

ANNUAL REPORT 2010-11




BUILDING LASTING BONDS



BUILDING LASTING BONDS

Pidilite with its products has enjoyed over 50 years of partnering communities in India to build loyal bonds and enrich lives. Our country's artisans and craftsmen have not only benefitted from our company but, more essentially, contributed to it. Their insightful feedback has inspired us to improve our products and raise the bar we set for ourselves.

Together we continue on this journey ...





Company Information

Board of Directors

B K Parekh	Chairman
S K Parekh	Vice Chairman
M B Parekh	Managing Director
N K Parekh	Joint Managing Director
R M Gandhi	Director
N J Jhaveri	Director
Bansi S Mehta	Director
Ranjan Kapur	Director
Yash Mahajan	Director
Bharat Puri	Director
D Bhattacharya	Director
A B Parekh	Wholetime Director
A N Parekh	Wholetime Director
J L Shah	Wholetime Director

Corporate Office

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

Registered Office

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

Registrar & Transfer Agent

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

Company Secretary

Savithri Parekh

Solicitors & Advocates

Wadia Ghandy & Co

Auditors

Haribhakti & Co

Internal Auditors

Mahajan & Aibara

Bankers

Indian Overseas Bank
Corporation Bank
ICICI Bank
The Royal Bank of Scotland N.V.

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Management Discussion & Analysis

Standalone Financials

The Company achieved 21.8% growth in net sales.

Due to steady domestic demand and a pick-up in exports in the second half of the year, sales growth was higher than the last few years.

While profitability of the Company was comparable with the last year, input costs have increased in the last quarter.

During the year, a provision of ₹ 250 million was made for diminution in value of investments in Pidilite Middle East Ltd "PMEL" (a 100% subsidiary). PMEL's subsidiary, Jupiter Chemicals LLC "Jupiter", has been making losses due to adverse economic conditions and during the year PMEL impaired its investment in Jupiter. Consequently the Company reviewed the carrying value of its investments in PMEL and as a matter of prudence, made a provision of ₹ 250 million towards diminution in the value of investments. This provision has no impact on the consolidated results of the Company.

Earnings before interest, taxes, exceptional items and foreign exchange differences increased by 22.7%, profit before tax and exceptional items (PBT) increased by 28.5% and profit after tax (PAT) increased by 5.1%.

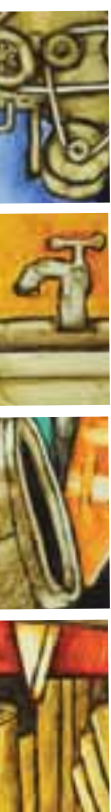
The Company's sales have grown at a CAGR of 17.85% over the last five years.

Consolidated Financials

On a consolidated basis, net sales grew by 20.5% over the last year.

Earnings before interest, taxes, exceptional items and foreign exchange differences, grew by 23.9% over the last year.

Profit after tax grew by 14.1% over the last year. Overseas Subsidiaries, in the aggregate, reported higher losses due to adverse geo-political conditions in some of the markets.



Performance by Industry Segment

Consumer and Bazaar Products

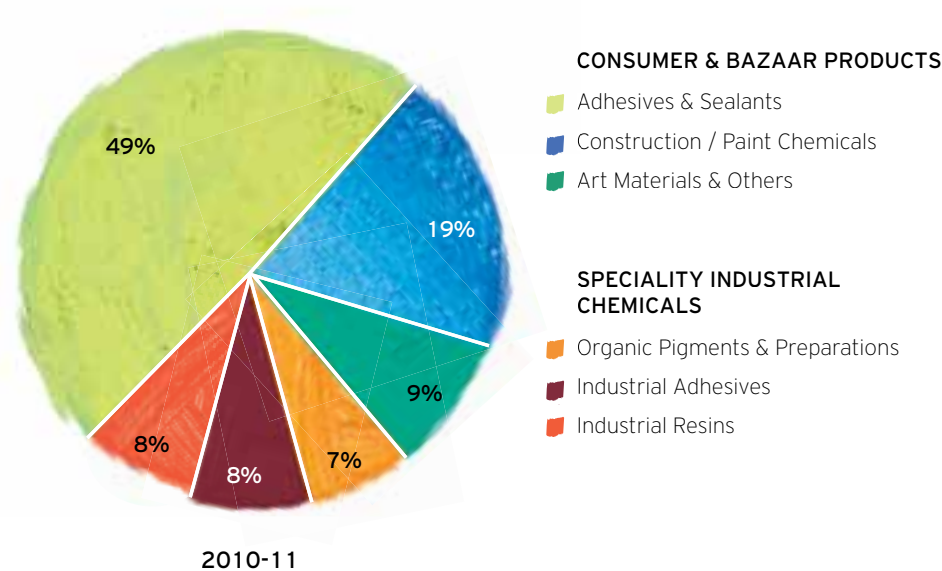
Branded Consumer and Bazaar Products Segment contributed 77% of the total net sales of the Company and grew by 21.8%.

Net sales of branded Adhesives and Sealants grew by 22.2% and contributed 49% of the total sales of the Company. Construction and Paint Chemicals grew by 25.9% and Art Materials and other products grew by 13%.

Consumer and Bazaar Product sales have grown at a CAGR of 17.85% over the last 5 years. Exports of Consumer and Bazaar products grew by 15% to ₹ 1086 million and have grown at a CAGR of 20.84% over the last 5 years.

Profit before interest and tax for the Consumer and Bazaar segment increased by 20%.

BUSINESS SEGMENTS %



Speciality Industrial Chemicals

Speciality Industrial Chemicals contributed 23% of the total sales of the Company and grew by 24 %.

Exports of Speciality Industrial Chemicals grew by 58% to ₹ 1355 million.

Profit before interest and tax for the Speciality Industrial Chemicals segment grew by 9.5%.

Others

This segment largely consists of the Vinyl Acetate Monomer (VAM) manufacturing unit.

The Company continues to import rather than operate the VAM plant, as import price of VAM continues to be more favourable.

Consequently the revenue in this segment was only ₹ 21 million as compared to ₹ 157 million in the previous year.

The Company is evaluating options to manufacture other products in the VAM plant.

Marketing - New initiatives & products



Fevicol Marine, a waterproof adhesive, was relaunched successfully this year with a new look and an integrated campaign including radio, outdoor and below the line activation.



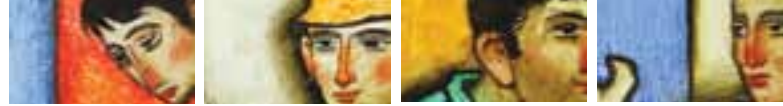
The Company expanded its product range for HVAC (Heating, Ventilation and Air conditioning system) applications.



The year also saw the introduction of DDL XT Booster, an innovative formula to give exterior durability to distemper paint and Wudfin Ezeestain, a water based wood stainer.



Extending the range of offering in waterproofing, Dr. Fixit launched a few more products. Enhanced version of Dr. Fixit LW, was re-launched as Dr. Fixit LW+ with better corrosion resistance.



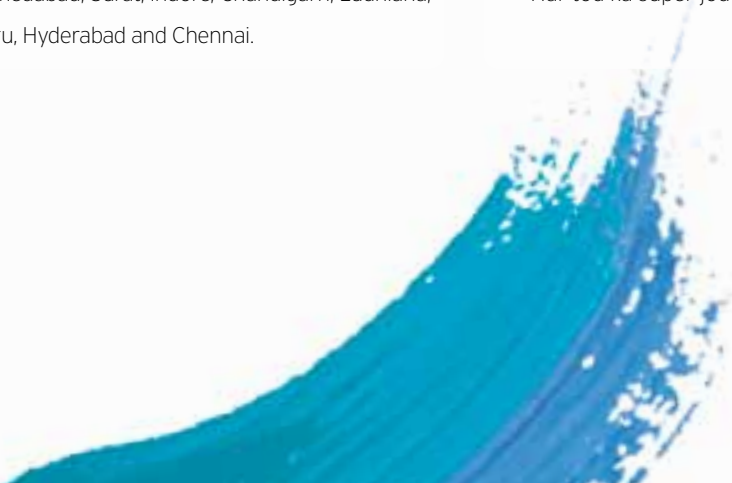
Building on the successful legacy of Fevicol advertising, the new “Cyclist” advertisement was aired during the Cricket World Cup.



