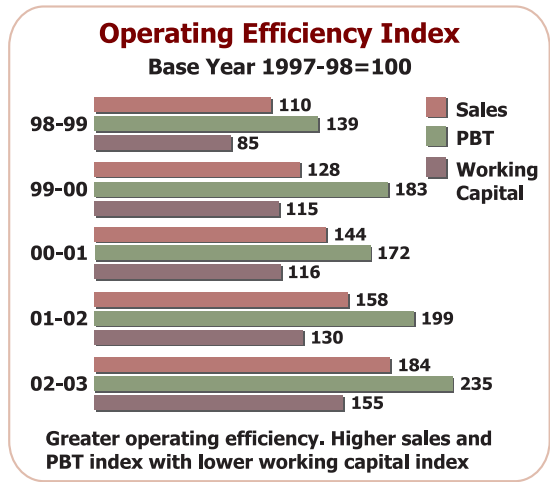
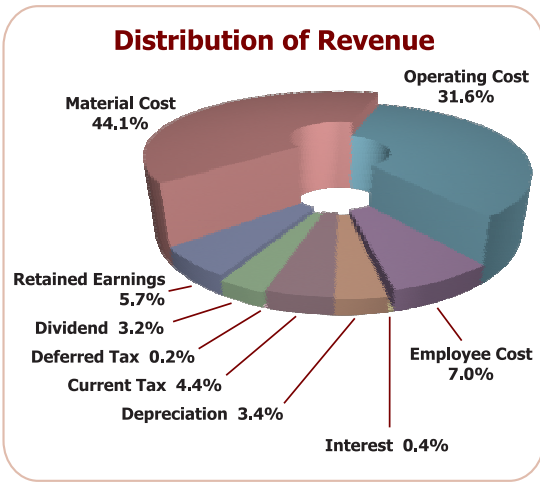
Lagta hai Fevicol ka jod hai, tootega nahin!

Times Of India: 2nd March 2003

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 Internal Adequacy
- Human Resources



Rupees in Lac

Highlights	1998-99	1999-00	2000-01	2001-02	2002-03	CAGR %
Operating Results						
Sales and Other Income	40178	47063	52690	57718	66784	13.55
Manufacturing and Other Expenses	33152	38375 [@]	43731	47741	55212	13.60
Operating Profit	7026	8688	8959	9977	11572	13.29
Interest	744	512	697	416	302	-20.18
Depreciation	959	1162	1651	1897	2253	23.80
Profit before Tax	5323	7014	6611	7664	9017	14.08
Current Tax	1590	2257	1815	1650	2950	16.71
Deferred Tax	–	–	–	802	136	–
Profit after Tax	3733	4757	4796	5212 [#]	5931	12.27
Dividend on Equity Shares	951 [*]	1134 [*]	1252 [*]	1767	2136 [*]	22.42
Retained Earning	2782	3623	3544	3445	3795	8.07
Financial Position						
Capital	1224	1262	2524	2524	2524	19.83
Reserves (Less Revaluation Reserve)	12263	16866	19148	23584	27515	22.39
Net Worth	13487	18128	21672	26108	30039	22.16
Borrowings	5383	7897	4486	4425	4019	-7.04
Funds Employed	18870	26025	26158	30533	34058	15.91
Fixed Assets (Excluding Revalued Assets & Depreciation thereon)						
Gross Block	14599	20222	22549	27719	31311	21.02
Depreciation	4456	5767	7366	9203	11217	25.96
Net Block	10143	14455	15183	18516	20094	18.64
Investments	1881	2293	1594	1510	1479	-5.83
Net Current Assets	6846	9277	9381	10507	12485	16.21
Total Assets	18870	26025	26158	30533	34058	15.91

[@] Includes VRS Payment of Rs. 132 lac ^{*} Includes Tax on Dividend

[#] Excluding prior year Tax provision written back Rs. 189 lac

5 YEARS' FINANCIAL PERFORMANCE



Rupees in Lac

Highlights	1998-99	1999-00	2000-01	2001-02	2002-03
Funds Flow					
Sources					
Internal Generation	4726	5919	6447	8100	8320
Increase in Capital and Reserve (Net) on Amalgamation	–	1226	–	–	–
Increase in Loans	–	2514	–	–	–
Decrease in Investment	–	–	699	69	30
Decrease in Working Capital	806	–	–	–	–
Total	5532	9659	7146	8169	8350
Applications					
Repayment of Loans	2414	–	3411	85	331
Capital Expenditure (Net)	1688	5682 [@]	2379	5230 ^{\$}	3831 [#]
Investments	479	412	–	–	–
Dividend	951	1135	1252	1767	2136
Increase in Working Capital	–	2430	104	1087	2052
Total	5532	9659	7146	8169	8350
Ratios					
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth)	30.9	30.1	24.1	21.8	21.1
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed)	32.2	33.5	28.0	28.5	28.9
Long Term Debt / Cash Flow	0.1	0.4	0.1	0.1	0.3
Gross Gearing % (Debt as a percentage of Debt plus Equity)	28.5	30.3	17.1	14.5	11.8
Current Ratio (Current Assets divided by Current Liabilities)	2.3	2.5	2.6	2.3	2.6
Assets Turnover (times) (Gross Sales divided by Total Assets)	2.1	1.8	2.0	1.9	1.9

@ Includes Cost of Brands Acquired Rs. 3656 lac

\$ Includes Cost of Brand Acquired Rs. 873 lac

Includes Cost of Brands Acquired Rs. 908 lac

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 actuals.

Weighted average cost of capital employed = (Cost of equity x average shareholder funds) + (cost of debt x average debt).

Cost of equity = Risk free return equivalent to yield on long term Government of India (GOI) securities (taken @ 6.3%) + market risk premium (assumed @ 7.5%) x beta variant for the company (taken at 0.8) where the beta is a relative measure of risk associated with the Company'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 (taken at 3% above the risk free return on long dated securities issued by the Government of India).

Economic Value Added Analysis					
Item	1998-99	1999-00	2000-01	2001-02	2002-03
Cost of Capital					
1. Risk Free Return on Long Dated GOI Securities	11.5%	11.0%	10.3%	9.0%	6.3%
2. Cost of Equity	19.3%	18.5%	17.3%	15.1%	12.3%
3. Cost of Debt (Post Tax)	8.8%	8.0%	7.4%	7.1%	5.9%
4. Effective Weighted Average Cost of Capital	15.4%	15.4%	15.0%	13.8%	11.5%
Economic Value Added (Rupees in Lac)					
5. Average Debt	7030	6640	6192	4456	4222
6. Average Equity (Shareholder Funds)	12079	15808	19900	23890	28074
7. Average Capital Employed (Debt + Equity)	19109	22448	26092	28346	32296
8. Profit After Tax (as per P&L account)	3733	4757	4796	5212	5931
9. Interest (as per P&L account, net of Income Tax)	484	315	421	268	191
10. Net Operating Profit After Tax (NOPAT)	4217	5072	5217	5480	6122
11. Weighted Average Cost of Capital (4 x 7)	2943	3457	3914	3912	3714
12. Economic Value Added (10 - 11)	1274	1615	1303	1568	2408
13. EVA as a % of Average Capital Employed (12 ÷ 7)	6.67%	7.19%	4.99%	5.53%	7.46%

Note: Figures in Financial Charts, 5 Years' Financial Performance and EVA are as per the Annual Report of Respective years.

To The Members

Your Directors have pleasure in presenting their Thirty Fourth Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2003.

Financial Results

(Rupees in Lac)

	2002-03	2001-02
Gross turnover	66214	57026
Turnover, net of excise	57430	49388
Profit before tax	9017	7664
Current year's Tax	2950	1650
Profit after Current year's Tax	6067	6014
Deferred Tax	136	802
Profit after Current and deferred tax	5931	5212
Prior year's Tax provision written back	-	189
Profit brought forward	1786	1552
Profit available for appropriation	7717	6953

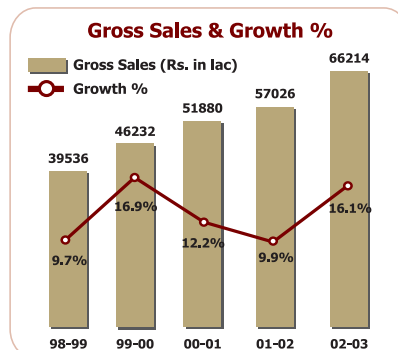
Appropriations:

Proposed Dividend on Equity Shares	1893	1767
Tax on Dividend	243	-
Transfer to General Reserve	3400	3400
Total	5536	5167
Balance carried to Balance Sheet	2181	1786
	7717	6953

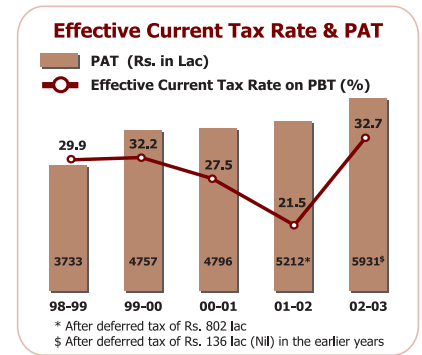
Financial Performance

The gross turnover for the year increased by 16.1% as compared to last year.

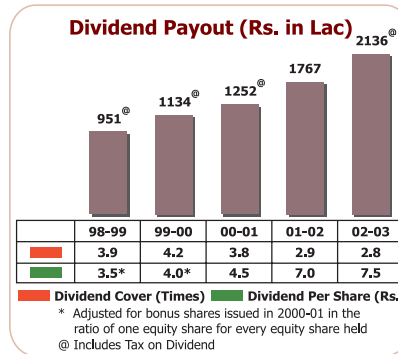
The Operating Profit for the year at Rs. 11572 lac and Net Profit at Rs. 5931 lac grew by 16% and 13.8% respectively as compared to last year.



The Tax for the current year is substantially higher at Rs. 2950 lac as against Rs. 1650 lac in the previous year because of allowability in the last year of higher tax depreciation and reduction in tax holiday benefits in the current year following expiry of 5 year period.



Interest outgo for the current year has decreased by over Rs. 114 lac.



The Credit Rating Information Services of India Ltd. (CRISIL) has re-affirmed the "P1+" rating to the Commercial Paper Programme of the Company for Rs. 55 crore.

Dividend

The Directors recommend the payment of a higher dividend of Rs. 7.50 (previous year Rs. 7.00) per Equity Share amounting to Rs. 18,93,00,000 out of the current year's profit on 2,52,40,000 Equity Shares (previous year - Rs. 17,66,80,000). The dividend for the Current Year will be free of tax in the hands of Shareholders. The dividend payout amount has grown at a CAGR of 22.4% during the last 5 years.

Capital Expenditure

The Company incurred capital expenditure of about Rs. 2998 lac (excluding acquisition of Trademarks & Brands) during the year on modernisation/expansion of manufacturing facilities and offices,

purchase of computers, etc.

The Company acquired Bullbond & Vitapon brands of Adhesives / Resins for a consideration of Rs. 664 lac from Parekh Marketing Limited and Kalvyl, Tracol and Parvyl brands of Adhesives / Resins for a consideration of Rs. 169 lac from Kalva Chemicals Limited, as per valuation done by a reputed firm of Chartered Accountants. Including expenses in connection with acquisition, the aggregate cost of these brands was Rs. 908 lac.

Industry Structure and Development

The two major businesses for the Company are branded consumer and bazaar products and industrial speciality chemicals.

The branded consumer and bazaar products of the Company include Adhesives, Sealants, Art Materials and Construction and Paint Chemicals. These products are consumed by carpenters, painters, plumbers, mechanics, households, schools, offices etc.

The products in the industrial speciality chemicals business include Industrial Adhesives, Synthetic Resins, Organic Pigments, Pigment Preparations, Surfactants, etc. Consumers of these products include various industries like packaging, textile, paint, printing ink, paper, leather etc.

In each of these business lines, there are a few medium to large size companies with national presence and a large number of small size companies that are active regionally. In most product segments, the share of imports is less than 10% of domestic volumes.

Outlook on Opportunities, Threats, Risks and Concerns

There is no significant change in the outlook compared to last year.

The Company continues to enhance opportunities for growth by focusing on introduction of new products, building brands and putting a higher emphasis on overseas markets.

The Company faces the normal threats, risks and concerns which are associated with competition from local and overseas manufacturers, and slow growth rates in some areas of the businesses in which the Company operates.

Current Year Outlook

Barring unforeseen circumstances, the Company expects to perform well during the current year.

Subsidiary

Fevicol Company Ltd. is a 100% subsidiary of the Company and its Annual Report and Accounts are attached herewith. A statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's Subsidiary is attached hereto.

Consolidated Accounts

In accordance with the requirements of Accounting Standards, AS 21 read with AS 23 issued by the Institute of Chartered Accountants of India, the consolidated Accounts of the Company & its subsidiary are annexed to this Annual Report.

Directors

The tenure of appointment of Shri M.B. Parekh as Managing Director, Shri N.K. Parekh as Joint Managing Director and Shri A.B. Parekh as Whole Time Director will expire on 31st July, 2003. Your Directors at their meeting held on 10th June, 2003 have re-appointed them in their respective posts for a further period of 5 years. Members approval is being sought at the ensuing Annual General Meeting for the same.

The Board has also proposed to re-appoint Shri S.T. Dave as a Whole-Time Director of the Company for a further period of 2 years with effect from 1st July, 2003.

In accordance with the Articles of Association of the Company, Shri A.B. Parekh, Shri R.M. Gandhi, Shri Santosh Kumar and Shri B.K. Parekh, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2003 and of the profit of the Company for that year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance

Reports on Corporate Governance and Management Discussion and Analysis in accordance with Clause 49 of the Listing Agreements with Stock Exchanges along with a certificate from the Auditors of the Company are given separately in this Annual report.

Auditors

Members are requested to re-appoint M/s Haribhakti & Co., Chartered Accountants as Auditors of the Company and also for its branches/depots/C&F depots for the current year and to fix their remuneration.

Cost Auditor

The Company has received the approval of the Central Government for appointment of M/s V.J. Talati & Co. as Cost Auditor to conduct cost audit for the financial year 2003-2004.

Conservation of Energy, Technology Absorption, etc

The particulars under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached to this Report as Annexure I.

Risk and Internal Adequacy

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

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

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal controls and risk management.

Human Resources

During the year, the Internal Business Review mechanism was institutionalised by the formation of Divisional Functional Committees (DFCs) and Locational Functional Committees (LFCs).

Employee involvement initiatives continued with various Small Group Activities. As many as 50 groups continue to work on system and process improvement at any point of time.

The total number of employees as on 31st March, 2003 was 2007. The Company continues to enjoy cordial employee relations at all levels.

A statement of particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report as Annexure II. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report together with Accounts is being sent to the Shareholders of the Company, excluding the statement of particulars of employees under Section 217(2A) of the Act. Members desiring to have a copy of the

same may write to the Company Secretary at the Registered Office of the Company and they will be provided with the same upon such a request.

Appreciation

The Directors place on record their appreciation of the efficient services rendered by the employees of the Company at all levels.

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH
CHAIRMAN

Mumbai

Date: 10th June, 2003

ANNEXURE I TO THE REPORT OF THE DIRECTORS

Statement containing particulars pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 forming part of the report of the Directors.

A] CONSERVATION OF ENERGY

a) Energy Conservation Measures taken

1. Effective/optimum utilisation of variuos plants by cycle Time Reduction (CTR) and increase in batch sizes.
2. Incorporation of redesigned light reflectors for plant operating area.
3. Identified various critical equipments and installed efficient electrical drive systems.
4. Extended use of Additives in fuel oil at other locations.

b) Additional Investments and Proposals, if any, being implemented for reduction of Consumption of Energy

1. Continuing energy conservation measures on above lines.

c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

0.50 lacs kWh of electricity and 70 kl of fuel oil are expected to be saved annually by above measures.

d) Total energy consumption and energy consumption per unit of production

As per Form A

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel consumption

		Year ended 31.3.2003	Year ended 31.3.2002
1. Electricity			
a) Units Purchased	'000 kWh	94,72	95,31
Total Amount	Rs. '000	4,64,66	4,92,35
Rate/Unit (Average)	Rs.	4.91	5.17
b) Own Generation			
Through diesel Generator			
Units	'000 kWh	2,12	5,05
Units per litre of diesel oil	kWh	2.46	2.63
Cost/Unit	Rs./kWh	8.40	7.41
2. Coal		N.A.	N.A.
3. Furnace Oil			
Quantity	kl	28,72	28,04
Total Amount	Rs. '000	3,06,59	2,64,03
Average Rate	Rs. '000/kl	10.67	9.42
4. Other/Internal Generation			
Units – Wind mill	'000 kWh	6,90	5,50
Total Credit	Rs. '000	26,98	26,80
Rate/Unit (Average)	Rs.	3.91	4.87

N.B.

73.96 lacs kWh (20.60 lacs kWh) units generated amounting to Rs. 208.04 lacs (Rs. 57.68 lacs) at Satara and Sangli wind mill projects are shown as "Other Income" in the Current Year.

B. Consumption per unit of production

It is not feasible to furnish information in respect of consumption per unit of production.

B] TECHNOLOGY ABSORPTION

- e) Efforts made in technology absorption
As per Form B

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

1. **Specific areas in which R&D is carried out by the Company**

R&D programmes are carried out towards development of new products, improvement of the existing products and processes falling under the category of Synthetic Resins, Adhesives, Sealants, Pigments and Pigment Dispersions, Intermediates, Surfactants, Art Materials, Coatings, Fabric Care Products, Construction Chemicals, Maintenance Chemicals, Emulsion Polymerization etc.

2. **Benefits derived as a result of the above R&D**

Increase in sales due to product improvements and introduction of new products, reduction in cost due to process improvements.

3. **Future Plan of Action**

Future R&D efforts will continue along similar lines as at present including process safety enhancement.

4. **Expenditure on R&D**

	Year ended 31.3.2003 (Rs. in lacs)	Year ended 31.3.2002 (Rs. in lacs)
i) Capital	10.11	11.96
ii) Recurring	2,66.97	1,90.80
Total	2,77.08	2,02.76
iii) Total R&D Expenditure as a percentage of total turnover	0.42	0.36

5. **Technology Absorption, Adaptation and Innovation**

i) Technologies, Processes developed by our R&D Department are being continuously absorbed and adopted on a commercial scale.

ii) Benefits derived as a result of the above efforts:

Improvement in products and processes and introduction of new products.

iii) Information regarding Technology imported during the last 5 years:

- a) Technology imported : NIL
 b) Year of import : Not Applicable
 c) Has technology been fully absorbed : Not Applicable
 d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : Not Applicable

C] FOREIGN EXCHANGE EARNING & OUTGO

- f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Export earnings during 2002-2003 have shown an increase of Rs. 996 lacs over 2001-2002.

We have participated in international exhibitions in Bangladesh, Egypt, Germany and U.S.A. to enhance export of our products.

- g) Total foreign exchange used and earned

	Year ended 31.3.2003 (Rs. in lacs)	Year ended 31.3.2002 (Rs. in lacs)
Foreign exchange earned	37,11	27,14
Foreign exchange used *	69,54	64,73

* Out of the above, exchange used for import of materials which are either not manufactured in India and/or not easily available in India amounted to Rs. 59,36 lacs for the year ended 31.3.2003 (Previous year Rs. 56,23 lacs).

To,
The Members of
PIDILITE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of PIDILITE INDUSTRIES LIMITED as at 31st March, 2003, the related Profit and Loss Account for the year ended on that date annexed thereto, and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, based upon such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
- II Further to our comments in the Annexure referred to in paragraph (1) above:
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of these books;
 - The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company;
 - Based on the confirmations received from the Companies where Directors of the Company are Directors which have also been taken on record in a meeting of the Board of Directors of the Company and based on the information and explanation as made available, Directors of the Company do not, prima facie, have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit and Loss Account, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003 and
 - in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
 - in the case of cash flow statement, of the cash flows of the Company for the year ended on that date.

For HARIBHAKTI & CO
Chartered Accountants
CHETAN DESAI
Partner

Mumbai
Date: 27th May, 2003

ANNEXURE TO AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (1) THEREOF)

Fixed Assets:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. During the year, certain items of fixed assets have been physically verified by the management and the programme of verification, in our opinion, is reasonable, having regard to the size of the Company and the nature of business. We have been informed that no material discrepancies were noticed on such verification as compared to book records.
- None of the Fixed Assets has been revalued during the year.

Inventory:

- The stocks of finished goods, traded goods, raw materials, packing materials and spares have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- The procedure and physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- The discrepancies noticed on verification between physical stock and book records were not material.
- In our opinion, the valuation of stocks is fair and proper, in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials, plant and machinery and other assets and for sale of goods.
5. According to the information and explanations given to us, the Company has a regular procedure for determination of unserviceable or damaged stores and raw materials. Provisions have been made in the accounts for the loss arising on the items so determined.
6. In our opinion and according to the information and explanations given to us, the Company has maintained record of sale and disposal of by-products. However, there are no records for the sale and disposal of scrap as in the manufacturing activities of the Company, no significant scraps is generated.

Loans and Advances:

7. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies listed in the register maintained under Section 301 of the Companies Act, 1956 and from Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, are prima facie not prejudicial to the interest of the Company.
8. The Company has not granted any loan to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and to the companies under the same management.
9. The Company has given interest free loans to certain employees and generally the recovery of principal amounts thereof is as per stipulations.

Transaction with parties under 301 of the Companies Act 1956.

10. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sales of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market price for such goods, materials and services or prices at which similar transactions have been made with other parties.

Fixed Deposits:

11. The Company has not accepted any deposit from the public, attracting provision of Section 58A of the Companies Act, 1956 or the Companies (Acceptance of Deposits) Rules, 1975.

Internal Controls:

12. The function of internal audit, as explained, is being carried out by outside professionals, which, in our opinion, is commensurate with the size of the Company and nature of its business.

Staff Welfare:

13. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with the appropriate authorities.
14. According to the information and explanations given to us, no personal expenses of directors and employees have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.

Taxation:

15. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, customs duty and excise duty were outstanding as on 31st March, 2003 for a period of more than six months from the date they became payable.

Miscellaneous:

16. We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in regard to the production of Synthetic Resins and are of the opinion that, prima facie, the prescribed accounts have been made and maintained. We have not, however, made a detailed examination of the said records.
17. The Company is not a "Sick Industrial Company" within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
18. In respect of trading activities, we are informed that provisions for loss on account of damaged goods have been made in the accounts.

For HARIBHAKTI & CO
Chartered Accountants
CHETAN DESAI
Partner

Mumbai
Date: 27th May, 2003

BALANCE SHEET AS AT 31ST MARCH, 2003

(Rs. in Lacs)

	Schedule	As at 31 st March, 2003	As at 31 st March, 2002
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Capital	1	25,24.00	25,24.00
b. Reserves and Surplus	2	2,75,15.11	2,35,84.15
		3,00,39.11	2,61,08.15
2. Loan Funds			
a. Secured Loans	3	13,62.42	16,84.99
b. Unsecured Loans	4	26,56.73	26,64.78
		40,19.15	43,49.77
TOTAL		3,40,58.26	3,04,57.92
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block		3,05,95.65	2,72,94.27
b. Less: Depreciation		1,12,12.49	91,91.48
c. Less: Lease Adjustment		4.16	11.54
		1,93,79.00	1,80,91.25
d. Net Block	5	7,15.44	4,24.68
e. Capital work in progress			
		2,00,94.44	1,85,15.93
2. Investments (Net)	6	14,79.09	15,09.48
3. Current Assets, Loans and Advances	7		
a. Inventories		86,14.74	79,44.87
b. Sundry Debtors		82,03.65	69,84.58
c. Cash and Bank Balances		565.71	774.34
d. Other Current Assets		163.54	274.82
e. Loans and Advances		28,01.20	25,68.10
		2,03,48.84	1,85,46.71
Less: Current Liabilities and Provisions	8		
a. Liabilities		54,95.18	62,01.55
b. Provisions		23,68.93	19,12.65
		78,64.11	81,14.20
Net Current Assets		1,24,84.73	1,04,32.51
TOTAL		3,40,58.26	3,04,57.92
Notes forming part of the Accounts	12		

AS PER OUR REPORT OF EVEN DATE

For **HARIBHAKTI & CO.**
Chartered Accountants
CHETAN DESAI
Partner
Mumbai
Date: 27th May, 2003

P.C. PATEL
Sr. Vice President & Secretary

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH
Chairman
S.K. PAREKH
Vice Chairman
M.B. PAREKH
Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

		(Rs. in Lacs)	
		Schedule	Previous Year
INCOME			
Sales		6,62,13.54	5,70,25.83
Less: Excise Duty		87,83.82	76,37.65
Net Sales		5,74,29.72	4,93,88.18
Other Income	9	5,69.65	6,92.95
		5,79,99.37	5,00,81.13
EXPENDITURE			
Materials	10	2,94,40.99	2,61,97.18
Other Expenses	11	1,72,88.87	1,43,22.61
Depreciation		22,53.01	18,96.78
		4,89,82.87	4,24,16.57
Profit before Taxation and others		90,16.50	76,64.56
Provision for Current Taxation		29,50.00	16,50.00
Deferred Taxation		1,35.74	8,01.90
Profit for the year		59,30.76	52,12.66
Prior year Tax provision written back (Net)		-	1,88.59
Balance brought forward from previous year		17,86.18	15,51.73
Profit available for appropriation		77,16.94	69,52.98
Proposed Dividend		18,93.00	17,66.80
Corporate Tax on Dividend		242.54	-
		21,35.54	17,66.80
Transfer to General Reserve		34,00.00	34,00.00
Balance carried to Balance Sheet		21,81.40	17,86.18
Earnings Per Share (Rs.) (Refer Note 13 of Schedule 12)			
Basic and Diluted (Rs.)		23.50	20.65
Notes forming part of the Accounts	12		

AS PER OUR REPORT OF EVEN DATE

For **HARIBHAKTI & CO.**

Chartered Accountants

CHETAN DESAI

Partner

Mumbai

Date: 27th May, 2003

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH

Chairman

S.K. PAREKH

Vice Chairman

M.B. PAREKH

Managing Director

P.C. PATEL

Sr. Vice President & Secretary

**SCHEDULE NUMBERS 1 TO 12 ANNEXED TO AND FORMING
PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2003 AND
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH, 2003**

(Rs. in Lacs)

	As at 31 st March, 2003	As at 31 st March, 2002
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,75,00,000 Equity Shares of Rs. 10 each	27,50.00	27,50.00
25,00,000 Unclassified Shares of Rs. 10 each	2,50.00	2,50.00
TOTAL	30,00.00	30,00.00
Issued, Subscribed and Paid up		
2,52,39,400 Equity Shares of Rs. 10 each, fully paid (Notes 1 and 2)	25,23.94	25,23.94
Bonus Shares Issue Suspense Account (Note 3)	0.06	0.06
TOTAL	25,24.00	25,24.00

NOTES:

Out of the above

1. 7,47,588 Equity Shares of Rs.10 each have been issued for consideration other than cash pursuant to various schemes of amalgamation during earlier years.
2. 2,26,42,034 Equity Shares of Rs.10 each have been allotted as fully paid Bonus Shares by way of capitalisation of General Reserve, Share Premium Account and Capital Redemption Reserve.
3. Bonus Shares Issue Suspense Account pertains to issue of 600 fully paid Bonus Shares pending settlement of dispute for title of Shares.

SCHEDULE 2

RESERVES AND SURPLUS

Capital Reserve

Balance as per last Balance Sheet 33.70 33.70

Cash Subsidy Reserve

Balance as per last Balance Sheet 74.74 74.74

Special Reserve

Balance as per last Balance Sheet 11.89 11.89

Deferred Tax Reserve

Balance as per last Balance Sheet 27,95.50

Set aside from General Reserve on account of
accumulated Deferred Tax upto March 31, 2001 - 19,93.60

Add: Adjustment for the Current Year 1,35.74 8,01.90

(Refer note : 10 of Schedule 12)

Carried Forward

29,31.24 27,95.50

30,51.57 29,15.83

(Rs. in Lacs)

	As at 31 st March, 2003	As at 31 st March, 2002
SCHEDULE 2 (Contd....)		
Brought Forward	30,51.57	29,15.83
General Reserve		
Balance as per last Balance Sheet	1,88,82.14	1,74,75.74
Add: Transferred from Profit and Loss Account	34,00.00	34,00.00
Less: Amount adjusted on account of accumulated Net Deferred Tax upto March 31, 2001	—	19,93.60
	<u>2,22,82.14</u>	<u>1,88,82.14</u>
Profit and Loss Account	<u>21,81.40</u>	<u>17,86.18</u>
TOTAL	<u><u>2,75,15.11</u></u>	<u><u>2,35,84.15</u></u>
SCHEDULE 3		
SECURED LOANS		
Working Capital loans from Banks (including Working Capital Demand Loan)	13,62.42	16,84.99
TOTAL	<u><u>13,62.42</u></u>	<u><u>16,84.99</u></u>
<p>Working Capital Loans from Banks are secured by hypothecation of stock of Raw Materials, Finished Goods, Packing Material, Stock in Process and Book Debts. Further, these loans are collaterally secured by way of second charge on the entire plant and machinery of the company and land and building of the company's unit at Kondivita, Mumbai.</p>		
SCHEDULE 4		
UNSECURED LOANS		
Interest free Sales Tax loan from Government of Gujarat	19.20	23.91
Interest free Sales Tax loan from Government of Maharashtra	12,05.03	6,40.87
Commercial Paper	—	20,00.00
Foreign Currency Loan from Banks	14,32.50	—
TOTAL	<u><u>26,56.73</u></u>	<u><u>26,64.78</u></u>
Amount due within one year Rs. 14,37.21 Lacs (Rs. 20,04.71 Lacs)		

SCHEDULE 5

FIXED ASSETS

(Rs. in Lacs)



PARTICULARS	GROSS BLOCK				DEPRECIATION				Lease Adjust- ment Account	NET BLOCK	
	As at 1.4.2002	Additions/ Adjust- ments	Deduc- tions/ Adjust- ments	As at 31.3.2003	As at 1.4.2002	Provided during the year	Deductions/ Adjust- ments	As at 31.3.2003		As at 31.3.2003	As at 31.3.2002
Goodwill	3,32.99	90.77	-	4,23.76	1,01.66	69.63	-	1,71.29	-	2,52.47	2,31.33
Freehold Land	5,66.60	50.88	-	6,17.48	-	-	-	-	-	6,17.48	5,66.60
Leasehold Land	2,10.71	70.40	-	2,81.11	12.87	1.43	-	14.30	-	2,66.81	1,97.84
Buildings	43,76.75	5,08.32	-	48,85.07	7,91.80	1,33.66	-	9,25.46	-	39,59.61	35,84.95
Plant and Machinery	1,57,67.16	17,99.14	2,61.40	1,73,04.90	67,99.26	15,41.66	(2,03.03)	81,37.89	-	91,67.01	89,67.90
Trademark	39,40.01	8,16.98	-	47,56.99	7,23.47	3,53.69	-	10,77.16	-	36,79.83	32,16.54
Copyrights	99.52	-	-	99.52	12.39	5.98	-	18.37	-	81.15	87.13
Furniture & Fixtures	9,54.45	1,92.54	2.32	11,44.67	3,18.64	63.47	(0.20)	3,81.91	-	7,62.76	6,35.81
Vehicles	6,58.91	76.24	50.29	6,84.86	2,13.52	58.12	(28.77)	2,42.87	-	4,41.99	4,45.39
Capital Expenditure on Scientific Research:											
- Buildings	14.83	0.01	-	14.84	6.56	0.46	-	7.02	-	7.82	8.27
- Plant and Machinery	2,70.52	10.10	-	2,80.62	1,58.18	15.31	-	1,73.49	-	1,07.13	1,12.34
- Furniture and Fixtures	30.65	-	-	30.65	5.99	1.93	-	7.92	-	22.73	24.66
Assets given on Lease											
Plant and Machinery	56.97	0.01	-	56.98	38.05	5.89	-	43.94	(1.33)	11.71	11.92
Vehicles	14.20	-	-	14.20	9.09	1.78	-	10.87	(2.83)	0.50	0.57
Total	2,72,94.27	36,15.39	3,14.01	3,05,95.65	91,91.48	22,53.01	(2,32.00)	1,12,12.49	(4.16)	1,93,79.00	1,80,91.25
Previous Year	2,21,37.96	52,72.54	1,16.23	2,72,94.27	73,47.60	18,96.78	(52.90)	91,91.48	(11.54)		
Capital work in progress including capital advances										7,15.44	4,24.68
Total										2,00,94.44	1,85,15.93

Note:- Additions during the year include acquisition cost of Bulbond, Vitapon, Kalvyl, Tracol and Parvyl brands of adhesives Rs. 8,82.16 Lacs.