Dr. Fxitt No Breaking News (NBN) campaign was built upon, with the “free health checkup” of the terraces in Mumbai, Goa, Pune, Ahmedabad, Surat, Indore, Chandigarh, Ludhiana, Delhi, Bengaluru, Hyderabad and Chennai.



“Breaking” - a new humorous television communication for M Seal Super, was released with the proposition of “Har tod ka super jod”





Two TV commercials, one for Fevikwik and one for M Seal, were released in the infomercial format. The objective was to convey the multiple usages of M Seal and Fevikwik in the household segment.



A new TV commercial for Steelgrip, electrical insulating tape, was released during Cricket World Cup.



Two TV commercials were also released for Fevistik. The positioning of 'No Chip Chip, No Jhik Jhik' was enhanced and built upon in these humorous commercials.



"Saathi Offer", a loyalty program for Fevicol users, was launched during the year. This program will reinforce and further strengthen the relationship Fevicol shares with the carpenter community and enhance brand loyalty.



A toll free helpline "Dr. Fixit Advice Centre" was launched in Kerala to provide guidance and help to applicators and customers on products, availability and application. It is planned to extend this service pan India, in a phased manner.



During the year, a polyester putty brand, Metaplast, was acquired. This product is used mainly for repairing dents on cars.

Awards



"Moochwali", the commercial for Fevicol released last year as part of Golden Jubilee Year celebrations, won Effie award 2010.

The "Master Jee" radio advertisement of Fevicol Marine won the Abby award at Goafest 2011.

Fevicol was listed under the prestigious "Power Brands" in India in 2010. Fevicol was also conferred the status of "Masterbrand" by the CMO Council.

Fevicol won the Pitch India's Top 50 Marketers Award 2010 in the Ageless brands category.

Brand Equity ranked Fevicol as the 41st most trusted brand in India which is an improvement over the ranking of the previous year.

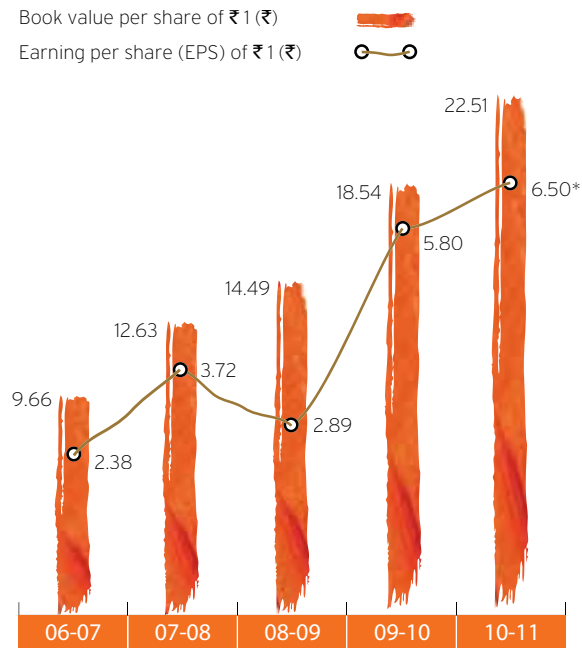
Dr. Fixit won the "Best Innovative Outdoor Award of 2011" from Exchange4media. An under construction building at Western Express Highway, near Santacruz Airport was wrapped with a message reading, "Wrap your house with this or else, Dr. Fixit."

Fevikwik won Bronze in Creative in OOH at Goafest.

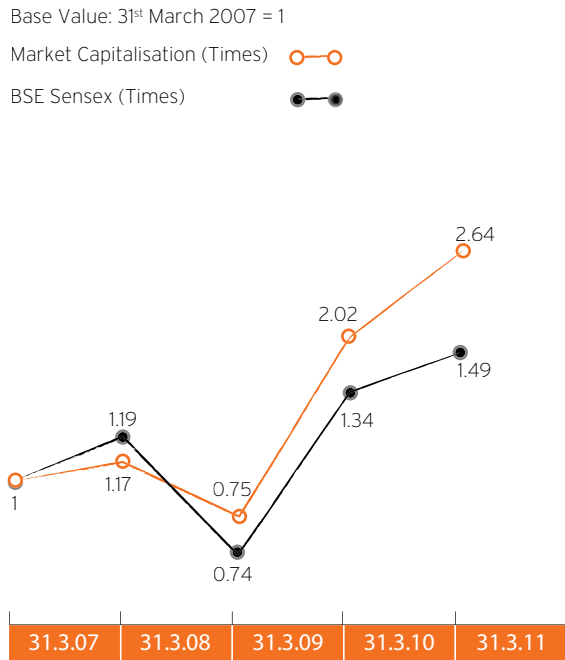
Pidilite won the Dun & Bradstreet - Rolta Corporate Award 2010 for the top Indian company in the chemicals sector.



Book Value Per Share and EPS



Growth in Market Capitalisation of Company and BSE Sensex since 31st March 2007



Book value per share & earning per share for the years 2006-07 to 2008-09 have been restated for the 1:1 bonus issue made in 2009-10.

* Excludes exceptional item of ₹ 250 million

Miscellaneous

The Company's net worth (Equity Capital + Reserves) has grown from ₹ 4877 million in 2006-07 to ₹ 11395 million at the end of 2010-11, giving a Compounded Annual Growth Rate (CAGR) of 23.63 %.

The market capitalisation of the Company on 31st March 2011 was ₹ 75515 million and has grown at a CAGR of 31.74% since the IPO in 1993.

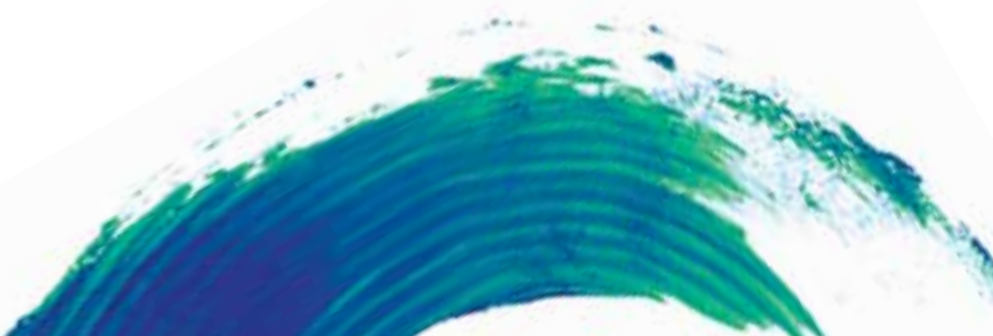
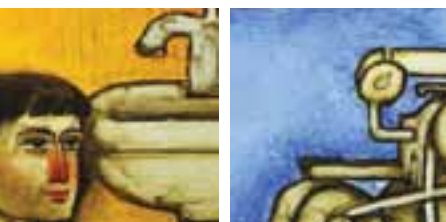
Other matters

The following matters are elaborated in the Directors' Report

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

Cautionary Statement

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



Economic Value Added (EVA)

Computation of EVA

EVA = Net operating profit after tax (NOPAT) - Weighted average cost of capital employed.

NOPAT = Net profit after tax + post tax interest cost at actual.

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

Cost of equity = Risk-free return equivalent to yield on long term Government of India (GOI) securities (taken @ 7%) + market risk premium (assumed @ 7.5%) x beta variant for the Company (taken at 0.9), 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.

Economic Value Added Analysis

Item	2006-07	2007-08	2008-09	2009-10	2010-11
1. Risk Free Return on Long Term GOI Securities	8.09%	7.9%	7.1%	7%	7%
2. Cost of Equity	14.0%	13.9%	13.1%	13.8%	13.8%
3. Cost of Debt (Post Tax)	7.3%	7.2%	6.7%	5.9%	5.9%
4. Effective Weighted Average Cost of Capital	12.8%	11.5%	10.30%	11.2%	11.8%
Economic Value Added (Rupees in million)					
5. Average Debt	968	3204	5303	4897	3541
6. Average Equity (Shareholder Funds)	4498	5637 *	6866 *	8360	10390
7. Average Capital Employed (Debt + Equity)	5466	8841 *	12169 *	13257	13931
8. Profit After Tax (as per P&L account)	1199	1883	1464	2935	3289 \$
9. Interest (as per P&L account, net of Income Tax)	42	106	210	189	177
10. Net Operating Profit After Tax (NOPAT)	1241	1989	1674	3124	3466
11. Weighted Average Cost of Capital (4 x 7)	700	1016	1253	1489	1642
12. Economic Value Added (10 - 11)	541	973	421	1635	1824
13. EVA as a % of Average Capital Employed (12÷7)	9.9%	11.1%	3.5%	12.3%	13.1%

* Excluding 6% Redeemable Preference Share Capital of ₹ 28.75 million issued on 31st March 2008 and redeemed on 5th September 2008

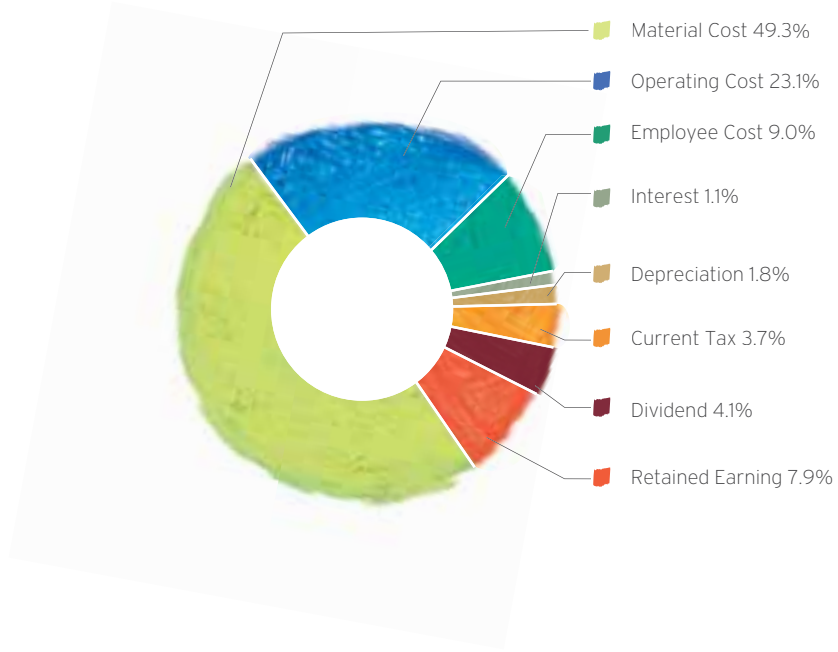
§ Excludes exceptional item of ₹ 250 million.

Notes

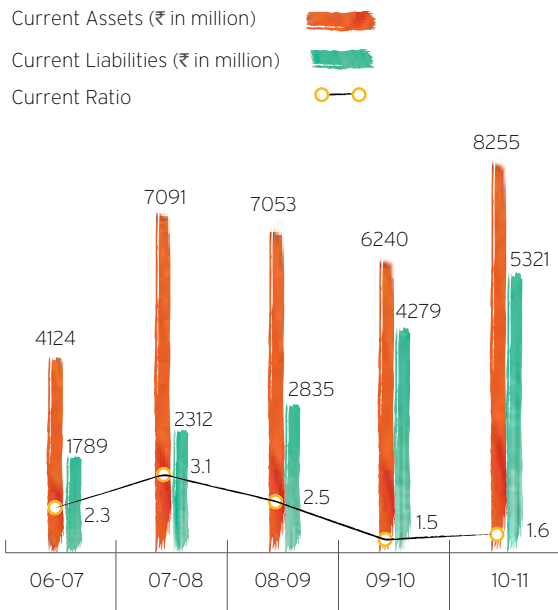
- 1 Profit After Tax includes Prior Years' Tax Provision written back.
- 2 Effects have been given in 10 Years' Financial Performance for above note.
- 3 Figures in Financial Charts, 10 Years' Financial Performance and EVA are as per the Annual Report of respective years, except where stated otherwise.

Financial Charts

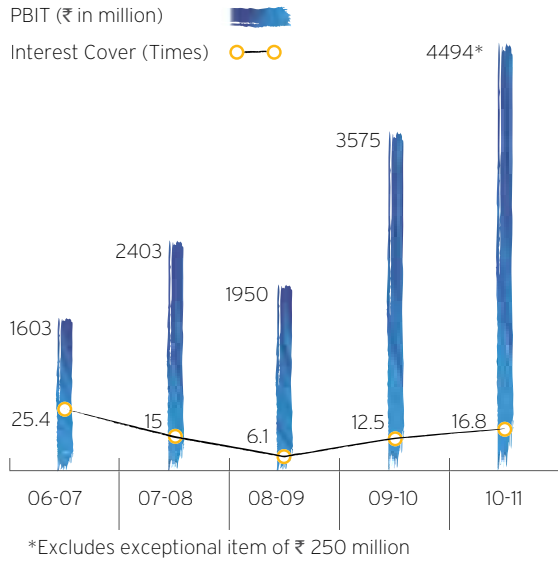
DISTRIBUTION OF REVENUE (2010-11)



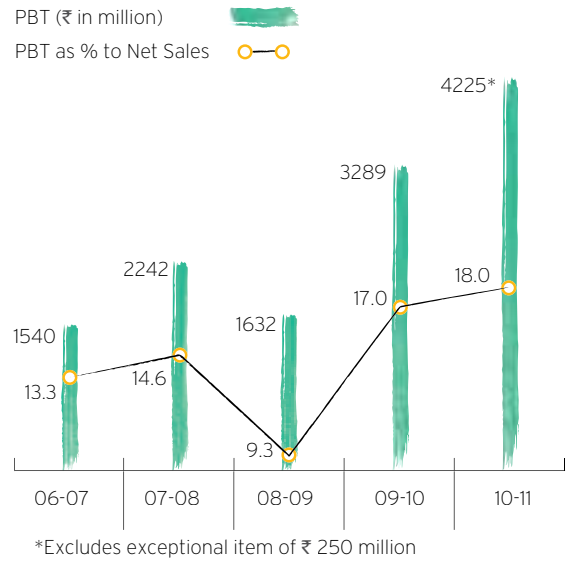
CURRENT RATIO



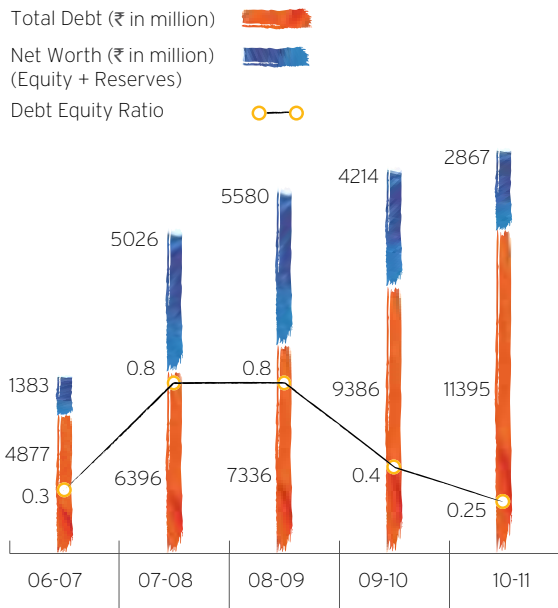
PBIT & INTEREST COVER



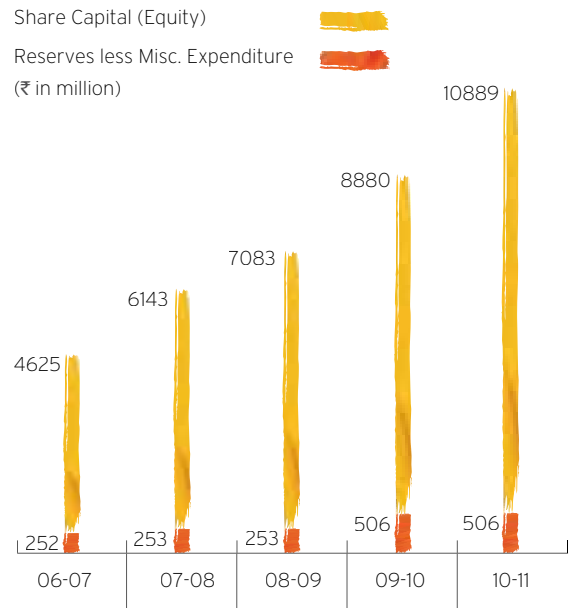
PBT & PBT AS % OF NET SALES



DEBT EQUITY RATIO



VALUE ADDITION TO BUSINESS THROUGH RESERVES



10 Years Financial Performance

(Rupees in million)