(Rs. in Lacs)

	As at 31 st March, 2003	As at 31 st March, 2002
SCHEDULE 6		
LONG TERM INVESTMENTS (AT COST)		
I. In Government Securities (Unquoted)		
6 and 7 Years National Savings Certificates (Deposited with Government Departments, Bombay Municipal Corporation, Bombay Suburban Electric Supply Co. Ltd.)	1.63	1.63
II. In Equity Shares (Fully paid)		
a) Quoted		
Trade:		
• 74,51,540 Equity Shares of Rs. 10 each of Vinyl Chemicals (India) Ltd.	11,78.34	11,78.34
Others:		
• 4,600 (5,800) Equity Shares of Rs. 10 each of Hindustan Adhesives Ltd.	1.13	1.43
• 16,400 Equity Shares of Rs. 10 each of Hindustan Organics Chemicals Ltd.	8.20	8.20
• 4,188 (9,700) Equity Shares of Rs. 10 each of Indian Petrochemicals Corporation Ltd.	7.74	17.94
• 2,000 Equity Shares of Rs. 10 each of Jindal Vijaynagar Steel Ltd. (Rs. 5 paid per share)	0.10	0.10
• 1,21,300 Equity Shares of Rs. 10 each of Pal Peugeot Ltd.	12.13	12.13
• 1,69,942 (1,80,042) Equity Shares of Rs. 10 each of Indian Overseas Bank Ltd.	17.00	18.00
• 62,700 Equity Shares of Rs. 10 each of Menon Pistons Ltd.	44.30	44.30
TOTAL - II (a)	12,68.94	12,80.44
[Market Value Rs. 420.49 Lacs (696.31 Lacs)]		
b) Unquoted (Fully paid)		
• In wholly-owned Subsidiary Companies		
50,000 Equity Shares of Rs. 10 each of Fevicol Company Ltd.	5.00	5.00
• 40 Equity Shares of Rs. 50 each of Regent Chambers Premises Co-op. Society Ltd.	0.02	0.02
• 25 Equity Shares of Rs. 10 each of New Usha Nagar Co-op. Housing Society Ltd.	0.01	0.01
• 2,00,200 Equity Shares of Rs. 10 each of Enjayes Spices & Chemicals Oil Ltd.	52.86	52.86
• 628 Equity Shares of Rs. 100 each of Jawahar Co-op. Industrial Estate Ltd.	0.62	0.62
• 2,275 Equity Shares of Re. 1 each of Himalaya House Company Ltd.	0.02	0.02
TOTAL - II (b)	58.53	58.53
III. In Units of Mutual Fund (Unquoted)		
• 400 Units of Rs. 1,00,000 each of Infinity Venture India Fund (Rs. 65,000 per unit paid-up)	2,60.00	2,60.00
TOTAL - III	2,60.00	2,60.00
TOTAL : I + II (a) + II (b) + III	15,89.10	16,00.60
Less: Diminution in value of Investments	1,10.01	91.12
TOTAL	14,79.09	15,09.48

SCHEDULE 6 (Contd....)

Investments purchased and sold during the year other than shown above:

	Purchased	(Units) Sold
Units of DSP Merrill Lynch Mutual Fund Liquidity Fund (Growth Option)	20,77,576.715	20,77,576.715
Units of Prudential ICICI Mutual Fund Liquid Plan Dividend Option	1,69,64,961.707	1,69,64,961.707
Units of GCFC Grindlays Cash Funds	58,24,256.367	58,24,256.367
Units of Prudential ICICI Mutual Fund Short Term Plan	22,39,741.982	22,39,741.982
Units of Zurich High Interest Short Term	22,85,108.406	22,85,108.406

(Rs. in Lacs)

	As at 31 st March, 2003	As at 31 st March, 2002
SCHEDULE 7		
CURRENT ASSETS, LOANS AND ADVANCES		
A) Current Assets		
a) Inventories (As valued and certified by the Management)		
Consumable Stores and Spares, etc.	87.45	72.09
Raw Materials	34,23.89	29,86.03
Goods in Process	3,08.45	2,97.94
Finished Goods	36,55.76	34,57.72
Traded Goods	5,01.58	6,14.61
Packing Materials	6,37.61	5,15.88
Raw Materials for Scientific Research	-	0.60
	<u>86,14.74</u>	<u>79,44.87</u>
b) Sundry Debtors (Unsecured)		
Over six months -		
Considered good	2,37.71	3,10.63
Considered doubtful	31.73	-
Others, Considered good	79,65.94	66,73.95
	<u>82,35.38</u>	<u>69,84.58</u>
Less: Provision for doubtful debts	31.73	-
	<u>82,03.65</u>	<u>69,84.58</u>
c) Cash and Bank Balances		
Cash and cheques on hand	2,51.00	2,65.97
Remittances in transit	4.63	26.36
Bank Balances:		
With scheduled banks		
In Current Accounts	3,09.78	4,76.16
In Margin Money	-	5.56
Others:		
In Fixed Deposit with Municipal Co-op. Bank Ltd. [Maximum outstanding during the year Rs. 0.30 Lacs (Rs. 0.29 Lacs)]	0.30	0.29
	<u>5,65.71</u>	<u>7,74.34</u>
d) Other Current Assets		
Interest Accrued on Investments	0.17	0.17
Claims Receivable	1,63.37	2,74.65
	<u>1,63.54</u>	<u>2,74.82</u>
B) Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	11,43.44	11,98.65
Advance Payment of Taxes (Net of Provisions)	10,80.22	8,31.49
Loans and Advances to Staff	2,04.37	1,95.95
Deposits	2,35.91	2,58.08
Balances with Central Excise Department	1,37.26	83.93
	<u>28,01.20</u>	<u>25,68.10</u>
TOTAL	<u><u>2,03,48.84</u></u>	<u><u>1,85,46.71</u></u>

(Rs. in Lacs)

	As at 31 st March, 2003	As at 31 st March, 2002
SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Acceptances	1,35.29	1,48.13
Sundry Creditors (Refer Note 2 of Schedule 12)		
Small Scale Industrial Undertakings	1.18	2,87.31
Others	39,44.49	47,85.61
	39,45.67	50,72.92
Dealers' Deposits	8,67.17	7,43.88
Interest Accrued but not due	-	1.07
Investor Education and Protection Fund shall be credited by the following to the extent required as and when necessary :		
Unclaimed Application Money Refundable	-	1.92
Unclaimed Dividends	30.68	28.65
	30.68	30.57
Other Liabilities	5,16.37	2,04.98
	54,95.18	62,01.55
B) Provisions		
For Leave encashment	2,27.12	1,39.58
For Non Performing/Substandard assets	6.27	6.27
Dividends:		
Proposed Dividend	18,93.00	17,66.80
Corporate Tax on Dividend	2,42.54	-
	21,35.54	17,66.80
TOTAL	78,64.11	81,14.20

SCHEDULE 9**OTHER INCOME**

Interest received (Gross)	11.61	7.33
[Tax deducted at source Rs. 1.79 Lacs (Rs. 0.79 Lacs)]		
Dividend received		
a) On long term Investments	-	73.09
b) Others	10.67	12.59
	10.67	85.68
Export Incentives	1,14.70	1,29.18
Profit on sale of Investments (Net)	5.69	10.50
Miscellaneous	4,26.98	4,60.26
TOTAL	5,69.65	6,92.95

(Rs. in Lacs)

Previous year

SCHEDULE 10

MATERIALS

a. Raw Materials consumed			
Opening Stock	29,86.03		23,28.34
Add: Purchases	2,17,90.33		1,97,40.02
	<u>2,47,76.36</u>		<u>2,20,68.36</u>
Less: Closing Stock	34,23.89		29,86.03
		<u>2,13,52.47</u>	<u>1,90,82.33</u>
b. (Increase)/Decrease in Stocks			
Closing Stock			
Goods in Process	3,08.45		2,97.94
Finished Goods	36,55.76		34,57.72
	<u>39,64.21</u>		<u>37,55.66</u>
Less:			
Opening Stock			
Goods in Process	2,97.94		1,94.99
Finished Goods	34,57.72		30,87.16
	<u>37,55.66</u>		<u>32,82.15</u>
		<u>(2,08.55)</u>	<u>(4,73.51)</u>
c. Packing Materials consumed		60,28.65	54,44.98
d. Cost of Traded Goods			
Opening Stock	6,14.61		4,42.30
Add: Purchases	21,55.39		23,15.69
	<u>27,70.00</u>		<u>27,57.99</u>
Less: Closing Stock	5,01.58		6,14.61
		<u>22,68.42</u>	<u>21,43.38</u>
		<u>2,94,40.99</u>	<u>2,61,97.18</u>
TOTAL			

(Rs. in Lacs)

Previous year

SCHEDULE 11

OTHER EXPENSES

Stores and Spares consumed	2,86.73	2,36.67
Clearing, Forwarding, Octroi Duty, etc.	17,55.34	14,00.21
Central Excise Duty	58.75	59.60
Power and Fuel	7,81.81	7,77.52
Water Charges	89.97	90.05
Employees' Emoluments : [Refer Notes 1(vi), (vii), 6 and 7 of Schedule 12]		
Salaries, Wages, Bonus, Allowances etc.	36,91.51	26,97.52
Contribution to Provident and Other Funds	3,59.00	3,67.39
Welfare Expenses	6,43.64	6,41.88
	<u>46,94.15</u>	<u>37,06.79</u>
Rent	1,78.61	1,53.39
Rates and Taxes	38.22	58.29
Insurance	1,98.45	1,67.26
Licence fees	4.98	4.31
Repairs:		
Buildings	88.78	81.35
Machinery	2,04.39	1,34.37
Others	81.91	1,04.43
	<u>3,75.08</u>	<u>3,20.15</u>
Directors' Fees	1.00	1.50
Advertisement and Publicity	32,58.54	24,62.09
Legal and Professional fees	4,29.25	4,24.86
Communication Expenses	3,22.76	3,43.98
Printing and Stationery	1,17.37	1,03.78
Bad Debts Written Off (Net)	62.38	75.63
Travelling & Conveyance Expenses	11,98.81	9,61.12
Provision for Doubtful Debts	31.73	-
Processing and Packing Charges	14,93.21	10,73.23
Bank charges	1,80.66	1,62.28
Commission & Brokerage	77.59	50.90
Miscellaneous expenses	12,24.24	10,97.37
Scientific Research and Development Expenditure [Refer Note 1(iv) of Schedule 12]	16.46	21.10
Remuneration to Auditors		
Audit Fees	10.08	7.09
For Other Services	7.75	10.13
	<u>17.83</u>	<u>17.22</u>
Donations	43.55	35.74
Diminution in Value of Investments	18.89	75.65
[Refer Note 1(v) of Schedule 12]		
Loss on Fixed Assets Sold/Discarded (Net)	30.61	25.67
Interest	3,01.90	4,16.25
	<u>1,72,88.87</u>	<u>1,43,22.61</u>
TOTAL	1,72,88.87	1,43,22.61

SCHEDULE 12

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- i) System of accounting
The company follows accrual system of accounting. Claims which are not of Material nature/refunds of Insurance, Octroi Duty, Customs duty, etc, are accounted for when no significant uncertainties attached to their eventual receipt.
- ii) Fixed Assets and Depreciation
 - a) Tangible assets are stated at cost.
 - b) The Company provides depreciation as under:
 - 1) For assets acquired upto 30.6.1987, on Straight Line Method (SLM) basis, except certain assets for which written down value (WDV) basis is adopted at rates equivalent to the rates specified in Income-Tax Act, 1961.
 - 2) For assets acquired after 30.6.1987 & before 31.3.1993, on SLM basis at rates specified in Schedule XIV of the Companies Act, 1956.
 - 3) For assets acquired after 31.3.1993, on SLM basis as per new rates prescribed under Schedule XIV vide notification No. GSR 756 (E) dated 16.12.1993 issued by the Department of Company Affairs.
 - 4) The company provides pro-rata depreciation for additions made during the year except for assets less than Rs. 5,000, for which depreciation has been provided at hundred percent.
 - 5) The Goodwill acquired by the Company are depreciated over a period of 5 years on SLM basis.
 - 6) The Trademarks and Copyrights acquired by the Company are depreciated over a period of 10 years on SLM basis.
- iii) Method of Valuation of Inventories
Raw and Packing Materials are valued at average cost, Goods in process are valued at Cost, Finished Goods and Traded Goods are valued at cost or net realisable value, whichever is lower and Consumable Stores and Spares are valued at cost or net realisable value as estimated by the management, whichever is lower.
- iv) Scientific Research and Development Expenditure
 - a) Capital expenditures are shown separately in Fixed Assets.
 - b) Revenue expenses including depreciation except expenditure specifically shown, are charged to respective heads of accounts.
- v) Investments
Investments are stated at Cost. Diminution of permanent nature in the value of investments (other than long term strategic investment) is provided for.
- vi) Gratuity
Payment for present liability of future payment of Gratuity is being made to approved Gratuity Fund which fully covers the same under cash accumulation policy of the Life Insurance Corporation of India and the same is charged to Profit and Loss Account for the year.
- vii) Leave Encashment Entitlement
Liability in respect of leave encashment entitlement in accordance with the policies of the Company is provided for based on valuations by an independent actuary.
- viii) Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency assets and liabilities are restated at rates ruling at the year end. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Any other exchange differences are dealt with in the Profit & Loss Account.
- ix) The Company is entitled to sell sales tax deferment benefits under Maharashtra Energy Development Agency (Windmill Projects) Package Scheme of incentives under the Bombay Sales Tax Act, 1959. Short fall in the realisation of sale of such benefits to third parties are charged fully in the year of sale.

2. The names of small scale industries to whom the company owes an amount which is outstanding for more than 30 days at the Balance Sheet date, are : M/s Chemech Engineering, Dolphin Storage Systems Pvt.Ltd., R.K. Dutt Concerns, Ninad Engineering Works, Krishna Constructions, Rahul Enterprises, and Power Control Engineers. The above information and that given in Schedule 8 "Liabilities" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES ON ACCOUNTS (Contd...)

(Rs. in Lacs)

	As at 31 st March, 2003	As at 31 st March, 2002
3. Contingent liabilities not provided for		
i) Guarantees given by Banks in favour of Government and others	2,49.47	4,40.50
ii) Partly paid Shares and Units	1,40.10	1,40.10
iii) Sales Tax	1,74.43	2,92.03
iv) Foreign Bill Discounting	-	1,49.33
v) Central Excise & Customs	1,00.75	83.00
4. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	2,64.59	1,65.75
5. The net amount of exchange differences (credited) / debited to Profit & Loss Account	(14.41)	43.91
6. Remuneration to Directors: (Includes benefits which are debited to respective expenses)		
a. Remuneration	1,46.39	1,10.03
b. Commission	1,98.29	1,68.76
c. Provident Fund Contribution	16.71	14.07
d. Other Perquisites	29.79	21.54
7. Computation of Net Profit for Commission Payable to Directors in accordance with Section 198 of the Companies Act, 1956.		
Profit as Per Profit and Loss Account before		
Provision for taxation and commission to directors	92,14.79	78,33.32
Add: Directors' remuneration	1,46.39	1,10.03
Contribution to Provident Fund	16.71	14.07
Other Perquisites	29.79	21.54
	1,92.89	1,45.64
	94,07.68	79,78.96
Less: Profit on sale of investment	6.16	11.62
Net Profit for the year for the purpose of Directors' Commission	94,01.52	79,67.34
Commission payable to Directors		
a) Managing Director, Joint Managing Director and a Wholetime Director	1,84.29	1,56.76
b) Others	14.00	12.00
	1,98.29	1,68.76

NOTES ON ACCOUNTS (Contd...)

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956

Details of licensed capacity, installed capacity, production and sales of the goods manufactured

i. DETAILS OF THE GOODS MANUFACTURED/SALES/STOCKS

(Rs. in Lacs)									
Class of Goods ^A	Licensed Capacity	Installed Capacity Approx.	Opening Stock (Qty.)	Opening Stock (Rs.)	Production Meant for Sale (Qty.)	Sales ^B (Qty.)	Sales ^B (Rs.)	Closing Stock (Qty.)	Closing Stock (Rs.)
Dyestuffs									
MT	3,624 (3,624)	2,364 (2,364)	141 (182)	5,41.80 (6,81.36)	9,616 ^C (1,472)	8,172 (1,513)	71,88.04 (49,32.55)	1,585 (141)	11,14.07 (5,41.80)
KL			463 (225)	7,34.47 (3,53.28)	1,776 ^D (2,278)	1,845 (2,040)	44,01.37 (35,75.04)	394 (463)	4,83.29 (7,34.47)
Chemicals									
MT	102,835 (1,02,835)	76,810 (76,810)	3,458 (3,455)	16,18.87 (15,57.23)	53,920 ^E (46,692)	54,186 (46,689)	3,79,01.76 (3,44,82.09)	3,191 (3,458)	15,42.22 (16,18.87)
KL	19,260 (19,260)	15,660 (15,660)	878 (712)	5,62.58 (4,95.29)	11,389 ^F (10,235)	11,468 (10,069)	98,49.34 (90,70.86)	799 (878)	5,05.66 (5,62.58)
Others Nos. Lac			- (-)	- (-)	1,90.75 (-)	1,68.54 (-)	9,22.62 (-)	22.21 (-)	1,08.78 (-)
Traded Goods				6,14.61 (4,42.30)			54,92.25 (47,33.21)		5,59.71 (6,14.61)
				<u>40,72.33</u> (35,29.46)			<u>6,57,55.38</u> (5,67,93.75)		<u>43,13.73</u> (40,72.33)

Notes:

A Class of Goods is based on main classification given in the Industries (Development and Regulation) Act, 1951.

B Excluding a) Resale of Raw Materials / Packing Materials Rs. 4,58.16 Lacs (Rs. 2,26.45 Lacs).

b) Sale of Software Rs. Nil (Rs. 5.63 Lacs).

C Includes 8,421 Tonnes (131 Tonnes) produced in the factory of third party.

D Includes 1,776 KL (2,208 KL) produced in the factory of third party.

E Includes 32,217 Tonnes (28,225 Tonnes) produced in the factory of third party.

F Includes 1,255 KL (149 KL) produced in the factory of third party.

Figures in bracket indicate previous year's figures.

ii(a) Value of Imported and Indigenous Raw Materials consumed and percentage thereof

	2002-03 Rs. in Lacs	2001-02 Rs. in Lacs	2002-03 %	2001-02 %
Imported	76,85.54	74,60.02	36.78	40.77
Indigenous	1,32,08.76	1,08,39.31	63.22	59.23
	<u>2,08,94.30*</u>	<u>1,82,99.33*</u>	<u>100.00</u>	<u>100.00</u>

NOTES ON ACCOUNTS (Contd...)

ii(b) Consumption of Raw Materials

	2002-03		2001-02	
	Quantity MT	Value Rs. in Lacs	Quantity MT	Value Rs. in Lacs
Vinyl Acetate Monomer	11,243	43,23.24	10,295	43,80.71
Miscellaneous		1,65,71.06		1,39,18.62
(None of which individually account for more than 10% of total consumption)				
		2,08,94.30*		1,82,99.33*

Notes:

* Net of Resale of Raw Materials Rs. 4,58.16 Lacs (Rs. 2,26.45 Lacs)

(Rs. in Lacs)

	2002-03	2001-02
iii. C.I.F. Value of Imports		
Raw Materials	59,36.17	56,23.05
Capital Goods	74.49	9.28
Others	6,37.60	5,84.08
	66,48.26	62,16.41
iv. Expenditure in Foreign Currency		
Foreign travel	1,29.17	83.35
Professional Fees	41.40	83.03
Others	1,35.62	90.08
	3,06.19	2,56.46
v. Earnings in Foreign Exchange		
FOB Value of Exports	36,76.36	26,79.88
Others	34.52	34.29
	37,10.88	27,14.17

NOTES ON ACCOUNTS (Contd...)

9. Segment reporting:

INFORMATION ABOUT BUSINESS SEGMENTS

(Rs. in Lacs)

Business Segments	Consumer & Bazaar Products	Industrial Products	Total
REVENUE			
External sales	4,77,80.65	1,84,32.89	6,62,13.54
Inter Segment Revenue	8.05	14,95.43	15,03.48
Total Revenue	4,77,88.70	1,99,28.32	6,77,17.02
RESULTS			
Segment Results	1,11,54.57	16,52.50	1,28,07.07
Unallocated Corporate Expenses			39,29.10
Unallocated Corporate Income			4,18.15
Operating Profit			92,96.12
Interest expenses			3,01.90
Interest / Dividend Income			22.28
Income Tax (Provision for Taxation and Deferred taxation)			30,85.74
Net Profit			59,30.76
OTHER INFORMATION			
Segment Assets	1,79,05.72	1,12,24.68	2,91,30.40
Unallocated Corporate assets			1,27,91.97
Total assets			4,19,22.37
Segment Liabilities	25,27.39	13,70.32	38,97.71
Unallocated Corporate Liabilities			39,66.40
Total Liabilities			78,64.11
Capital expenditure	23,23.01	4,18.64	27,41.65
Unallocated Corporate Capital Expenditure			8,73.74
Depreciation	7,60.90	7,78.00	15,38.90

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS

GEOGRAPHICAL SEGMENTS	India		Other Countries		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales Revenue	6,21,92.49	5,41,02.55	40,21.05	29,23.28	6,62,13.54	5,70,25.83
Carrying amount of Segment Assets	4,12,36.96	3,82,08.62	6,85.41	3,63.50	4,19,22.37	3,85,72.12
Additions to Fixed Assets and Intangible Assets	36,15.39	52,72.54	-	-	36,15.39	52,72.54

10. Deferred Taxation:

Out of the net deferred tax liability of Rs. 29,31.24 lacs as at 31st March, 2003, the major components of deferred tax balances are set out below

	(Rs. in Lacs)		
	Upto 31.03.2002	During the year 2002-03	Carried as at 31.03.2003
Deferred Tax			
i) Difference between accounting and tax Depreciation (Cumulative)	28,77.71	1,37.22	30,14.93
	28,77.71	1,37.22	30,14.93
Deferred Tax Credits			
i) Expenditure under Section 43B of the Income-tax Act, 1961	1.21	(0.77)	0.44
ii) Preliminary Expenses Amortised	7.55	(3.10)	4.45
iii) Provision for loss on diminution in value of Investments	33.49	(33.49)	-
iV) Leave salary	33.42	30.26	63.68
v) Others	6.54	8.58	15.12
	82.21	1.48	83.69
Net Deferred Tax	27,95.50	1,35.74	29,31.24

The above working of deferred tax is based on assessment orders where assessments are complete and on return of income in other cases.

11. Related Party Disclosures

Related party Disclosures as required by AS-18, "Related Party Disclosures", are given below:

i) Relationships:

- a. Vinyl Chemicals (India) Ltd. – Substantial Interest in Voting Power
- b. Kalva Chemicals Ltd. – Significant Influence
- c. Parekh Marketing Ltd. – Significant Influence

ii) Key Management Personnel:

Sarva Shri M.B. Parekh, Managing Director; N.K. Parekh, Jt. Managing Director and A.B. Parekh, Whole Time Director.

iii) Other Directors:

- a. Sarva Shri B.K. Parekh, H.K. Parekh, S.K. Parekh, R.M. Gandhi, N.J. Jhaveri, B.S. Mehta, Ranjan Kapoor and Yash Mahajan.
- b. Sarva Shri Santosh Kumar and S.T. Dave - Whole Time Directors.

iv) Transactions with Related Parties during the year ended March 31, 2003 are as follows:
Nature of Transactions

	(Rs. in Lacs)	
	2002-03	2001-02
1. Sales and Related Income	3,28,30.84	2,87,57.16
2. Other Income	1,90.21	41.72
3. Dividend received	-	73.09
4. Purchases and Other Related Services	53,13.70	30,66.68
5. Sales Tax Deferment Benefit	73.60	-
6. Remuneration to Directors:		
- Sitting Fees	1.00	1.50
- Managing Director/Jt. Managing Director	2,77.66	2,18.95
- Whole Time Directors	99.52	83.46
- Commission to Non-Executive Directors	14.00	12.00
7. Purchase of Trade Marks/Goodwill	8,82.16	0.01
8. Purchase of Fixed Assets	24.29	20.82
9. Sale of Fixed Assets	28.47	23.30
10. Interest paid	2.74	16.18
11. Processing Charges	22.31	-
12. Rent, Maintenance and Service charges paid	1,23.81	1,04.03
13. Reimbursement of expenses made	8.23	2.93
14. Reimbursement of expenses received	6.20	31.77
15. Outstanding Balances:		
- Debtors	39,99.11	35,81.72
- Creditors	3,83.83	6,70.28
- Outstanding Payable (Net of receivable)	31.96	28.45

Except item no. 6 above, the rest of the items relate to parties stated in (i) above. No amounts have been written off or written back during the year in respect of debts due from or to Related Parties.

12. Sundry debtors include due from

	As at 31.03.2003	As at 31.03.2002
Company as per Section 370 (1B) of the Companies Act, 1956:		
Parekh Marketing Limited	38,18.87	35,21.20
Vinyl Chemicals (India) Limited	1,80.23	4.41

13. Earning Per Share

Outstanding Equity Shares (Nos.)	25240000	25240000
Net Profit after tax (Rs. in Lacs)	59,30.76	52,12.66
Earning Per Share (Rs.)	23.50	20.65

14. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	2002-03	2001-02
I. Registration Details		
Registration No.	14336	14336
State Code	11	11
Balance Sheet Date	31.3.2003	31.3.2002
	(Rs. in Lacs)	(Rs. in Lacs)
II. Capital Raised during the year		
Public Issue	Nil	Nil
Rights Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement / On Amalgamation	-	-
III. Position of Mobilisation and Deployment of Funds		
Total Liabilities	3,40,58.26	3,04,57.92
Total Assets	3,40,58.26	3,04,57.92
Sources of Funds		
Paid-up Capital	25,24.00	25,24.00
Reserves and Surplus	2,75,15.11	2,35,84.15
Secured Loans	13,62.42	16,84.99
Unsecured Loans	26,56.73	26,64.78
Application of Funds		
Net Fixed Assets	2,00,94.44	1,85,15.93
Investments	14,79.09	15,09.48
Net Current Assets	1,24,84.73	1,04,32.51
IV. Performance of Company		
Turnover	6,62,13.54	5,70,25.83
Less: Excise duty	87,83.82	76,37.65
Net Turnover	5,74,29.72	4,93,88.18
Other Income	5,69.65	6,92.95
Total Expenditure	4,89,82.87	4,24,16.57
Profit Before Tax	90,16.50	76,64.56
Profit After Tax	59,30.76	52,12.66
Earnings per Share in Rs.	23.50	20.65
Dividend rate %	75.00	70.00
V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)		
Item Code No. (ITC Code)	Product Description	
3506	ADHESIVES	
3905 + 3906	SYNTHETIC RESINS	
3204	ORGANIC PIGMENTS AND PREPARATIONS BASED ON ORGANIC PIGMENTS	

15. Figures in bracket indicate previous year's figures.

16. Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules 1 to 12

AS PER OUR REPORT OF EVEN DATE

For **HARIBHAKTI & CO.**

Chartered Accountants

CHETAN DESAI

Partner

Mumbai

Date: 27th May, 2003

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH

Chairman

S.K. PAREKH

Vice Chairman

M.B. PAREKH

Managing Director

P.C. PATEL

Sr. Vice President & Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

(Rs. in Lacs)

	2002-03	2001-02
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	90,16.50	76,64.56
Adjustments for Depreciation	22,53.01	18,96.78
Adjustments for Diminution in value of Investments	18.89	75.65
Interest paid	3,01.90	4,16.25
Dividend received	(10.67)	(85.68)
Interest received	(11.61)	(7.33)
(Profit)/Loss on Sale of Assets	30.61	25.67
(Profit)/Loss on Sale of Investments	(5.69)	(10.50)
Bad debts w/off and provision for doubtful debts	62.38	75.63
	26,38.82	23,86.47
Operating Profit before Working Capital changes	1,16,55.32	1,00,51.03
Working Capital changes		
Inventories	(6,69.87)	(13,52.17)
Debtors	(12,81.45)	(14,01.23)
Loans and Advances, etc.	1,26.91	1,06.12
Current Liabilities	(6,19.78)	15,54.71
	(24,44.19)	(10,92.59)
Cash generated from operations	92,11.13	89,58.44
Interest received	11.61	7.33
Interest paid	(3,02.97)	(4,15.18)
Income Tax paid (Net)	(31,98.73)	(19,71.48)
	(34,90.09)	(23,79.33)
Net Cash flow from Operating activities	57,21.04	65,79.11
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(39,13.52)	(52,93.15)
Sale of Fixed Assets	51.39	37.66
Purchase of Investments	(34,57.09)	(18,86.91)
Sale of Investments	34,74.29	18,91.11
Dividend received	10.67	85.68
	(38,34.26)	(51,65.61)
Net Cash flow from Investing activities	18,86.78	14,13.50
Carried Forward		

(Rs. in Lacs)

	2002-03	2001-02
Brought Forward	18,86.78	14,13.50
C] CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	5,59.44	2,37.97
Short term Borrowings - Commercial Paper	(20,00.00)	(15,00.00)
Short term Borrowings - Bank	(3,22.58)	12,08.25
Dividend paid (Including dividend tax, where applicable)	(17,64.77)	(12,46.27)
Short term Borrowings - Foreign Currency Loan	14,32.50	-
Others	-	(49.12)
Net Cash Flow from Financing activities	(20,95.41)	(13,49.16)
Net Increase in Cash and Cash Equivalents	(2,08.63)	(64.34)
Cash and Cash Equivalent as at 01.4.2002	7,74.34	7,10.00
Cash and Cash Equivalent as at 31.3.2003	5,65.71	7,74.34
	(2,08.63)	64.34

The figures in brackets denote payment.

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH

Chairman

S.K. PAREKH

Vice Chairman

M.B. PAREKH

Managing Director

Mumbai

Date: 27th May, 2003

P.C. PATEL

Sr. Vice President & Secretary

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Pidilite Industries Limited for the year ended 31st March, 2003. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and with Balance Sheet of the Company covered by our report of 27th May, 2003 to the members of the Company.

For **HARIBHAKTI & CO.**

Chartered Accountants

CHETAN DESAI

Partner

Mumbai

Date: 27th May, 2003

**STATEMENT PURSUANT TO SECTION 212 OF THE
COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

1. Name of the Subsidiary : Fevicol Company Ltd.
2. The financial year of the Subsidiary ended on : 31st March, 2003
3. Holding company's Interest : 100%
- Equity Share Capital : Rs. 5,00,000
4. Net aggregate Profits or Losses for the current financial year since becoming subsidiary, so far as concern the Members of the Holding company, not dealt with or provided for in the accounts of the Holding company : Rs. 2,105
5. Net aggregate Profits or Losses for the previous financial year since becoming subsidiary, so far as concern the Members of the Holding company, not dealt with or provided for in the accounts of the Holding company : Rs. 6,990

FOR AND ON BEHALF OF THE BOARD

B.K. Parekh
Chairman

S.K. Parekh
Vice Chairman

M.B. Parekh
Managing Director

Mumbai
Date: 27th May, 2003

P.C. Patel
Sr. Vice President & Secretary

CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the following report on the matters mentioned in the said clause and practices followed by the Company.

1. Company's Philosophy on Code of Governance

The Company is committed to good Corporate Governance and has complied in all material respects with the requirements specified in the Listing Agreement with the Stock Exchanges.

2. Board of Directors

During the Financial Year 2002-2003, 4 Board Meetings were held on 25th June, 2002, 22nd July, 2002, 22nd October, 2002 and 21st January, 2003.