Highlights	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	CAGR %
Operating Results											
Sales and Other Income	5772	6678	7647	8998	10617	13081	17248	19313	20512	25302	17.85
Manufacturing & Other Expenses	4774	5521	6458 \$	7649 \$	9005 \$	11186 \$	14489 \$	16730	16380	20357	17.48
Operating Profit	998	1157	1189	1349	1612	1895	2759	2583	4132	4945	19.47
Interest (Net)	42	30	18	17	15	63	161	318	286	268	23.00
Depreciation	190	225	255	270	274	302	385	472	464	444	9.91
Profit from Ordinary Activities	766	902	916	1062	1323	1530	2213	1793	3382	4233	20.91
Exceptional Item	-	-	-	-	-	-	-	-	-	250	-
Foreign Exchange Fluctuation - Expense/(Income)	-	-	-	-	10 !!	(10) !!	(29) !!	161	93	8	-
Profit before Tax	766	902	916	1062	1313	1540	2242	1632	3289	3975	20.07
Current Tax	165	295	294	345	409	309	223	150	423	942	21.36
Deferred Tax	80	14	8	(13)	17	34	140	18	(25)	(6)	
Profit after Tax for the year	521	593	614	730	887	1197	1879	1464	2891	3039	21.64
Add: Prior Year's Tax Provision written back	19	-	-	36	20	2	4	-	44	-	-
Profit after Tax	540	593	614	766	907	1199	1883	1464	2935	3039	21.16
Dividend on Equity Shares	177 *	214 *	228 *	288 *	360 *	443 *	518 *	518 *	885 *	1029 *	21.62
Dividend on Preference Shares	-	-	-	-	-	-	- ~	1 !!	-	-	-
Retained Earning	363	379	386	478	547	756	1365	945	2050	2010	20.93
Financial Position											
Capital-Equity	252	252	252	252	252	252	253	253	506	506	8.04
Capital-Preference	-	-	-	-	-	-	29	-	-	-	-
	252	252	252	252	252	252	282	253	506	506	8.04
Reserve (Less Revaluation Reserve & Misc. Expenditure)	2079 †	2459 †	2835	3315	3866	4625	6143	7083	8880	10889	20.20
Net Worth	2331	2711	3087	3567	4118	4877	6425	7336	9386	11395	19.28
Borrowings	443	416 †	562	610	553	1383	5026	5580	4214	2867	23.08
Deferred Tax Liability (Net)	279 †	293 †	301	288	305	339	423	441	415	410	-
Funds Employed	3053	3420	3950	4465	4976	6599	11874	13357	14015	14672	19.05
Fixed Assets**											
Gross Block	2772	3132 †	3541	4203	4811	5554	8444	10166	10838	12051	17.74
Depreciation	921	1122	1373	1635	1905	2182	2973	3433	3889	4310	18.71
Net Block	1851	2010 †	2168	2568	2906	3372	5471	6733	6949	7741	17.23
Investments in											
- Overseas Subsidiaries	-	-	-	30 #	225 #	753 #	1594 #	2197 #	2446 #	2328 #	-
- Others	151	148	150	154	134	139	30	210	2659	1669	30.60
Net Current Assets	1051	1262 †	1632	1713	1711	2335	4779	4217	1961	2934	12.09
Total Assets	3053	3420	3950	4465	4976	6599	11874	13357	14015	14672	19.06

* Includes Tax on Dividend

After deducting diminishment provision for investments of Overseas subsidiaries.

† Figures have been reclassified/regrouped in 2003-04 !! Included in Other Income/Expenses now reclassified/regrouped

** Excluding Revalued Assets and Depreciation thereon ~ Less than one million

(Rupees in million)

Highlights	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Funds Flow										
Sources										
Internal Generation	810	832	877	1023	1201	1536	2335	1949	3373	3727
Increase in Capital & Reserve (Net) on Amalgamation	-	-	-	-	-	-	197	-	-	-
Increase in Loans	-	-	146	47	-	830	3643 [^]	554	-	-
Decrease in Investment - Others	7	3	-	-	21	-	109	-	-	990
Decrease in Working Capital	-	-	-	-	1	-	-	563	2257	-
Decrease in Miscellaneous Expenditure	-	-	-	2	2	2	3	-	-	-
Total	817	835	1023	1072	1225	2368	6287	3066	5630	4717
Applications										
Decrease in Preference Capital on redemption	-	-	-	-	-	-	-	29	-	-
Repayment of Loans	8	19	-	-	57	-	-	-	1366	1347
Capital Expenditure (Net)	523 [§]	384 [#]	413	669 [†]	613 [‡]	768	2484 [~]	1734	680	1236
Investments in										
- Overseas Subsidiaries	-	-	-	30	195	528	841	603	251	132
- Others	-	-	2	4	-	5	-	181	2448	-
Dividend*	177	214	228	288	360	443	518	519	885	1029
Increase in Working Capital	109	218	370	81	-	624	2444 ^μ	-	-	973
Increase in Miscellaneous Expenditure	-	-	10	-	-	-	-	-	-	-
Total	817	835	1023	1072	1225	2368	6287	3066	5630	4717
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth)	24.0	23.5	21.2	23.0	23.6	26.7	33.4 [*]	21.3 [*]	34.6	31.7 [@]
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)	30.0	31.6	27.6	27.6	30.0	29.3	27.1 [*]	16.0 [*]	27.0	32.3 [@]
Long Term Debt/Cash Flow	0.1	0.3	0.2	0.2	0.2	0.4	1.2	2.4	1.0	0.8
Gross Gearing % (Debt as a percentage of Debt plus Equity)	16.0	13.3	15.4	14.6	11.8	22.1	43.9	43.2	31.0	20.1
Current Ratio (Current Assets divided by Current Liabilities)	2.3	2.6	3.0	2.5	2.2	2.3	3.1	2.5	1.5	1.6
Assets Turnover (times) (Gross Sales divided by Total Assets)	1.9	1.9	1.9	2.0	2.1	2.0	1.4	1.4	1.4	1.7

§ Includes Cost of Brand Acquired ₹ 87.3 million

† Includes Cost of Brand Acquired ₹ 133.7 million

~ Includes Cost of Brands, Patents and Trademarks Acquired Rs 517.1 million

^ Includes Proceeds of FCCB bonds ₹ 1594.4 million

* Excluding 6% Redeemable Preference Share Capital of ₹ 28.75 million issued on 31st March 2008 and redeemed on 5th September 2008.

** Excluding Deferred Tax Liability (Net)

Includes Cost of Brands Acquired ₹ 90.8 million

‡ Includes Cost of Brands Acquired ₹ 17.8 million

μ Includes unutilised proceeds of FCCB bonds ₹ 1102.4 million

@ Excludes exceptional item of ₹ 250 million

Directors' Report

To

The Members

Your Directors take pleasure in presenting the Forty Second Annual Report together with Audited Statements of Accounts for the year ended 31st March 2011.

Financial Results

	(Rupees in million)	
	2010-11	2009-10
Gross Turnover	24883	20240
Turnover, Net of Excise	23538	19322
Profit Before Tax	3975	3289
Current Year's Tax	942	423
Profit After Current Year's Tax	3033	2866
Deferred Tax	(6)	(25)
Profit After Current and Deferred Tax	3039	2891
Add: Prior Year Tax Provision written back	-	44
Profit After Tax	3039	2935
Profit Brought Forward	1006	779
Profit available for appropriation	4045	3714
Appropriations		
Proposed Dividend on Equity Shares	886	759
Tax on Dividend	143	126
Transfer to Debenture Redemption Reserve	42	323
Transfer to General Reserve	1900	1500
Total	2971	2708
Balance Carried to Balance Sheet	1074	1006
	4045	3714

Financial Performance

The Operating Profit and Net Profit, for the year at ₹ 4945 million and ₹ 3039 million increased by 20% and 5% respectively. Income Tax for the current year at ₹ 942 million is higher than ₹ 423 million in the last year, due to completion of the first five year tax holiday period for 3 manufacturing units located in Himachal Pradesh.