Details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Sr. No	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships as on 31 st March, 2003*	No. of other Committees	
						Memberships	Chairmanships
1	Shri B.K.Parekh (Chairman)	NED(P)	4	Yes	17	3	–
2	Shri S.K.Parekh (Vice Chairman)	NED(P)	4	No	7	1	–
3	Shri H.K.Parekh	NED(P)	3	Yes	3	–	–
4	Shri M.B.Parekh (Managing Director)	ED(P)	4	Yes	9	–	–
5	Shri N.K.Parekh (Jt.Managing Director)	ED(P)	4	Yes	7	–	–
6	Shri A.B.Parekh (Wholetime Director)	ED(P)	3	Yes	5	–	–
7	Shri S.T.Dave (Wholetime Director)	ED	2	Yes	–	–	–
8	Shri Santosh Kumar (Wholetime Director)	ED	3	Yes	1	1	–
9	Shri R.M.Gandhi	NED (I)	3	Yes	4	3	3
10	Shri N.J.Jhaveri	NED (I)	4	Yes	11	5	4
11	Shri Bansi S.Mehta	NED (I)	4	Yes	18	5	4
12	Shri Ranjan Kapur	NED (I)	2	Yes	5	–	–
13	Shri Yash Mahajan	NED (I)	1	Yes	7	–	–

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

* Including Directorships in Private Limited Companies

3. Audit Committee

During the financial year 2002-2003, 5 meetings of the Committee were held on 25th June, 2002, 22nd July, 2002, 22nd October, 2002, 21st January, 2003 and 25th March, 2003.

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 Bansi S.Mehta	Chairman	NED (I)	5
2	Shri N.J.Jhaveri	Member	NED (I)	5
3	Shri B.K.Parekh	Member	NED (P)	5

The Managing Director is a permanent invitee to the Meetings. The Company Secretary is the Secretary of the Committee. Chief Financial Officer, Head of Accounts, Internal Auditors and the Statutory Auditors are also invited to attend the Meetings.

The powers and terms of reference of the Committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

4. Remuneration of Directors

Although Remuneration Committee (being a non-mandatory requirement) has not been constituted by the Company, all matters relating to review and approval of compensation payable to the Executive and Non-executive Directors are considered by the Board within the overall limits approved by the Members.

Executive Directors' remuneration details for the financial year 2002-2003 are given below:

Name of Director	Salary* (Rs)	Commission (Rs)	Perquisites (Rs)	Total (Rs)	Contract Period (No of years)
Shri M.B.Parekh (Managing Director)	43,68,000	1,05,96,930	33,02,316	1,82,67,246	5
Shri N.K.Parekh (Jt.Managing Director)	21,84,000	46,07,361	17,60,452	85,51,813	5
Shri A.B.Parekh (Wholetime Director)	17,47,200	32,25,153	15,09,988	64,82,341	5
Shri Santosh Kumar (Wholetime Director)	6,06,924	Nil	4,46,361	10,53,285	2
Shri S.T.Dave (Wholetime Director)	5,65,200	Nil	11,27,098	16,92,298	2

* Includes House Rent Allowance

All the Executive Directors are also entitled to Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of tenure as per the rules of the Company.

Notice period for the Executive Directors is as applicable to the senior employees of the Company. No severance fee is payable to the Executive Directors on termination of employment. The Company does not have a scheme for stock options for the Directors or the employees.

The details of sitting fees paid for attending to the Board/Committee meetings and commission due to the Non Executive Directors for the year ended 31st March, 2003 are as under:

Name of Director	Sitting fees (Rs)	Commission (Rs)	Total (Rs)
Shri B.K.Parekh	-	1,75,000	1,75,000
Shri S.K.Parekh	-	1,75,000	1,75,000
Shri H.K.Parekh	-	1,75,000	1,75,000
Shri R.M.Gandhi	25,000	1,75,000	2,00,000
Shri N.J.Jhaveri	30,000	1,75,000	2,05,000
Shri B.S.Mehta	30,000	1,75,000	2,05,000
Shri Ranjan Kapur	10,000	1,75,000	1,85,000
Shri Yash Mahajan	5,000	1,75,000	1,80,000

The Company do engage M/s Bansi S Mehta & Co., a Chartered Accountants firm in which Shri B.S. Mehta is a partner for legal/tax advice. The services provided by them are purely of professional nature and the fees paid for such services do not result in any material pecuniary benefit to them.

5. Shareholders/Investors Grievance Committee

During the year Share Transfer Committee held 13 meetings and a meeting of the Shareholders/Investors Grievance Committee was also held on 18th December, 2002 which was attended by all the members of the Committee.

Details of composition of the Committee is given below:

Sr.No.	Name	Designation	Category
1	Shri R.M. Gandhi	Chairman	NED (I)
2	Shri B.K. Parekh	Member	NED (P)
3	Shri Santosh Kumar	Member	ED

Committee has the power to look into redressal of shareholders/investors complaints such as non-receipt of shares sent for transfer, non-receipt of dividends/Annual Reports etc.

The Secretarial Department of the Company, under the supervision of Shri.P.C. Patel, Sr. Vice President & Secretary, who is also nominated as the "Compliance Officer" as required by SEBI/Listing Agreement, and Tata Share Registry Ltd., Registrar & Share Transfer Agents, attend to all Shareholders/Investors Grievances received directly or through SEBI, Stock Exchanges, Department of Company Affairs and Registrar of Companies.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title of shares, in which the Company has been made a party, the Company/Tata Share Registry 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 791, of which only 12 were in the nature of complaints. All the letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. There were no outstanding letters/complaints or pending transfers as on 31st March, 2003. 8 request for dematerialisation were pending for approval as on 31st March, 2003 which were dealt with by 4th April, 2003.

6. General Body Meetings

Details of Location, Date and Time of the Annual General Meetings held during the last three years:

Financial Year	Venue	Date & Time
2001-2002	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.	6 th September, 2002 at 11.00 a.m.
2000-2001	Padmabhooshan Vasantdada Sabagruha, 12 th Floor, Sakhar Bhavan, Nariman Point, Mumbai-400 021.	7 th August, 2001 at 11.00 a.m.
1999-2000	Kamalnayan Bajaj Hall Bajaj Bhavan, Nariman Point, Mumbai-400 021.	25 th July, 2000 at 11.00 a.m.

No Special Resolution was put through postal ballot during the last year. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

7. Disclosures

- There were no materially significant related party transactions which had potential conflict with the interest of the Company at large.
- The Company has complied with all requirements of the Listing Agreements with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.

8. Means of Communication

- Half-yearly results are published in newspapers but not sent to each household of Shareholders.
- The quarterly results of the Company are published in the following newspapers: Economic Times (English), Maharashtra Times (Marathi) and displayed on the Company's Website www.pidilite.com
- Presentation made to Institutional Investors' or to Analyst: During the year an Analyst meet was arranged.
- Management Discussion and Analysis is a part of Annual Report.

9. Information on Directors

Information relating to Directors seeking reappointment as required under clause 49(VI)(A) of the Listing Agreement is given in the Notice of the Annual General Meeting.

10. General Shareholder Information

Detailed information in this regard is provided in the "Information for Shareholders" section, appearing in the Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Pidilite Industries Limited,
Regent Chambers,
Nariman Point, Mumbai 400 021.

We have examined the compliance of conditions of corporate governance by Pidilite Industries Limited, for the year ended 31st March, 2003, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Haribhakti & Co.
Chartered Accountants

Place: Mumbai
Date: 10th June, 2003

Chetan Desai
Partner

INFORMATION FOR SHAREHOLDERS

Annual General Meeting:

Day, Date & Time : Tuesday, 5th August, 2003, 11 a.m.
Venue : M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20,
Kaikhushru Dubash Marg, Mumbai 400 001.

Financial Calendar (Tentative):

Unaudited results for the quarter ending 30th June, 2003:
4th week of July 2003
Unaudited results for the quarter ending 30th September, 2003:
4th week of October 2003
Unaudited results for the quarter ending 31st December, 2003:
4th week of January 2004
Audited results for the year ending 31st March, 2004:
4th week of May/June 2004

Book Closure Dates on account of payment of Dividend and Annual General Meeting:

22nd July, 2003 to 5th August, 2003 (both days inclusive)

Dividend Payment:

Dividend of Rs. 7.50 per share will be paid during the month of August, 2003 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 Mumbai, Delhi, Ahmedabad and National Stock Exchange and also included in the list of permitted securities in OTC Exchange of India. The Annual Listing fees for the year has been paid to all the aforesaid Stock Exchanges.

Stock Codes:

Name of the Stock Exchange	Stock Code
The Stock Exchange, Mumbai	500331
The National Stock Exchange of India Ltd	PIDILITIND
The Ahmedabad Stock Exchange	45200
The Delhi Stock Exchange Assn. Ltd	7051

Market Price Data:

Share prices during the year 2002-03 at NSE for one equity share of Rs.10 each were as under:

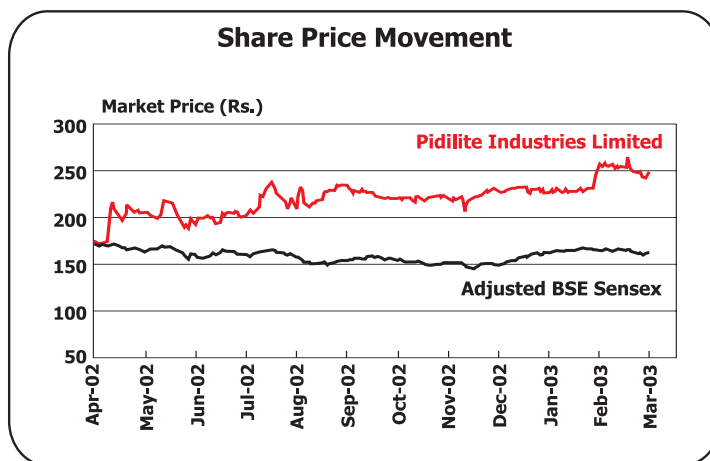
Month	Share Price (Rs)	
	High	Low
April, 2002	221.00	172.40
May, 2002	226.65	183.05
June, 2002	211.50	191.60
July, 2002	240.10	205.25
August, 2002	233.95	210.60
September, 2002	228.95	215.00
October, 2002	223.80	201.15
November, 2002	232.00	220.00
December, 2002	237.00	206.25
January, 2003	264.90	227.50
February, 2003	246.95	222.00
March, 2003	228.80	208.50

Share prices during the year 2002-03 at BSE for one equity share of Rs.10 each were as under:

Month	Share Price (Rs)	
	High	Low
April, 2002	223.90	173.25
May, 2002	226.00	185.00
June, 2002	213.00	193.00
July, 2002	240.00	206.55
August, 2002	235.00	213.00
September, 2002	228.00	211.80
October, 2002	228.95	205.00
November, 2002	233.95	220.00
December, 2002	236.85	221.05
January, 2003	262.15	229.00
February, 2003	245.95	221.00
March, 2003	228.50	206.00

Stock Performance:

The performance of the Company in comparison to BSE sensex is given in the Chart below:



Registrar & Share Transfer Agent:

Tata Share Registry Limited
Unit: Pidilite Industries Limited
Army & Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.
Tel: 022 - 56568484
Fax: 022 -56568494, 56568496
e-mail: csg-unit@tatashare.com,
website: www.tatashare.com

Share Transfer System:

The Company has delegated the authority to approve shares received for transfer in physical form as under:

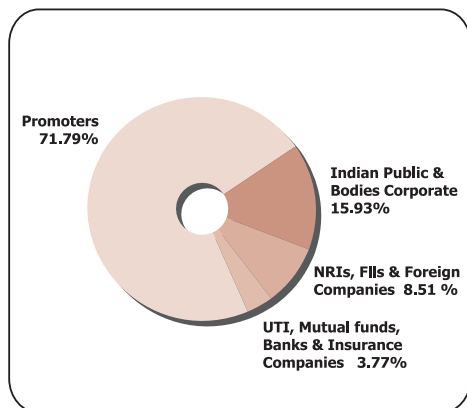
No of shares	Authorisation given to
upto 2000	Tata Share Registry Limited
upto 10000	Any one of the Sarva Shri B.K. Parekh, S.K. Parekh, M.B. Parekh, Directors or in their absence, the Company Secretary.
above 10000	Share Transfer Committee comprising of the Directors viz, Sarva Shri B.K. Parekh, S.K. Parekh, N.K. Parekh and R.M. Gandhi.

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 21 days from the date of receipt, subject to the documents being valid and complete in all respects. Company also offers the facility of transfer- cum- demat as per SEBI Guidelines.

Insider Trading Regulations:

The Company has framed a Code of Internal Procedures and Conduct for Prevention of Insider Trading on the lines of model code specified by SEBI. Shri.P.C. Patel, Sr. Vice President & Secretary is the Compliance Officer for the purpose.

Shareholding Pattern as on 31st March, 2003:



Dematerialisation of shares & liquidity:

As on 31st March, 2003, 95.97% of total equity shares of the Company were held in dematerialised form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under ISIN INE318A01018. Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

Outstanding GDRs/ADRs/Warrants/Convertible instruments:

Company has no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

Plant Locations:

Mumbai, Mahad, Panvel and Taloja (Maharashtra), Vapi (Gujarat) and Daman (Union Territory of India).

Address for Correspondence:

Registered Office

Regent Chambers, 7th floor
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
Tel No 022-22822708
Fax No: 022-22043969

Corporate Secretarial/Investors' Assistance Department:

The Company's Secretarial Department headed by Shri P.C. Patel, Sr. Vice President & Secretary, is situated at the Registered office mentioned above. Shareholders/Investors may contact Shri P.C. Patel or Shri K.S. Krishnan at the Registered office in Mumbai for any assistance they may need.

Non-Mandatory Requirement:

Chairman of the Board:

Shri B K Parekh, Non-executive Chairman, is maintaining an office at the Company, at the Company's expense and also allowed reimbursement of the expenses incurred in performance of his duties.



CONSOLIDATED **F**INANCIAL **S**TATEMENTS

PIDILITE INDUSTRIES LIMITED

Auditors' Report

To :

The Board of Directors of
PIDILITE INDUSTRIES LIMITED

We have examined the attached consolidated balance sheet of Pidilite Industries Limited (PIL) and its subsidiary as at 31st March 2003, the consolidated Profit and Loss Account for the year ended on that date, annexed thereto and the consolidated cash flow statement for the year ended as on that date.

These financial statements are the responsibility of the PIL management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing Standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 5,09,095 as at 31st March, 2003 and total revenues of Rs. 11,210 for the year ended on that date. These financial statements have been audited by other Chartered accountants whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other chartered accountants.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Pidilite Industries Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Pidilite Industries Limited and its aforesaid subsidiary, we are of the opinion that:

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Pidilite Industries Limited and its subsidiary as at 31st March, 2003 and
- b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Pidilite Industries Limited and its subsidiary for the year ended on that date
- c) the case of consolidated cash flow statement, of the consolidated cash flows of the Company and its subsidiary for the year ended on that date

For **HARIBHAKTI & CO.**
Chartered Accountants
CHETAN DESAI
Partner

Mumbai

Dated: 3rd June, 2003

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2003

		(Rs. in Lacs)	
		As at	As at
Schedule		31 st March, 2003	31 st March, 2002
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
Capital	1	25,24.00	25,24.00
Reserves and Surplus	2	2,80,75.44	2,35,84.25
		3,05,99.44	2,61,08.25
LOAN FUNDS :			
Secured Loans	3	13,62.43	16,84.99
Unsecured Loans	4	26,56.73	26,64.78
		40,19.16	43,49.77
TOTAL		3,46,18.60	3,04,58.02
APPLICATION OF FUNDS			
FIXED ASSETS:			
Gross Block		3,06,90.89	2,72,94.27
Less: Depreciation		1,12,12.49	91,91.48
Less: Lease Adjustment		4.16	11.54
Net Block	5	1,94,74.24	1,80,91.25
Capital work in progress		7,15.44	4,24.68
		2,01,89.68	1,85,15.93
INVESTMENTS (Net)	6	19,42.65	15,04.48
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		86,13.46	79,44.86
Sundry Debtors		82,03.66	69,84.60
Cash and Bank Balances		5,65.90	7,76.65
Other Current Assets		1,63.54	2,74.82
Loans and Advances		28,01.20	25,68.22
		2,03,47.76	1,85,49.15
Less: Current Liabilities and Provisions	8		
Liabilities		54,95.19	62,01.52
Provisions		23,68.93	19,12.65
		78,64.12	81,14.17
NET CURRENT ASSETS		1,24,83.64	1,04,34.98
MISCELLANEOUS EXPENDITURE		2.63	2.63
(to the extent not written off or adjusted)			
T O T A L		3,46,18.60	3,04,58.02

Notes forming part of Accounts

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AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

 For **HARIBHAKTI & CO.**
Chartered Accountants

B.K. PAREKH
Chairman

CHETAN DESAI
Partner

S.K. PAREKH
Vice Chairman

Mumbai
Dated: 3rd June, 2003

P.C.PATEL
Sr. Vice President & Secretary

M.B. PAREKH
Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

		(Rs. in Lacs)	
		As at	As at
Schedule		31 st March, 2003	PREVIOUS YEAR
INCOME			
Sales		6,62,13.54	5,70,25.83
Less: Excise Duty		87,83.82	76,37.65
Other Income	9	5,69.76	6,93.07
		5,79,99.48	5,00,81.25
EXPENDITURE			
Materials	10	2,94,42.28	2,61,97.18
Other Expenses	11	1,72,88.87	1,43,22.68
Depreciation		22,53.01	18,96.78
		4,89,84.16	4,24,16.64
Profit Before Taxation And Others		90,15.32	76,64.61
Provision for Taxation		29,50.02	16,50.02
Provision for Deferred Taxation		1,35.74	8,01.90
Profit for the Year		59,29.56	52,12.69
Share of Profit / (Loss) in Associate Company		(2,37.60)	-
Prior year Tax provision (written off) / back (Net)		(0.02)	1,88.59
Balance brought forward from previous year		17,86.24	15,51.76
Share of undistributed profits of associate company of prior years till 31st march 2002.		7,99.05	-
Profit available for appropriation		82,77.23	69,53.04
Proposed Dividend		18,93.00	17,66.80
Corporate Tax on Dividend		2,42.54	-
		21,35.54	17,66.80
Transfer to General Reserve		34,00.00	34,00.00
Balance carried to Balance Sheet		27,41.69	17,86.24
Notes forming part of Accounts	12		
Earnings Per Share (Rs.) (Refer Note 13 of Schedule 12)		22.55	20.65
AS PER OUR REPORT OF EVEN DATE		FOR AND ON BEHALF OF THE BOARD	
For HARIBHAKTI & CO. Chartered Accountants		B.K. PAREKH Chairman	
CHETAN DESAI Partner		S.K. PAREKH Vice Chairman	
Mumbai Dated: 3 rd June, 2003		P.C.PATEL Sr. Vice President & Secretary	
		M.B. PAREKH Managing Director	

Schedule Numbers 1 to 12 annexed to and forming part of the Balance Sheet as at 31st March, 2003 and Profit and Loss Account for the year ended 31st March, 2003

		(Rs. in Lacs)	
		As at	As at
		31 st March, 2003	31 st March 2002
SCHEDULE - 1			
SHARE CAPITAL			
Authorised			
2,75,00,000 Equity Shares of Rs. 10 each		27,50.00	27,50.00
25,00,000 Unclassified Shares of Rs. 10 each		2,50.00	2,50.00
TOTAL		30,00.00	30,00.00
Issued, Subscribed and Paid up			
2,52,39,400 Equity Shares of Rs. 10 each, fully paid (Notes 1 and 2)		25,23.94	25,23.94
Bonus Shares Issue Suspense Account (Note 3)		0.06	0.06
TOTAL		25,24.00	25,24.00
NOTES: Out of the above			
1. 7,47,588 Equity Shares of Rs.10 each have been issued for consideration other than cash pursuant to various schemes of amalgamation during earlier years.			
2. 2,26,42,034 Equity Shares of Rs.10 each have been allotted as fully paid Bonus Shares by way of capitalisation of General Reserve, Share Premium Account and Capital Redemption Reserve.			
3. Bonus Shares Issue Suspense Account pertains to issue of 600 fully paid Bonus Shares pending settlement of dispute for title of Shares.			

NOTES: Out of the above
SCHEDULE - 2
RESERVES AND SURPLUS

Capital Reserve			
Balance as per last Balance Sheet		33.70	33.70
Cash Subsidy Reserve			
Balance as per last Balance Sheet		74.74	74.74
Special Reserve			
Balance as per last Balance Sheet		11.89	11.89
Deferred Tax Reserve			
Balance as per last Balance Sheet		27,95.50	-
Set aside from General Reserve on account of accumulated Deferred Tax upto March 31, 2001		-	19,93.60
Add: Adjustment for the Current Year		1,35.74	8,01.90
(Refer note : 10 of Schedule 12)			
		29,31.24	27,95.50
General Reserve			
Balance as per last Balance Sheet		1,88,82.18	1,74,75.78
Add: Transferred from Profit and Loss Account		34,00.00	34,00.00
Less: Amount adjusted on account of accumulated Net Deferred Tax upto March 31, 2001		-	19,93.60
(Refer note: 10 of Schedule 12)			
		2,22,82.18	1,88,82.18
Profit and Loss Account		27,41.69	17,86.24
TOTAL		2,80,75.44	2,35,84.25

	As at 31 st March,2003	(Rs. in Lacs) As at 31 st March 2002
SCHEDULE -3		
SECURED LOANS		
Working Capital loans from Banks (including Working Capital Demand Loan)	13,62.43	16,84.99
TOTAL	13,62.43	16,84.99

Working Capital Loans from Banks are secured by hypothecation of stock of Raw Materials, Finished Goods, Packing Material, Stock in Process and Book Debts. Further, these loans are collaterally Secured by way of second charge on the entire plant and machinery of the Company and land and building of the company's unit at Kondivita, Mumbai.

	As at 31.3.2003	(Rs. in Lacs) As at 31.3.2002
SCHEDULE - 4		
UNSECURED LOANS		
Interest free Sales Tax loan from Government of Gujarat	19.20	23.91
Interest free Sales Tax loan from Government of Maharashtra	12,05.03	6,40.87
Commercial Paper	-	20,00.00
Foreign Currency Loan from Banks	14,32.50	-
TOTAL	26,56.73	26,64.78

Amount due within one year Rs. 14,37.21 Lacs (Rs. 20,04.71 Lacs)

SCHEDULE - 5

FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				Lease Adjust- ment Account	NET BLOCK	
	As at 1.4.2002	Additions/ Adjust- ments	Deduc- tions/ Adjust- ments	As at 31.3.2003	As at 1.4.2002	Provided during the year	Deductions/ Adjust- ments	As at 31.3.2003		As at 31.3.2003	As at 31.3.2002
Goodwill	3,32.99	1,86.01 *	-	5,19.00	1,01.66	69.63	-	1,71.29	-	3,47.71	2,31.33
Freehold Land	5,66.60	50.88	-	6,17.48	-	-	-	0.00	-	6,17.48	5,66.60
Leasehold Land	2,10.71	70.40	-	2,81.11	12.87	1.43	-	14.30	-	2,66.81	1,97.84
Buildings	43,76.75	5,08.32	-	48,85.07	7,91.80	1,33.66	-	9,25.46	-	39,59.61	35,84.95
Plant and Machinery	1,56,67.16	17,99.14	2,61.40	1,73,04.90	67,99.26	15,41.66	(2,03.03)	81,37.89	-	91,67.01	89,67.90
Trademark	39,40.01	8,16.98	-	47,56.99	7,23.47	3,53.69	-	10,77.16	-	36,79.83	32,16.54
Copyrights	99.52	-	-	99.52	12.39	5.98	-	18.37	-	81.15	87.13
Furniture & Fixtures	9,54.45	1,92.54	2.32	11,44.67	3,18.64	63.47	(0.20)	3,81.91	-	7,62.76	6,35.81
Vehicles	6,58.91	76.24	50.29	6,84.86	2,13.52	58.12	(28.77)	2,42.87	-	4,41.99	4,45.39
Capital Expenditure on Scientific Research:											
- Buildings	14.83	0.01	-	14.84	6.56	0.46	-	7.02	-	7.82	8.27
- Plant and Machinery	2,70.52	10.10	-	2,80.62	1,58.18	15.31	-	1,73.49	-	1,07.13	1,12.34
- Furniture and Fixtures	30.65	-	-	30.65	5.99	1.93	-	7.92	-	22.73	24.66
Assets given on Lease											
Plant and Machinery	56.97	0.01	-	56.98	38.05	5.89	-	43.94	(1.33)	11.71	11.92
Vehicles	14.20	-	-	14.20	9.09	1.78	-	10.87	(2.83)	0.50	0.57
Total	2,72,94.27	37,10.63	3,14.01	3,06,90.89	91,91.48	22,53.01	(2,32.00)	1,12,12.49	(4.16)	1,94,74.24	1,80,91.25
Previous Year	2,21,37.96	52,72.54	1,16.23	2,72,94.27	73,47.60	18,96.78	(52.90)	91,91.48	(11.54)		
Capital work in progress including capital advances										715.44	424.68
Total										20189.68	18515.93

* Refer note 14(1) of Schedule 12

Note:- Additions during the year include acquisition cost of Bulbond, Vitapon, Kalvyl, Tracol and Parvyl brands of adhesives Rs. 882.16 lacs

		(Rs. in Lacs)	
		As at	As at
		31 st March, 2003	31 st March, 2002
SCHEDULE - 6			
LONG TERM INVESTMENTS (AT COST)			
I. In Government Securities (Unquoted)			
6 and 7 Years National Savings Certificates	1.63	1.63	
(Deposited with Government Departments, Bombay Municipal Corporation, Bombay Suburban Electric Supply Co. Ltd.)			
II. In Equity Shares (Fully paid)			
a) Quoted			
Trade:			
• 74,51,540 Equity Shares of Rs. 10 each of Vinyl Chemicals (India) Ltd.	11,78.33	11,78.33	
Add: Adjustment for valuation of investment in Vinyl Chemicals (India) Ltd. (Refer note 14 of Schedule 12)			
Goodwill (net) arising at the time of acquisition of shares	(95.24)	-	
Share of undistributed profits / losses in prior years up to 31st March 2002	7,99.05	-	
Share of loss for current year	(2,37.60)	-	
	<u>16,44.54</u>	<u>11,78.33</u>	
Others:			
• 4,600 (5,800) Equity Shares of Rs. 10 each of Hindustan Adhesives Ltd.	1.13	1.43	
• 16,400 Equity Shares of Rs. 10 each of Hindustan Organic Chemicals Ltd.	8.20	8.20	
• 4,188 (9,700) Equity Shares of Rs. 10 each of Indian Petrochemicals Ltd.	7.74	17.94	
• 2,000 Equity Shares of Rs. 10 each of Jindal Vijayanagar Steel Ltd. (Rs. 5 paid-up)	0.10	0.10	
• 1,21,300 Equity Shares of Rs. 10 each of Pal Peugeot Ltd.	12.13	12.13	
• 1,69,942 (1,80,042) Equity Shares of Rs. 10 each of Indian Overseas Bank Ltd.	16.99	18.00	
• 62,700 Equity Shares of Rs. 10 each of Menon Pistons Ltd.	44.31	44.31	
	<u>TOTAL - II (a)</u>	<u>17,35.14</u>	<u>12,80.44</u>
[Market Value Rs. 420.49 Lacs (696.31 Lacs)]			
b) Unquoted (Fully paid)			
• 40 Equity Shares of Rs. 50 each of Regent Chambers Premises Co-op. Society Ltd.	0.02	0.02	
• 25 Equity Shares of Rs. 10 each of New Usha Nagar Co-op. Housing Society Ltd.	0.01	0.01	
• 2,00,200 Equity Shares of Rs. 10 each of Enjayes Spices & Chemicals Oil Ltd	52.86	52.86	
• 628 Equity Shares of Rs. 100 each of Jawahar Co-op. Industrial Estate Ltd.	0.62	0.62	
• 2,275 Equity Shares of Rs. 1 each of Himalaya House Company Ltd.	0.02	0.02	
	<u>TOTAL - II (b)</u>	<u>53.53</u>	<u>53.53</u>
III. In Units of Mutual Fund (Unquoted)			
• 400 Units of Rs. 1,00,000 each of Infinity Venture India Fund (Rs. 65,000 per unit paid-up)	2,60.00	2,60.00	
• 19,748.458 (Nil) Growth Plan Units of Rs. 10 each of Grindlays S.S.Income Fund.	2.36	-	
	<u>TOTAL</u>	<u>2,62.36</u>	<u>2,60.00</u>
	<u>TOTAL: I + II(a) + II(b) + III</u>	<u>20,52.66</u>	<u>15,95.00</u>
Less: Provision for Diminution in value of Investments	1,10.01	91.12	
	<u>TOTAL</u>	<u>19,42.65</u>	<u>15,04.48</u>
Investments purchased and sold during the year other than shown above:			
	Purchased	Sold	(Units)
Units of DSP Merrill Lynch Mutual Fund Liquidity Fund (Growth Option)	2077576.715	2077576.715	
Units of Prudential ICICI Mutual Fund Liquid Plan Dividend Option	16964961.707	16964961.707	
Units of GCFC Grindlays Cash Funds	5824256.367	5824256.367	
Units of Prudential ICICI Mutual Fund Short Term Plan	2239741.982	2239741.982	
Units of Zurich High Interest Short Term	2285108.406	2285108.406	
SCHEDULE - 7			
CURRENT ASSETS, LOANS AND ADVANCES			
A) Current Assets			
a) Inventories (As valued and certified by the Management)			
Consumable Stores and Spares, etc.	87.45	72.09	
Raw Materials	34,22.60	29,86.03	
Goods in Process	3,08.46	2,97.94	
Finished Goods	36,55.76	34,57.72	
Traded Goods	5,01.58	6,14.61	
Packing Materials	6,37.61	5,15.88	
Raw Materials for Scientific Research	-	0.59	
	<u>86,13.46</u>	<u>79,44.86</u>	
b) Sundry Debtors (Unsecured)			
Over six months			
Considered good	2,37.71	3,10.63	
Considered doubtful	31.73	-	
Others, considered good	79,65.95	66,73.97	
	<u>82,35.39</u>	<u>69,84.60</u>	
Less: Provision for doubtful debts	31.73	-	
	<u>82,03.66</u>	<u>69,84.60</u>	

		(Rs. in Lacs)	
		As at	As at
		31 st March, 2003	31 st March, 2002
SCHEDULE - 8			
CURRENT LIABILITIES AND PROVISIONS			
A) Current Liabilities			
Acceptances	1,35.29	1,48.13	
Sundry Creditors (Refer Note: 2 of Schedule 12)			
Small Scale Industrial Undertakings	1.18	2,87.31	
Others	39,44.50	47,85.58	
	<u>39,45.68</u>	<u>50,72.89</u>	
Dealers' Deposits	8,67.17	7,43.88	
Interest Accrued but not due	-	1.07	
Investor Education and Protection Fund shall be credited by the following to the extent as and when necessary:			
Unclaimed Application Money Refundable	-	1.92	
Unclaimed Dividends	30.68	28.65	
	<u>30.68</u>	<u>30.57</u>	
Other Liabilities	5,16.37	2,04.98	
	<u>54,95.19</u>	<u>62,01.52</u>	
B) Provisions			
For Leave encashment	2,27.12	1,39.58	
For Non Performing/Substandard assets	6.27	6.27	
Dividends:			
Proposed Dividend	18,93.00	17,66.80	
Corporate Tax on Dividend	2,42.54	-	
	<u>21,35.54</u>	<u>17,66.80</u>	
	<u>23,68.93</u>	<u>19,12.65</u>	
	<u>TOTAL</u>	<u>78,64.12</u>	<u>81,14.17</u>
		<u>28,01.20</u>	<u>25,68.22</u>
		<u>2,03,47.76</u>	<u>1,85,49.15</u>
SCHEDULE - 9			
OTHER INCOME			
Interest received (Gross)	11.61	7.45	
[Tax deducted at source Rs. 1.79 Lacs (Rs. 0.79 Lacs)]			
Dividend received			
a) On long term Investments	-	73.09	
b) Others	10.67	12.59	
	<u>10.67</u>	<u>85.68</u>	
Export Incentives	1,14.70	1,29.18	
Profit on sale of Investments (Net)	5.81	10.50	
Miscellaneous	4,26.97	4,60.26	
	<u>5,69.76</u>	<u>6,93.07</u>	
		<u>5,69.76</u>	<u>6,93.07</u>