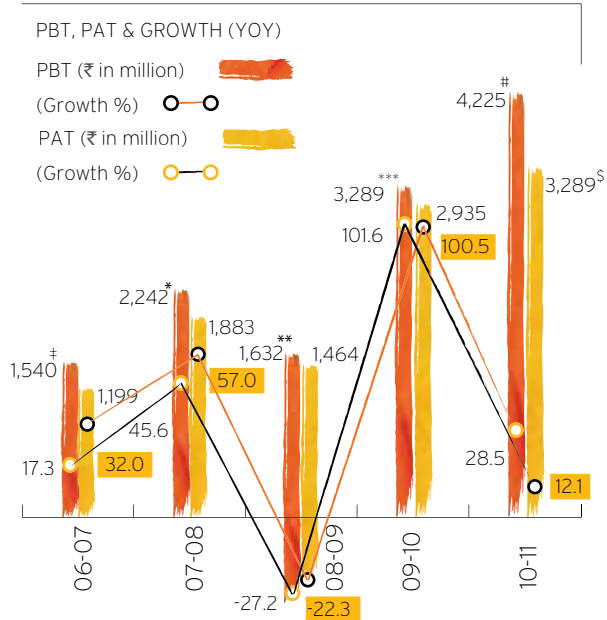
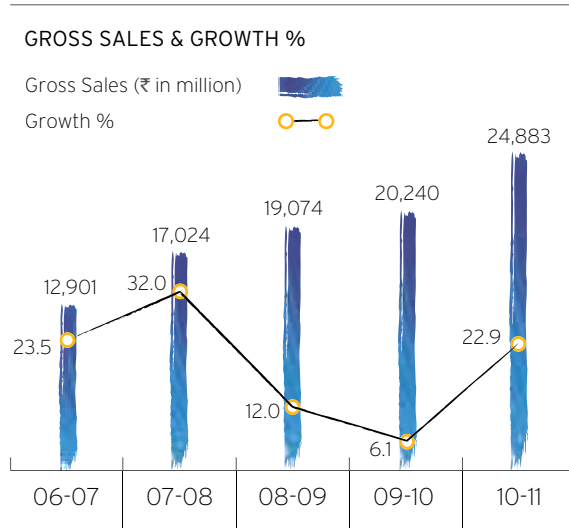
Due to the improvement in the economic conditions in India, as evidenced by the strong GDP growth, sales growth was higher than last few year's trend. The economic revival in the developed markets in the world also resulted in growth in exports, particularly in the second half of the year.

However, there has been an increase in the input costs, largely in the last quarter, due to firming up of commodity prices and that has put pressure on margins particularly of Industrial Products.

The stable Indian Rupee and cost control measures taken by the Company have helped to maintain the profitability at levels similar to that of the previous year.

The exchange rate of Indian Rupee was at ₹ 44.40 to a USD in March 2011 as compared to ₹ 44.97 to a USD in March 2010. Accordingly there was a nominal

credit of ₹ 1.99 million to carrying cost of depreciable assets and ₹ 8.05 million was credited to the Foreign Exchange Monetary Item Translation Account. Out of the said Foreign Currency Monetary Item Translation Account, ₹ 1.07 Million has been amortised in the current year.



‡ After deferred tax of ₹ 34 million and prior year's tax provision written back of ₹ 2 million

* After deferred tax of ₹ 140 million and prior year's tax provision written back of ₹ 4 million

** After deferred tax of ₹ 18 million and prior year's tax provision written back of ₹ nil.

*** After deferred tax reversal of ₹ 25 million and prior year's tax provision written back of ₹ 44 million.

After deferred tax reversal of ₹ 6 million and before exceptional item of ₹ 250 million.

§ Excludes exceptional item of ₹ 250 million

Dividend

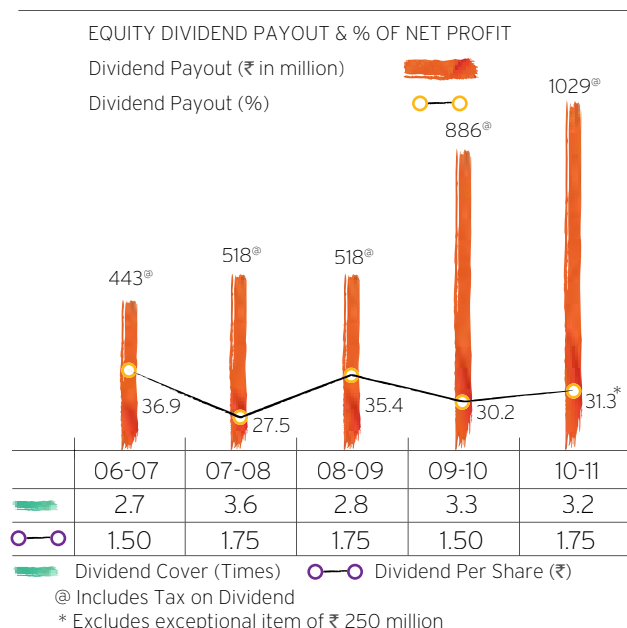
The Directors recommend a dividend of ₹ 1.75 per equity share of ₹ 1 each out of the current year's profit, on 506.1 million equity shares of ₹ 1 each (previous year @ ₹ 1.50 per equity share including ₹ 0.50 per equity share as "Golden Jubilee Special Dividend"), amounting to ₹ 886 million (previous year ₹ 759.2 million). In accordance with the terms of issue of Foreign Currency Convertible Bonds (FCCBs), shares allotted on conversion of FCCBs will also be entitled to Dividend, where request for conversion is received before the book closure for payment of dividend for the financial year 2010-11. 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 23.68 % during the last 5 years.

Term Finance

The Company had borrowed USD 17 million through an ECB Term loan amounting to ₹ 796.2 million, repayable in 3 annual installments. During the year the Company has repaid the 2nd of the 3 annual installments amounting to USD 5.67 million equivalent to ₹ 241.18 million.

Capital Expenditure

The overall expenditure during the year was ₹ 1235.68 million. Out of this approximately ₹ 711.72 million was spent on fixed assets for various manufacturing units, offices, laboratories and warehouses and on information technology. The expenditure on the Synthetic Elastomer Project was approximately ₹ 458.59 million.



Investment in Subsidiaries

During the year, Investment of ₹ 131.73 million was made in overseas subsidiaries.

Synthetic Elastomer Project

The Company has started the construction of the Synthetic Elastomer Plant. Civil work at site has commenced and Company is targeting completion in the first half of the next financial year.

The total amount spent on this project is ₹ 3106.61 million.

Manufacturing Plants

Health, Safety and Environment activities continued during the year bringing greater focus on safety and environment at all manufacturing units.

Continuous improvement plans in the manufacturing units resulted in 400 plus Kaizens leading to productivity and process improvement.

Manufacturing capacity of insulation tapes, Fevikwik and Fevicol were enhanced.

Technology and automation projects initiated and completed on various lines like Fevigum, Fevicol, M-seal, insulation tapes, Fevikwik and various industrial products.

Foreign Currency Convertible Bonds (FCCB)

Of the USD 40 million raised through issue of zero coupon Foreign Currency Convertible Bonds in 2007-2008, bonds aggregating USD 37.2 million were outstanding as on March 2011. The bond holders are entitled to convert their holdings into Equity shares anytime on or after 16th January 2008 upto 1st December 2012.

Fixed Deposits

Your Company has not accepted any fixed deposits during the year 2010-11.

Subsidiaries - Overseas Subsidiaries

During the year, Pidilite Industries Trading (Shanghai) Company Limited was incorporated in China as a wholly owned subsidiary of Pidilite International Pte. Ltd., Singapore (which is a wholly owned subsidiary of the Company).

The business in USA reported a 11.4% growth in sales. This growth together with improvement in operating margins helped the subsidiary to post cash profits as compared to cash losses last year.

While the subsidiary in Brazil, reported a 10.5% growth in sales, due to increase in input costs, the unit incurred losses from operations.

The operations in Bangladesh continued to gain strength with increased market penetration. The unit reported a profit after tax in its first full year of operations.

Though the operations in Thailand reported higher cash profits than in the previous year, sales growth was lower than expected. Post tax losses were at levels similar to last year.

Performance of the subsidiary in Dubai was impacted by adverse conditions in the markets serviced by the subsidiary.

Operations and performance of the subsidiaries in Egypt were disturbed due to political developments in the country and neighboring areas.

Due to the reasons mentioned above the overseas operations made a nominal cash loss. The net loss before tax was higher than the previous year.

Total revenue from overseas subsidiaries for the year stood at ₹ 3021 million, up by 11.4% over the previous year.

The total investment in overseas subsidiaries as on 31st March 2011 stands at ₹ 2578 million

A statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiaries in India and abroad, 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 and its subsidiaries are annexed to this Annual Report. Additionally, a statement giving prescribed particulars of information, in aggregate for each subsidiary, is attached.