	(Rs. in Lacs)	
	Previous year	
SCHEDULE - 10		
MATERIALS		
a. Raw Materials consumed		
Opening Stock	29,86.03	23,28.34
Add: Purchases	<u>2,17,90.34</u>	<u>1,97,40.02</u>
	2,47,76.37	2,20,68.36
Less: Closing Stock	<u>34,22.60</u>	<u>29,86.03</u>
	2,13,53.77	1,90,82.33
b. (Increase)/Decrease in Stocks		
Closing Stock		
Goods in Process	3,08.46	2,97.94
Finished Goods	<u>36,55.76</u>	<u>34,57.72</u>
	39,64.22	37,55.66
Less: Opening Stock		
Goods in Process	2,97.94	1,94.99
Finished Goods	<u>34,57.72</u>	<u>30,87.16</u>
	37,55.66	32,82.15
	(2,08.56)	(4,73.51)
c. Packing Materials consumed	60,28.65	54,44.98
d. Cost of Traded Goods		
Opening Stock	6,14.61	4,42.30
Add: Purchases	<u>21,55.39</u>	<u>23,15.69</u>
	27,70.00	27,57.99
Less: Closing Stock	<u>5,01.58</u>	<u>6,14.61</u>
	22,68.42	21,43.38
TOTAL	<u><u>2,94,42.28</u></u>	<u><u>2,61,97.18</u></u>
SCHEDULE - 11		
OTHER EXPENSES		
Stores and Spares consumed	2,86.73	2,36.67
Clearing, Forwarding, Octroi Duty, etc.	17,55.34	14,00.19
Central Excise Duty	58.75	59.60
Power and Fuel	7,81.81	7,77.52
Water Charges	89.97	90.05
Employees' Emoluments:		
[Refer Notes 1(vi), 6 and 7 of Schedule 12]		
Salaries, Wages, Bonus, Allowances etc.	36,91.51	26,97.52
Contribution to Provident and Other Funds	3,59.00	3,67.39
Welfare Expenses	<u>6,43.64</u>	<u>6,41.88</u>
	46,94.15	37,06.79
Rent	1,78.61	1,53.39
Rates and Taxes	38.22	58.29
Insurance	1,98.45	1,67.26
Licence fees	4.98	4.31
Repairs		
Buildings	88.78	81.35
Machinery	2,04.39	1,34.37
Others	<u>81.91</u>	<u>1,04.43</u>
	3,75.08	3,20.15
Directors' Fees	1.00	1.50
Advertisement and Publicity	32,58.54	24,62.09
Legal and Professional fees	4,29.25	4,24.86
Communication Expenses	3,22.76	3,43.98
Printing and Stationery	1,17.37	1,03.78
Travelling & Conveyance Expenses	11,98.81	9,61.12
Bad Debts Written Off (Net)	62.38	75.63
Provision for Doubtful Debts	31.73	-
Processing and Packing Charges	14,93.21	10,73.23
Bank charges	1,80.66	1,62.28
Commission & Brokerage	77.59	50.90
Miscellaneous expenses	12,24.23	10,97.45
Scientific Research and Development Expenditure	16.46	21.10
[Refer Note 1(iv) of Schedule 12]		
Remuneration to Auditors		
Audit Fees	10.09	7.10
For Other Services	<u>7.75</u>	<u>10.13</u>
	17.84	17.23
Donations	43.55	35.74
Diminution in Value of Investments	18.89	75.65
[Refer Note 1(v) of Schedule 12]		
Loss on Fixed Assets Sold/ Discarded (Net)	30.61	25.67
Interest	<u>3,01.90</u>	<u>4,16.25</u>
TOTAL	<u><u>1,72,88.87</u></u>	<u><u>1,43,22.68</u></u>

SCHEDULE - 12

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) System of accounting

The company follows accrual system of accounting, Claims which are not of Material nature/refunds of Insurance, Octroi Duty, Customs duty, etc, are accounted for when no significant uncertainties attached to their eventual receipt.

ii) Fixed Assets and Depreciation

a) Tangible assets are stated at cost.

b) The Company provides depreciation as under

1) For assets acquired up to 30.6.1987, on Straight Line Method (SLM) basis, except certain assets for which written down value (WDV) basis is adopted at rates equivalent to the rates specified in Income-Tax Act, 1961.

2) For assets acquired after 30.6.1987 & before 31.3.1993, on SLM basis at rates specified in Schedule XIV of the Companies Act, 1956.

3) For assets acquired after 31.3.1993, on SLM basis as per new rates prescribed under Schedule XIV vide notification No. GSR 756 (E) dated 16.12.1993 issued by the Department of Company Affairs.

4) The company provides pro-rata depreciation for additions made during the year except for assets less than Rs. 5,000, for which depreciation has been provided at hundred percent.

5) The Goodwill acquired by the Company are depreciated over a period of 5 years on SLM basis.

6) The Trademarks and Copyrights acquired by the Company are depreciated over a period of 10 years on SLM basis.

iii) Method of Valuation of Inventories:

Raw and Packing Materials are valued at average cost; Goods in process are valued at Cost; Finished Goods and Traded Goods are valued at cost or net realisable value whichever is lower and Consumable Stores and Spares are valued at cost or net realisable value as estimated by the management, whichever is lower.

iv) Scientific Research and Development Expenditure:

a) Capital expenditure are shown separately in Fixed Assets.

b) Revenue expenses including depreciation except expenditure specifically shown, are charged to respective heads of accounts.

v) Investments:

Investments are stated at Cost. Diminution of permanent nature in the value of investments (other than long term strategic investment) is provided for.

vi) Gratuity:

Payment for present liability of future payment of Gratuity is being made to approved Gratuity Fund which fully covers the same under cash accumulation policy of the Life Insurance Corporation of India and the same is charged to Profit and Loss Account for the year.

vii) Leave Encashment Entitlement:

Liability in respect of leave encashment entitlement, in accordance with the policies of the Company, is provided for based on valuations by an independent actuary.

viii) Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency assets and liabilities are restated at rates ruling at the year end. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Any other exchange differences are dealt with in the Profit & Loss Account.

ix) The Company is entitled to sell sales tax deferment benefits under Maharashtra Energy Development Agency (Windmill Projects) Package Scheme of incentives under the Bombay Sales Tax Act, 1959. Short fall in the realisation of sale of such benefits to third parties are charged fully in the year of sale.

2. The names of small scale industries to whom the Company owes an amount which is outstanding for more than 30 days at the Balance Sheet date are M/s Chemex Engineering, Dolphin Storage Systems Pvt.Ltd., R.K.Dutt Concerns, Ninad Engineering Works, Krishna Constructions, Rahul Enterprises, and Power Control Engineers. The above information and that given in Schedule 8 "Liabilities" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company

	(Rs. in Lac)	
	As at 31st March, 2003	As at 31st March, 2002
3. Contingent liabilities not provided for		
i) Guarantees given by a Bank in favour of Government and others	2,49.47	4,40.50
ii) Partly paid Shares and Units	1,40.10	1,40.10
iii) Sales Tax	1,74.43	2,92.03
iv) Foreign Bill Discounting	-	1,49.33
v) Central Excise & Customs	1,00.75	83.00
4. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	2,64.59	1,65.45
5. The net amount of exchange differences (credited) / debited to P& L Account	(14.41)	43.91
6. Remuneration to Directors (Includes benefits which are debited to respective expenses)		
a. Remuneration	1,46.39	1,10.03
b. Commission	1,98.29	1,68.76
c. Provident Fund Contribution	16.71	14.07
d. Other Perquisites	29.79	21.54
7. Computation of Net Profit for Commission Payable to Directors in accordance with Section 198 of the Companies Act, 1956.		
Profit as Per Profit and Loss Account before		
Provision for taxation and commission to directors	92,14.82	78,33.32
Add: Directors' remuneration	1,46.39	1,10.03
Contribution to Provident Fund	16.71	14.07
Other Perquisites	<u>29.79</u>	<u>21.54</u>
	1,92.89	1,45.64
Less: Profit on sale of investments	6.16	11.62
Net Profit for the year for the purpose of Directors' Commission	<u>94,01.55</u>	<u>79,67.34</u>
Commission payable to directors		
a) Managing Director, Joint Managing Director and a Wholtime Director	1,84.29	1,56.76
b) Others	<u>14.00</u>	<u>12.00</u>
	1,98.29	1,68.76

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956:
Details of licensed capacity, installed capacity, production and sales of the goods manufactured

i. DETAILS OF THE GOODS MANUFACTURED/SALES/STOCKS

Class of Goods ^a	Licensed Capacity	Installed Capacity	Opening	Opening	Production Meant for Sale (Qty.)	Sales ^b (Qty.)	Sales ^b (Rs.)	Closing Stock (Qty.)	Closing Stock (Rs.)
			Approx.	(Qty.)					
(Rs. in Lacs)									
Dyestuffs									
MT	3,624	2,364	141	5,41.80	9,616 ^c	8,172	71,88.04	1,585	11,14.07
	(3,624)	(2,364)	(182)	(6,81.36)	(1,472)	(1,513)	(49,32.55)	(141)	(5,41.80)
KL	463	7,34.47	463	7,34.47	1,776 ^d	1,845	44,01.37	394	4,83.29
			(225)	(3,53.28)	(2,278)	(2,040)	(35,75.04)	(463)	(7,34.47)
Chemicals									
MT	102,835	76,810	3,458	16,18.87	53,920 ^e	54,186	3,79,01.76	3,191	15,42.22
	(1,02,835)	(76,810)	(3,455)	(15,57.23)	(46,692)	(46,689)	(3,44,82.09)	(3,458)	(16,18.87)
KL	19,260	15,660	878	5,62.58	11,389 ^f	11,468	98,49.34	799	5,05.66
	(19,260)	(15,660)	(712)	(4,95.29)	(10,235)	(10,069)	(90,70.86)	(878)	(5,62.58)
Others Nos. lacs	-	-	-	1,90.75	1,68.54	9,22.62	22.21	1,08.78	-
			(-)	(-)	(-)	(-)	(-)	(-)	(-)
Traded Goods				6,14.61			54,92.25		5,59.71
				(4,42.30)			(47,33.21)		6,14.61
				40,72.33			6,57,55.38		43,13.73
				(35,29.46)			(5,67,93.75)		40,72.33

Notes:
A Class of Goods is based on main classification given in the Industries (Development and Regulation) Act, 1951.
B Excluding a) Resale of Raw Materials / Packing Materials Rs. 4,58.16 Lacs (Rs. 2,26.45 Lacs)
b) Sale of Software Rs. Nil (Rs. 5.63 Lacs)
C Includes 8,421 Tonnes (131 Tonnes) produced in the factory of third party.
D Includes 1,776 KL (2,208 KL) produced in the factory of third party.
E Includes 32,217 Tonnes (28,225 Tonnes) produced in the factory of third party.
F Includes 1,255 KL (149 KL) produced in the factory of third party.
Figures in bracket indicate previous year's figures.

ii(a) Value of Imported and Indigenous Raw Materials consumed and percentage thereof

	2002-03		2001-02	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported	76,85.54	36.78	74,60.02	40.77
Indigenous	1,32,10.05	63.22	1,08,39.31	59.23
	<u>2,08,95.59*</u>	<u>100.00</u>	<u>1,82,99.33*</u>	<u>100.00</u>

(b) Consumption of Raw Materials

	2002-03		2001-02	
	Quantity	Value	Quantity	Value
	MT	Rs. in Lacs	MT	Rs. in Lacs
Vinyl Acetate Monomer	11,243	43,24.55	10,295	43,80.71
Miscellaneous		1,65,71.06		1,39,18.62
(None of which individually account for more than 10% of total consumption)		<u>2,08,95.61*</u>		<u>1,82,99.33*</u>

Notes: * Net of Resale of Raw Materials Rs. 4,58.16 Lacs (Rs. 2,26.45 Lacs)

iii. C.I.F. Value of Imports

	2002-03	2001-02
Raw Materials	59,36.17	56,23.05
Capital Goods	74.49	9.28
Others	6,37.60	5,84.08
	<u>66,48.26</u>	<u>62,16.41</u>

iv. Expenditure in Foreign Currency

	2002-03	2001-02
Foreign travel	1,29.17	83.35
Professional Fees	41.40	83.03
Others	1,35.62	90.08
	<u>3,06.19</u>	<u>2,56.46</u>

v. Earnings in Foreign Exchange

	2002-03	2001-02
FOB Value of Exports	36,76.36	26,79.88
Others	34.52	34.29
	<u>37,10.88</u>	<u>27,14.17</u>

9. Segment reporting:

Business Segments	Consumer & Bazaar Products	Industrial Products	Total
(Rs. in Lacs)			
REVENUE			
External sales	4,77,80.65	1,84,32.89	6,62,13.54
Inter Segment Revenue	8.05	14,95.43	15,03.48
Total Revenue	4,77,88.70	19,928.32	67,717.02

Business Segments	Consumer & Bazaar Products	Industrial Products	Total	
(Rs. in Lacs)				
Segment Results	1,11,54.57	16,52.50	1,28,07.07	
Unallocated Corporate Expenses			41,67.99	
Unallocated Corporate Income			4,18.26	
Operating Profit			90,57.34	
Interest expenses			3,01.90	
Interest / Dividend Income			22.28	
Income Tax (Provision for Taxation and Deferred taxation)			30,85.76	
Net Profit			56,91.96	
OTHER INFORMATION				
Segment Assets	1,79,05.72	1,12,24.68	2,91,30.40	
Unallocated Corporate assets			1,33,52.32	
Total assets			4,24,82.72	
Segment Liabilities	25,27.39	13,70.32	38,97.71	
Unallocated Corporate Liabilities			39,66.41	
Total Liabilities			78,64.12	
Capital expenditure	23,23.01	4,18.64	27,41.65	
Unallocated Capital Expenditure – Corporate			9,68.98	
Depreciation / Amortisation	7,60.90	7,78.00	15,38.90	
INFORMATION ABOUT GEOGRAPHICAL SEGMENTS				
Geographical Segments	India		Other Countries	Total
	Current Year	Previous Year	Current Year	Previous Year
Sales Revenue	6,21,92.49	5,41,02.55	40,21.05	29,23.28
Carrying amount of Segment Assets	4,17,97.31	3,82,08.67	6,85.41	3,63.50
Additions to Fixed Assets and Intangible Assets	37,10.63	52,72.54	-	-
			37,10.63	52,72.54

10. Deferred Taxation:
Out of the net deferred tax liability of Rs.29,31.24 lacs as at 31st March, 2003, the major components of deferred tax balances are set out below:

	Upto 31.03.2002	During the year 2002-03	Carried as at 31.03.2003
(Rs. in Lacs)			
Deferred Tax Liabilities			
Difference between accounting and tax Depreciation	28,77.71	1,37.22	30,14.93
	28,77.71	1,37.22	30,14.93
Deferred Tax Credit			
i) Expenditure under Section 43B of the Income-tax Act, 1961	1.21	(0.77)	0.44
ii) Preliminary Expenses Amortised	7.55	(3.10)	4.45
iii) Provision for loss on diminution of Investments	33.49	(33.49)	0.00
iv) Others	6.54	8.58	15.12
v) Leave salary	33.42	30.26	63.68
	82.21	1.48	83.69
Net Deferred Tax	27,95.50	1,35.74	29,31.24

The above working of deferred tax is based on assessment orders where assessments are complete and on return of income in other cases.

11. Related Party Disclosures
Related party Disclosures as required by AS-18, "Related Party Disclosures", are given below:

i) Relationships:
a. Vinyl Chemicals (India) Ltd. – Substantial Interest in Voting Power
b. Kalva Chemicals Ltd. – Significant Influence
c. Parekh Marketing Ltd. – Significant Influence

ii) Key Management Personnel:
Sarva Shri M.B. Parekh, Managing Director; N.K. Parekh Jt. Managing Director and A.B. Parekh, Whole Time Director.

iii) Other Directors:
a. Sarva Shri B.K. Parekh, H.K. Parekh, S.K. Parekh, R.M. Gandhi, N.J. Jhaveri, B.S. Mehta, Ranjan Kapoor and Yash Mahajan
b. Sarva Shri Santosh Kumar and S.T. Dave - Whole Time Directors.

iv) Transactions with Related Parties during the year ended March 31, 2003 are as follows:

Nature of Transactions	Amount (Rs. in Lacs)	Amount (Rs. in Lacs)
1. Sales and Related Income	3,28,30.84	2,87,57.16
2. Other Income	1,90.21	41.72
3. Dividend received	-	73.09
4. Purchases and Other Related Services	53,13.70	30,66.68
5. Sales Tax Deferment Benefit	73.60	-
6. Remuneration to Directors:		
- Sitting Fees	1.00	1.50
- Managing Director/Jt. Managing Director	2,77.66	2,18.95
- Whole Time Directors	99.52	83.46
- Commission to Non-Executive Directors	14.00	12.00
7. Purchase of Trade Marks/Goodwill	8,82.16	0.01
8. Purchase of Fixed Assets	24.29	20.82
9. Sales of Fixed Assets	28.47	23.30
10. Interest paid	2.74	16.18
11. Processing Charges	22.31	-
12. Rent, Maintenance and Service charges paid	1,23.81	1,04.03
13. Reimbursement of expenses made	8.23	2.93
14. Reimbursement of expenses received	6.20	31.77
15. Outstanding Balances:		
- Debtors	39,99.11	35,81.72
- Creditors	3,83.83	6,70.28
- Outstanding Payable (Net of receivable)	31.96	28.45

Except item no 6 above, the rest of the items relate to parties stated in (i) above. No amounts have been written off or written back during the year in respect of debts due from or to Related Parties.