In terms of the General Circular No. 2/2011 dated 08.02.2011, issued by the Government of India, Ministry of Corporate Affairs, the Annual Reports of the Subsidiary Companies are not annexed to this Report. Members desiring to have a copy of audited Annual Accounts and the related detailed information of the above subsidiaries 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. Annual Accounts of these subsidiary Companies will also be kept for inspection of the Members at the Registered Office of the Company as well as at the Registered Office of the subsidiary companies.

Directors

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

Directors' Responsibility Statement

Your Directors confirm that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2011 and of the profit of the Company for the year ended on that date;
- 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
- 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 M/s. M M Sheth & Co, Practising Company Secretaries, 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/C & F depots/depots, for the current financial year and to fix their remuneration.

Cost Auditor

The Company has received the approval of the Central Government for the appointment of M/s. V J Talati & Co. as Cost Auditor to conduct cost audit for the financial year 2011-12.

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.

Industry Structure and Development

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

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

Products such as Adhesives, Sealants, Art Materials, Construction and Paint Chemicals are covered under branded Consumer & Bazaar Products segment. These products are widely used by carpenters, painters, plumbers, mechanics, households, students, offices, etc.

Speciality Industrial Chemicals segment covers products such as Industrial Adhesives, Synthetic Resins, Organic Pigments, Pigment Preparations, Surfactants, etc. and caters to various industries like packaging, textiles, paints, printing inks, paper, leather, etc.

In both the above business segments, there are a few medium to large companies with national presence, and a large number of small size companies that are active regionally. There is growing presence of multinationals in many of the segments in which the Company operates. The share of imports is less than 10 % of domestic volumes in most of the product segments.

The "Other" segment largely covers manufacture and sale of VAM. As mentioned earlier, due to global demand supply situation it was viable to import VAM rather than manufacture in-house and accordingly the plant remained shut last year. Going forward, in the near future, import of VAM is likely to remain more viable. The Company is exploring alternate products which can be manufactured in the same plant.

Current Year Outlook

During the current year, due to the inflationary pressures, the Reserve Bank of India has been steadily increasing interest rates. This is expected to adversely impact overall economic growth and therefore could impact the demand for the Company's products, thereby impacting the sales growth.

Due to the steep increase in commodity prices, input costs have gone up sharply. Though the Company does pass on these increases by way of price increases, this could impact margins as there is a lag between the cost increase and the price increase.

The Company's major subsidiaries are in USA, Brazil, UAE, Thailand, Egypt and Bangladesh. While all the units are expected to show improved performance, the business in Brazil is vulnerable to high inflation and slow down in growth rate. The operations in Egypt and U.A.E. could be impacted by the local political situation.

Outlook on Opportunities, Threats, Risks and Concerns

Stable economic growth in India will provide an opportunity to the Company to grow its business and introduce differentiated products for meeting customer expectations. The improving global economy will facilitate growth of export oriented products.

Increasing interest rates could slow down economic demand thereby impacting Company's sales in the current year. In addition input costs increases are likely to put pressure on margins in the short term.

Though the Company has strengthened its management structure in the overseas subsidiaries, due to the political uncertainties in some countries and the small size of the overseas operations, the performance in these units could be impacted by local events.

Internal Control Systems and their 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 down by the management and suggest improvements.

For overseas subsidiaries, this is being done by their Statutory Auditors.

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

Human Resources

The Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels.

A New Performance & Potential Management System, branded as 'PILglobin' has been launched. This process is likely to provide a steady stream of talent across the Company with clear career plans to occupy key jobs.

Further, to improve the operational efficiency, the Company has also initiated automation of all its HR processes.

The total number of employees as on 31st March 2011 was 4130.

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

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

FOR AND ON BEHALF OF THE BOARD

Mumbai

Date: 19th May 2011

B K PAREKH

CHAIRMAN

Corporate Social Responsibility Report



Multi Speciality Medical Camp

The Company continued to support activities in the areas of rural development, education and healthcare.

Rural Development

During the year two Check Dams were constructed and 162 water conservation projects were undertaken which included percolation tanks, farm ponds and village ponds.

Cattle breeding programme for artificial insemination continued and 1378 progeny were born during the year. Fifty biogas plants and fifty seven toilets were constructed during the year. 10,500 saplings were planted in Mahuva city and rural areas of Mahuva taluka.

Twenty five houses were constructed under Indira Awas Yojana, for giving shelter to the rural poor.



Indira Awas Yojana

Education

The Company has instituted the "Pidilite Prof. Manmohan Sharma Distinguished Doctoral Fellowship" at the Institute of Chemical Technology (ICT). Every year one fellowship will be awarded to an outstanding candidate holding Masters Degree in Chemical Engineering and having potential to carry out innovative work.

A low-cost "Do It Yourself" science kit, designed and developed by Shri Balvant Parekh Science City, was distributed to various schools in Gujarat.

The Company donated a Mini Planetarium to the Science City at Bhavnagar.

The Arts, Science, Commerce streams of Parekh College were granted accreditation by National Assessment & Accreditation Council (NAAC), University Grants Commission.



NAAC Accreditation



Night school for men

Construction of a new building for the girls school at Kalsar was completed.

A night school for men from economically weaker sections of the Society was started to impart basic reading and writing skills.

Regular literacy classes were conducted at eight locations in Mahuva in which 274 women and children participated. The Bal Pustakalay (library) in 207 schools continued to conduct drawing, elocution and essay competitions, where over 18,000 children participated.

Four self help groups, imparting training in tailoring and other vocational activities were also formed, benefitting 72 women.

Healthcare

A unique multi speciality camp was conducted by Hanumant Hospital in collaboration with the police department where 5700 patients were treated free of cost. The hospital is now equipped with a video conference facility, enabling on-line consultation with specialists for better treatment and management of patients.



Ms Sherill Kahn's workshop with Akanksha

The hospital is enrolled under Rashtriya Suraksha Bima Yojana scheme wherein patients from weaker sections of the society avail of free treatment.

The first batch of nurses graduated from the nursing college and placement assistance was provided.

General Semantics

Balvant Parekh Centre for General Semantics and Other Human Sciences conducted a National Symposium on "Human sciences in the time of disciplinary decadence".

Shri B K Parekh, Chairman of Pidilite Industries Ltd has been selected by the Executive Committee of the Institute of General Semantics to receive the 2011 J.Talbot Winchell Award. He is the first Asian to receive this Award

Workshops and lectures focusing on communication and cultural studies, nuances of visual culture, general semantics in a digital age were conducted. A workshop for teachers on time binding and the art and science of pedagogy was also held.

Other Initiatives

The Company supports Citizens' Forum for Protection of Public Space (CitiSpace), an NGO which works for the protection of all public open spaces in Mumbai.

The Company sponsored the "Cancer Patients Aid Association fashion show" in which eminent designers and celebrities participated.

The Company provided an opportunity for children from Akanksha, an NGO, to participate in the workshop conducted by Ms Sherill Kahn from USA, an expert in mixed media techniques.



Cancer Patients Aid Association fashion show

Annexure I to the Directors' Report

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. Review of process equipment design and re-validation to reduce energy consumption.
2. Alignment of batch processes to optimize utilities.
3. Modification of furnaces for alternative (cheaper) fuel while ensuring flexibility for multi-fuel operation.
4. Batch process cycle time reduction and increase in batch size to reduce overall energy consumption.

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

1. Induction of Solar Heaters and Photo-Voltaic Cells to reduce consumption of Coal, Fuel Oil and/or Electricity in Plants and Offices.
2. Fresh Energy Audits at high energy consuming plants to explore energy saving opportunities.

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

6.0 Lac kwh Electricity and 650 MT 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 / Generation

		Year ended 31 st March 2011	Year ended 31 st March 2010
1. Electricity			
a. Purchased			
Units	'000 kwh	2,03,55	1,76,63
Total amount	₹ in million	113.63	96.42
Rate / Unit (Average)	₹	5.58	5.46
b. Own Generation			
(i) Through Diesel Generator			
Units	'000 kwh	5,73	2,75
Units per litre of diesel oil	Kwh	2.85	2.59
Cost / Unit	₹ / kwh	13.25	13.49
(ii) Windmill Generation			
Units	'000 kwh	79,37	86,21
2. Coal			
Quantity	MT	5,508	2,419
Total Amount	₹ in million	29.61	10.52
Average Rate	₹ '000 /MT	5.37	4.35

A. Power and Fuel consumption / Generation

		Year ended 31 st March 2011	Year ended 31 st March 2010
3. Natural Gas			
Quantity	'000 SCM	41,60	23,52
Total Amount	₹ in million	78.15	38.19
Average Rate	₹ /SCM	18.79	16.23
4. Fuel Oil			
Quantity	MT	8,78	16,94
Total Amount	₹ in million	29.66	41.14
Average Rate	₹ '000 /MT	33.76	24.29
5. Brickquittes			
Quantity	MT	1008	920
Total Amount	₹ in million	43.50	36.92
Average Rate	₹ '000 /MT	4.31	4.01

Note : Fuel oil consumption reduced by 48% as compared to the previous year mainly due to shift to natural gas, resulting in higher consumption of natural gas.