12. Sundry debtors include due from:

	As at 31.03.2003	As at 31.03.2002
Company as per Section 370 (1B) of the Companies Act, 1956:		
Parekh Marketing Limited	38,18.87	35,21.20
Vinyl Chemicals (India) Limited	1,80.23	4.41

13. Earnings Per Share

	2002-03	2001-02
Outstanding Equity Shares (Nos.)	25240000	25240000
Net Profit after tax (Rs. in Lacs)	56,91.96	52,12.66
Earnings Per Share (Rs.)	22.55	20.65

14. As required by AS 23 which has come into effect from 01.04.2002, the treatment for Investment in Associate Company - Vinyl Chemicals (India) Ltd. is given in the consolidated accounts of Pidilite Industries Ltd. and Fevicol Company Ltd. as under:

- Goodwill, net of Capital Reserve, arising at the time of acquisitions made in various years is shown as Goodwill in the Fixed Assets Schedule as adjustment during the year - Rs. 95.24 lacs.
- The following amounts have been adjusted in the Profit and Loss account:
 - Rs.799.05 Lacs being the share of Pidilite Industries Ltd. in Undistributed Profit/Loss of Vinyl Chemicals (India) Ltd. for all previous years up to 31.03.2002.
 - Rs.2,37.60 lacs being the share of loss of Vinyl Chemicals (India) Ltd. for the current year.
- Carrying amount of investment in Vinyl Chemicals (India) Ltd. in Schedule 6 has been adjusted for items (1) and (2) above.

15. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	2002-03	2001-02
I. Registration Details	14336	14336
State Code	11	11
Balance Sheet Date	31.3.2003	31.3.2002
	(Rs. in Lacs)	(Rs. in Lacs)
II. Capital Raised during the year		
Public Issue	Nil	Nil
Rights Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement / On Amalgamation	-	-
III. Position of Mobilisation and Deployment of Funds		
Total Liabilities	3,46,18.60	3,04,58.02
Total Assets	3,46,18.60	3,04,58.02
Sources of Funds		
Paid-up Capital	25,24.00	25,24.00
Reserves and Surplus	2,80,75.44	2,35,84.25
Secured Loans	13,62.43	16,84.99
Unsecured Loans	26,56.73	26,64.78
Application of Funds		
Net Fixed Assets	2,01,89.68	1,85,15.96
Investments	19,42.65	15,04.48
Net Current Assets	1,24,83.64	1,04,34.95
Miscellaneous Expenditure	-	-
Accumulated Losses	Nil	Nil
IV. Performance of Company		
Turnover	6,62,13.54	5,70,25.83
Less: Excise duty	87,83.62	76,37.65
Net Turnover	5,74,29.72	4,93,88.18
Other Income	5,69.76	6,93.07
Total Expenditure	4,89,84.16	4,24,16.64
Profit Before Tax	90,15.32	76,64.61
Profit After Tax	59,29.56	52,12.69
Earnings per Share in Rs.	22.55	20.65
Dividend rate %	75.00	70.00

V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
3506	ADHESIVES
3905 + 3906	SYNTHETIC RESINS
3204	ORGANIC PIGMENTS AND PREPARATIONS BASED ON ORGANIC PIGMENTS

16. Figures in bracket indicate previous year's figures.
17. Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules 1 to 12

AS PER OUR REPORT OF EVEN DATE FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO. Chartered Accountants
B.K. PAREKH
Chairman

CHETAN DESAI Partner
S.K. PAREKH
Vice Chairman

Mumbai P.C. PATEL M.B. PAREKH
 Date: 3rd June, 2003 Sr. Vice President & Secretary Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

	2002-03	2001-02
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	90,15.32	76,64.64
Adjustments for Depreciation	22,53.01	18,96.78
Adjustments for Diminution in value of Investment	18.89	75.65
Interest paid	3,01.90	4,16.25
Dividend received	(10.67)	(85.68)
Interest received	(11.61)	(7.45)
(Profit) / Loss on Sale of Assets	30.61	25.67
(Profit) / Loss on Sale of Investments	(5.81)	(10.50)
Bad debts w/off and provision for doubtful debts	62.38	75.63
	<u>26,38.70</u>	<u>23,86.35</u>
Operating Profit before Working Capital changes	1,16,54.02	1,00,50.99
Working Capital changes		
Inventories	(6,68.60)	(13,52.16)
Debtors	(12,81.44)	(14,01.21)
Loans and Advances, etc.	1,27.04	1,02.70
Current Liabilities	(6,19.77)	15,54.61
	<u>(24,42.77)</u>	<u>(10,96.06)</u>
Cash generated from operations	92,11.25	89,54.93
Interest received	11.61	7.45
Interest paid	(3,02.97)	(4,15.18)
Income Tax paid (Net)	(31,98.73)	(19,71.47)
	<u>(34,90.09)</u>	<u>(23,79.20)</u>
Net Cash flow from Operating activities	57,21.16	65,75.73
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(39,13.50)	(52,92.64)
Sale of Fixed Assets	51.39	37.11
Purchase of Investments	(34,59.33)	(18,82.17)
Sale of Investments	34,74.29	18,91.11
Dividend received	10.67	85.68
Net Cash flow from Investing activities	<u>(38,36.48)</u>	<u>(51,60.91)</u>
	18,84.68	14,14.82
C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	5,59.44	2,37.97
Short term Borrowings - Commercial Paper	(20,00.00)	(15,00.00)
Short term Borrowings - Bank	(3,22.57)	(12,08.25)
Others	-	(49.12)
Dividend paid (Incl Dividend Tax where applicable)	(17,64.77)	(12,46.27)
Short Term Borrowing - Foreign Currency Loan	14,32.50	-
Net Cash Flow from Financing activities	<u>(20,95.40)</u>	<u>(13,49.17)</u>
Net Increase in Cash and Cash Equivalents	<u>(2,10.72)</u>	<u>65.65</u>
Cash and Cash Equivalent as at 01.4.2002	7,76.62	7,10.98
Cash and Cash Equivalent as at 31.3.2003	<u>5,65.90</u>	<u>7,76.62</u>
	<u>(2,10.72)</u>	<u>65.65</u>

FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO. Chartered Accountants
B.K. PAREKH
Chairman

CHETAN DESAI Partner
S.K. PAREKH
Vice Chairman

Mumbai P.C. PATEL M.B. PAREKH
 Date: 3rd June, 2003 Sr. Vice President & Secretary Managing Director

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Pidilite Industries Limited for the year ended 31st March, 2003. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and with Balance Sheet of the Company covered by our report of 3rd June, 2003 to the members of the Company

For HARIBHAKTI & CO. Chartered Accountants
CHETAN DESAI
Partner

Mumbai
 Date: 3rd June, 2003



FEVICOL COMPANY LIMITED
23RD ANNUAL REPORT

FEVICOL COMPANY LIMITED

DIRECTORS : B.K.PAREKH *Chairman*

S.K.PAREKH
N.K.PAREKH
M.B.PAREKH

SECRETARY : P.C.PATEL

AUDITORS : D.A.KOTHARI & CO.

REGISTERED OFFICE : 7th floor, Regent Chambers
Jammalal Bajaj Marg,
208, Nariman Point
Mumbai-400 021

Directors' Report

To :

The Shareholders :

Your Directors present their Twenty Third Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2003.

Financial Results :

	Rs.
Profit Before Tax	5,892
Less: Provision for Taxation	2,180
Profit for the year	3,712
Less: Short Provision of Income Tax for earlier year	1,607
Add: Profit brought forward from Previous year	6,990
Balance carried to Balance Sheet	<u>9,095</u>

Dividend :

With a view to conserve the resources of the company, your Directors do not recommend any dividend for the year.

Director's Responsibility Statement:

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2003 and of the profit of the Company for that year;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

Particulars of Employees :

There is no employee in respect of whom information u/s 217 (2A) of the Companies Act, 1956 is required to be given.

Directors :

In accordance with the Articles of Association of the company, Shri S.K. Parekh, a Director of the company retires by rotation and being eligible offers himself for re-appointment.

Auditors :

Messrs. D. A. Kothari & Co., Chartered Accountants, Mumbai are due for retirement at the forthcoming Annual General Meeting. You are requested to appoint Auditors from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH
Chairman

Mumbai

Dated: 27th May, 2003

Auditors' Report

To :

The Shareholders

of FEVICOL COMPANY LIMITED

We have audited the attached Balance Sheet of FEVICOL COMPANY LIMITED as at 31st March, 2003 and the Profit & Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We further report as follows:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- b. In our opinion, proper Books of Accounts as required by law, have been kept by the company so far as appears from our examination of the books.
- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
- d. In our opinion, Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
- e. As per the information and explanations given to us, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2003 AND
 - ii. In the case of the Profit & Loss Account, of the Profit for the year ended on that date.
- g. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of section 227 (4A) of Companies Act, 1956, we further state as under:
 - i) The Company has no fixed assets.
 - ii) As the company has no fixed assets, the question of revaluation of fixed assets does not arise.
 - iii) Company has not taken any loans from companies, firms or other parties as listed in the register required to be maintained under section 301 of the Companies Act, 1956.
 - iv) The company has not granted any loans to any parties.
 - v) In our opinion and according to the information given to us, the company has not accepted any deposit from the public.
 - vi) The Company has no formal internal audit system.
 - vii) No personal expenses have been charged to revenue account.
 - viii) No undisputed amounts payable in respect of income tax, wealth-tax etc. were outstanding as at 31st March, 2003.
 - ix) The company is not a sick industrial company within the meaning of clause (o) of subsection 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
 - x) In our opinion and according to the information and explanations given to us, the following clauses of the said Order are not applicable to the company:
 1. Physical verification and valuation of stocks (clauses III, IV, V, VI).
 2. Internal control procedure for the purchase of stores, raw materials, plant and machinery, equipment and other assets (clause X).
 3. Purchase and sales transactions aggregating to Rs. 50,000 in value or more for each party as mentioned u/s 301 (clause XI).
 4. Determination of unserviceable or damaged goods (clause XII).
 5. Maintenance of records for By-products and Scraps (clause XIV).
 6. Maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 (clause XVI).
 7. Payment of Provident fund dues (clause XVII).

FOR D.A. KOTHARI & CO.
Chartered Accountants
D.A. KOTHARI
Proprietor

Mumbai
Dated: 27th May, 2003

BALANCE SHEET AS AT 31ST MARCH, 2003

	As at 31 st March, 2003 (Rupees)	As at 31 st March, 2002 (Rupees)
LIABILITIES		
SHARE CAPITAL :		
Authorised :		
40,00,000 Equity Shares of Rs.10 each	4,00,00,000	4,00,00,000
10,00,000 Unclassified Shares of Rs.10 each	1,00,00,000	1,00,00,000
	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid up		
50,000 Equity Shares of Rs.10 each fully Paid up (Pidilite Industries Limited, the holding Company holds all shares in its name/through nominees)	5,00,000	5,00,000
RESERVES AND SURPLUS		
Profit and Loss Account	9,095	6,990
UNSECURED LOANS		
Interest Free Loan From Holding Company Holding Company	-	-
T O T A L	5,09,095	5,06,990
A S S E T S		
INVESTMENT		
19,748.458 (Nil) Growth Plan Units of Rs. 10 each of Grindlays S.S. Income Fund (Net Asset Value Rs. 2,37,461.38) (16,208.623 units purchased and sold during the year)	2,36,000	
CURRENT ASSETS, LOANS & ADVANCES		
A] CURRENT ASSETS		
Cash and Bank Balances :		
Cash on hand	526	1,526
Balance in Current Account with a Scheduled Bank	10,482	8,471
Fixed Deposit with a Scheduled Bank	-	2,25,000
	11,008	2,34,997
B] LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in Cash or in Kind or for value to be received	-	9,407
Advance payment of taxes	1,357	2,022
	1,357	11,429
	12,365	2,46,426
Less: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors	-	-
Other Liabilities	540	886
Provision for taxation	2,180	2,000
	2,720	2,886
NET CURRENT ASSETS	9,645	2,43,540
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)	2,63,450	2,63,450
T O T A L	5,09,095	5,06,990

Notes forming part of Accounts : Schedule 1

AS PER OUR REPORT OF EVEN DATE

For D.A. KOTHARI & CO.
Chartered Accountants

D.A. KOTHARI
Proprietor

Mumbai

Dated: 27th May, 2003

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH
Chairman

P.C.PATEL
Secretary

S.K. PAREKH
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

	CURRENT YEAR (Rupees)	PREVIOUS YEAR (Rupees)
INCOME		
Profit on Sale of Investment	11,210	
Interest (Gross)	-	11,631
(Tax deducted at source Rs. 1,357 Previous Year Rs. Nil)	-	-
	11,210	11,631
EXPENSES		
Profession Tax	2,600	2,550
Remuneration to Auditors :		
Audit Fees	575	500
Bank Charges	50	240
General Expenses	2,093	3,075
Provision for Taxation	2,180	2,000
	7,498	8,365
Net Profit For the Year	3,712	3,266
Less : Short Provision of Income Tax for earlier year	1,607	-
Net Profit For the Year	2,105	3,266
Add : Profit brought forward from previous year	6,990	3,724
	9,095	6,990
Balance carried to Balance Sheet	9,095	6,990
Notes forming part of Accounts : Schedule 1		
AS PER OUR REPORT OF EVEN DATE	FOR AND ON BEHALF OF THE BOARD	
For D.A. KOTHARI & CO. Chartered Accountants	B.K. PAREKH Chairman	
D.A. KOTHARI Proprietor	P.C. PATEL Secretary	S.K. PAREKH Director
Mumbai		
Dated: 25 th June, 2003		

SCHEDULE - 1

NOTES ON PROFIT & LOSS ACCOUNT AND BALANCE SHEET AS AT 31ST MARCH, 2003

The Company follows the accrual system of accounting.

There is no additional information pursuant to Part II of Schedule VI of the Companies Act, 1956.

Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

	2002-03	2001-02
I. Registration Details :		
Registration No.	21508	21508
Balance Sheet Date	31.03.2003	31.03.2002
State Code	11	11
II. Capital Raised during the year :		
	(Rs. in 000)	(Rs. in 000)
Public Issue	Nil	Nil
Right Issue	Nil	Nil
Bonus Issue	Nil	Nil
Private Placement	Nil	Nil
III. Position of Mobilisation and Deployment of Funds :		
Total Liabilities	509	507
Total Assets	509	507
Sources of Funds :		
Paid up Capital	500	500
Reserves & Surplus	9	7
Unsecured Loans	Nil	Nil
Application of Funds :		
Net Fixed Assets	Nil	Nil
Investments	236	Nil
Net Current Assets	10	244
Misc Expenses	263	264
Accumulated Losses	Nil	Nil
IV. Performance of Company :		
Turnover/Income	11	12
Total Expenditure	5	6
Profit before Tax	6	6
Profit after Tax	4	3
Earnings per share in Rs.	0.04	0.07
Dividend Rate %	Nil	Nil
V. Generic Names of Services of Company :		
(As per Monetary Terms)		
Item Code No. (ITC Code)	Not Applicable	Not Applicable
Services rendered by Company	Investment Activity	Investment Activity

The figures in the Profit & Loss Account and the Balance Sheet have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For D.A. KOTHARI & CO.
Chartered Accountants

D.A. KOTHARI
Proprietor

Mumbai

Dated: 27th May, 2003

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH
Chairman

P.C. PATEL
Secretary

S.K. PAREKH
Director