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 activities are continued for development of new products, improvement of existing products in the category of Synthetic Resins, Adhesives, Sealants, Pigments and Pigment Dispersions, Intermediates, Surfactants, Art Materials, Coatings, Fabric Care Products, Construction Chemicals, Maintenance Chemicals, Emulsion Polymers etc. Products specific to the requirements of certain export market are also under development.

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 and pollutants load due to formulation optimization, process improvements and cycle time reduction.

3. Future Plan of Action

Future R&D efforts will continue along present lines.

4. Expenditure on R & D

(₹ in million)

	Year ended 31 st March 2011	Year ended 31 st March 2010
i) Capital	4.54	5.34
ii) Recurring	105.96	91.64
Total	110.50	96.98
iii) Total R&D Expenditure as a Percentage of total turnover	0.44	0.48

5. Technology Absorption, Adaptation and Innovation

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

Based on the patented processes acquired from Polimeri Europa Elastomers France, S.A, the Company has developed few processes in the manufacture of Poly Chloroprene Rubber and 7 applications for patents have been filed by the Company.

- ii) Benefits derived as a result of the above efforts:
Improvement in products and processes
- iii) Information regarding Technology imported during the last 5 years
No technology imported during the last 5 years.

C] FOREIGN EXCHANGE EARNINGS & 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 2010-11 have shown an increase of ₹ 554 million over 2009-2010.

Exports of pigments grew during the year due to acceptance of our products with global paint & colourant manufacturers.

The Company increased its focus on promotional activities in Middle East & Africa and increased the availability of products through appointment of new distributors in the region.

g) Total foreign exchange used and earned

(₹ in million)

	Year ended 31 st March 2011	Year ended 31 st March 2010
Foreign exchange earned	2,398	1,842
Foreign exchanged used	3,901	2,678

Disclosure of particulars in the report of Board of Directors Under Health, Safety & Environment for the year 2010-2011

Eighteen out of nineteen Pidilite locations are now certified for OHSAS 18001 - 2007 and ISO 14001 - 2004 Systems.

The Company has also taken up estimation of Carbon Foot Print at one of the units to assess the impact of our operations on carbon emission and to control the same effectively.

Auditors' Report

To the Members of Pidilite Industries Limited

1. We have audited the attached Balance Sheet of PIDILITE INDUSTRIES LIMITED ('the Company') as at 31st March 2011 and the Profit and Loss account and also the Cash Flow Statement 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.
2. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
 - i. 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;
 - ii. 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 those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For HARIBHAKTI & CO
Chartered Accountants
FRN No. 103523W

CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Date: 19th May 2011

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Pidilite Industries Limited on the financial statements for the year ended 31st March 2011]

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The management has physically verified the stocks of stores, spares, raw materials, packing materials and finished goods. In our opinion, the frequency of verification is reasonable. In respect of inventories lying with third parties, these have been substantially confirmed by them.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- iii. (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
 - (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clauses 4(iii)(f) and 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of production of Synthetic Resins where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows :

Name of the Statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales tax in various states	508.96	for various years	Deputy Commissioner of sales tax
Sales Tax Act	Sales tax in various states	30.01	for various years	Sales tax Tribunal
Sales Tax Act	Sales tax in various states	3.77	for various years	High Court
Central Excise Act	Excise duty in various states	1.88	For Various years	CESTAT
Income Tax Act	Tax Deducted at Source	2.65	A.Y. 2008-09	Commissioner (Appeals)

- x. The Company has neither accumulated losses as at 31st March 2011 nor has it incurred any cash losses either in the financial year under audit and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued debentures during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For HARIBHAKTI & CO
Chartered Accountants
FRN No. 103523W

CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Date: 19th May 2011

Balance Sheet

As at 31st March 2011

(₹ in million)

	Schedule	As at 31 st March 2011	As at 31 st March 2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	1	506.13	506.13
b. Reserves and Surplus	2	10,889.13	8,879.66
		11,395.26	9,385.79
2. Loan Funds			
a. Secured Loans	3	859.37	2,184.50
b. Unsecured Loans	4	2,007.94	2,029.80
		2,867.31	4,214.30
3. Deferred Tax Liability (Net)			
		409.66	415.36
TOTAL		14,672.23	14,015.45
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	5	8,719.98	8,063.91
b. Less : Accumulated Depreciation		4,310.27	3,889.19
c. Net Block		4,409.71	4,174.72
d. Capital work in progress		3,330.84	2,774.02
		7,740.55	6,948.74
2. Investments			
	6	3,997.40	5,104.92
3. Current Assets, Loans and Advances			
a. Inventories		3,544.40	2,506.31
b. Sundry Debtors		2,865.91	2,387.59
c. Cash and Bank Balances		932.08	331.16
d. Other Current Assets		40.80	51.51
e. Loans and Advances		872.02	963.91
		8,255.21	6,240.48
Less : Current Liabilities and Provisions	8		
a. Liabilities		4,136.69	3,301.93
b. Provisions		1,184.24	976.76
		5,320.93	4,278.69
Net Current Assets		2,934.28	1,961.79
TOTAL		14,672.23	14,015.45
Notes forming part of the Accounts	12		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO.
Chartered Accountants

B K PAREKH
Chairman

CHETAN DESAI
Partner
Membership No. 17000

S K PAREKH
Vice Chairman

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

M B PAREKH
Managing Director

Profit and Loss Account

For The Year Ended 31st March 2011

(₹ in million)

	Schedule	2010-11	2009-10
INCOME			
Turnover (Gross)		24,883.34	20,240.35
Less : Excise Duty		1,345.83	917.89
Net Sales		23,537.51	19,322.46
Other Income	9	418.47	271.77
		23,955.98	19,594.23
EXPENDITURE			
Materials	10	12,472.42	9,958.16
Other Expenses	11	7,064.54	5,883.48
Depreciation		443.87	463.86
		19,980.83	16,305.50
Profit before Taxation		3,975.15	3,288.73
Income Tax Expense			
Current Tax		941.94	565.29
Less : MAT Credit Entitlement		-	142.29
		941.94	423.00
Deferred Tax		(5.70)	(25.49)
		936.24	397.51
Profit for the year		3,038.91	2,891.22
Prior year Tax Provision written back (Net)		-	43.73
Balance brought forward from previous year		1,006.32	779.13
Profit available for appropriation		4,045.23	3,714.08
Proposed Dividend on Equity Share Capital		885.74	759.20
Corporate Tax on Dividend		143.69	126.10
		1,029.43	885.30
Transfer to Debenture Redemption Reserve		42.31	322.46
Transfer to General Reserve		1,900.00	1,500.00
Balance carried to Balance Sheet		1,073.49	1,006.32
Earnings per share: (Refer note 15 of Schedule 12)			
Basic (₹)		6.00	5.80
Diluted (₹)		5.84	5.64
Face Value of Share (₹)		1.00	1.00
Notes forming part of the Accounts	12		

AS PER OUR ATTACHED REPORT OF EVEN DATE

For HARIBHAKTI & CO.
Chartered Accountants

CHETAN DESAI
Partner
Membership No. 17000

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

FOR AND ON BEHALF OF THE BOARD

B K PAREKH
Chairman

S K PAREKH
Vice Chairman

M B PAREKH
Managing Director

Schedules

Numbers 1 to 12 annexed to and forming part of the Balance Sheet as at 31st March 2011 and Profit and Loss Account for the year ended 31st March 2011

(₹ in million)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 1 SHARE CAPITAL		
Authorised		
70,00,00,000 Equity Shares of ₹1 each	700.00	700.00
TOTAL	700.00	700.00
Issued, Subscribed and Paid up Capital :		
50,61,34,612 Equity Shares of ₹1 each, fully paid-up (Notes 1 to 3)	506.13	506.13
TOTAL	506.13	506.13
NOTES: Out of the above		
1. 74,75,880 Equity Shares of ₹1 each have been issued for consideration other than cash pursuant to various schemes of amalgamation in earlier years.		
2. 47,94,81,646 Equity Shares of ₹1 each have been allotted as fully paid-up Bonus Shares by way of capitalisation of General Reserve, Securities Premium Account and Capital Redemption Reserve.		
3. The equity shares of the face value of ₹10 each were sub-divided into ten equity shares of the face value of ₹1 each w.e.f. 27 th September 2005.		
SCHEDULE 2 RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	3.37	3.37
Cash Subsidy Reserve		
Balance as per last Balance Sheet	9.47	9.47
Debenture Redemption Reserve		
Balance as per last Balance Sheet	649.92	327.46
Add : Transferred from Profit and Loss Account	42.30	322.46
	692.22	649.92
General Reserve		
Balance as per last Balance Sheet	7,210.58	5,933.71
Add : Transferred from Special Reserve	-	1.19
Less : Capitalised during the year for bonus issue	-	224.32
Add : Transferred from Profit and Loss Account	1,900.00	1,500.00
	9,110.58	7,210.58
Profit and Loss Account	1,073.49	1,006.32
	10,889.13	8,879.66

(₹ in million)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 3 SECURED LOANS		
600 (750) 11.9% Secured Redeemable Non Convertible Debentures of ₹ 1000000 Each (Note.1)	600.00	750.00
Nil (750) 10.2% Secured Redeemable Non Convertible Debentures of ₹ 1000000 Each (Note.1)	-	750.00
Term Loans from Banks (Note.2)	231.67	466.92
Working Capital Loans from Banks (including Working Capital Demand Loan) (Note.3)	27.70	217.58
TOTAL	859.37	2,184.50

1. Secured Redeemable Non Convertible Debentures are secured by way of mortgage and charge (by First pari passu charge) on the immovable property in Gujarat and all movable properties of the Company.

The Company has repurchased 11.9% Non-Convertible Debentures of ₹ 150 million and 10.2% Non-Convertible Debentures aggregating to ₹ 750 million during the year.

600 Secured Redeemable Non Convertible Debentures with interest @ 11.9% p.a. will be redeemed at par on 5th December 2013.

2. Term Loan from Banks is secured by way of hypothecation of all movable Plant and Machinery of the Company.
3. Working Capital Loans from Banks are secured by way of first charge on the stock of Raw Materials, Finished Goods, Packing Material, Stock in Process, Bills Receivable and Book Debts and by way of second charge on the entire Plant and Machinery of the Company including Stores and Spares. Further, these loans are secured by way of an Equitable Mortgage on the Land and Building of the Company's unit at Kondivita, Mumbai.

SCHEDULE 4 UNSECURED LOANS		
Long Term		
Interest free Sales Tax loan from Government of Maharashtra	344.73	350.59
Foreign Currency Convertible Bonds (US \$ 37.2 million Zero Coupon Convertible Bonds due in 2012) (During the year Company has bought back bonds of US \$ Nil (US \$1.7 million))	1,663.21	1,679.21
TOTAL	2,007.94	2,029.80

Amount due within one year ₹ 9.03 million (₹ 5.86 million)

SCHEDULE 5 FIXED ASSETS

(₹ in million)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1,4,2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31.3.2011	As at 1,4,2010	Provided during the year	Deductions / Adjustments	As at 31.3.2011	As at 31.3.2010
Freehold Land	124.97	-	-	124.97	-	-	-	124.97	124.97
Leasehold Land	77.03	16.77	-	93.80	6.58	0.83	-	86.39	70.45
Buildings	1375.51	55.02	-	1430.53	302.65	38.93	-	1088.95	1072.86
Plant and Machinery	4977.39	520.83	4.63	5493.59	2665.44	317.41	(2.77)	2513.51	2311.95
Furniture and Fixtures	368.62	24.45	0.44	392.63	140.85	22.28	(0.20)	229.70	227.77
Vehicles	206.19	14.21	40.06	180.34	82.22	16.06	(19.82)	101.88	123.97
Capital Expenditure on Scientific Research									
- Buildings	1.44	-	-	1.44	1.00	0.05	-	0.39	0.44
- Plant and Machinery	47.65	4.54	-	52.19	26.36	1.31	-	24.52	21.29
- Furniture and Fixtures	3.07	-	-	3.07	2.14	0.19	-	0.74	0.93
Assets given on Lease									
Plant and Machinery	1.82	-	-	1.82	1.82	-	-	1.82	-
Intangible Assets									
- Goodwill	70.40	3.21	-	73.61	69.97	0.67	-	2.97	0.43
- Copyrights, Trademarks, etc.	809.82	62.17	-	871.99	590.16	46.14	-	235.69	219.66
Total	8063.91	701.20	45.13	8719.98	3889.19	443.87	(22.79)	4409.71	4174.72
Previous Year	7778.35	304.59	19.03	8063.91	3432.81	463.86	(7.48)	3889.19	
Capital work in progress *									
TOTAL								3330.84	2774.02
								7740.55	6948.74

* Capital work in progress includes capital advances of ₹ 63.18 million (₹ 42.77 million)

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 6 INVESTMENTS			
I.	Long Term at Cost		
a. Trade :			
Quoted			
	• 7,451,540 (7,451,540) Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	11.79	11.79
b. Non Trade :			
i) Quoted			
	• 3,594 (3,594) Equity Shares of ₹ 10 each of Hindustan Adhesives Ltd	0.09	0.09
	• 14,400 (14,400) Equity Shares of ₹ 10 each of Hindustan Organic Chemicals Ltd	0.72	0.72
	• 1674 (1674) Equity Shares of ₹ 10 each of Reliance Industries Ltd	0.77	0.77
	• 222,542 (222,542) Equity Shares of ₹ 10 each of Indian Overseas Bank Ltd	2.96	2.96
	• 61,900 (61,900) Equity Shares of ₹ 10 each of Menon Pistons Ltd	4.38	4.38
TOTAL 1 (a) + b (i)		20.71	20.71
[Market Value ₹ 108.43 million (₹ 87.59 million)]			
ii) Unquoted			
	• 200,200 (200,200) Equity Shares of ₹ 10 each of Enjayes Spices & Chemicals Oil Ltd	5.29	5.29
	• 121,300 (121,300) Equity Shares of ₹ 10 each of Pal Peugeot Ltd	1.21	1.21
	• 2,275 (2,275) Equity Shares of ₹ 1 each of Himalaya House Co-op Society Ltd (Cost ₹ 2275)	-	-
	• 628 (628) Equity Shares of ₹ 100 each of Jawahar Co-op Industrial Estate Ltd	0.06	0.06
	• 40 (40) Equity Shares of ₹ 50 each of Regent Chambers Premises Co-op Society Ltd (Cost ₹ 2000)	-	-
	• 25 (25) Equity Shares of ₹ 10 each of New Usha Nagar Co-op Housing Society Ltd (Cost ₹ 250)	-	-
	• 10 (10) Equity Shares of ₹ 100 each of Taloja CETP Co-op Society Ltd (Cost ₹ 1000)	-	-
TOTAL 1 b (ii)		6.56	6.56
c. In Subsidiary Companies :			
	• 50,000 (50,000) Equity Shares of ₹ 10 each of Fevicol Company Ltd	0.50	0.50
	• 15,643,426 (15,586,053) Equity Shares of Pidilite International Pte Ltd	690.27	687.61
	• 32,362,573 (27,431,411) Equity Shares of Pidilite Middle East Ltd	393.26	331.64
	• 36,703,930 (34,849,000) Equity Shares of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	844.97	795.34
	• 14,780,000 (14,380,000) Equity Shares of Pidilite USA Inc	647.75	629.92
	• 3,000 (3,000) Equity shares of Pidilite Industries Egypt	1.76	1.76
	• 24,000 (24,000) Equity Shares of Pidilite South East Asia Ltd	0.15	0.15
	• 75,000 (75,000) Equity Shares of Pagel Concrete Technologies Pvt Ltd	6.41	6.42
	• 10,000 (10,000) Equity Shares of Bhimad Commercial Co Pvt Ltd	0.17	0.17
	• 10,000 (10,000) Equity Shares of Madhumala Traders Pvt Ltd	0.17	0.17
TOTAL - I (c)		2585.41	2453.68
TOTAL - I		2612.68	2,480.95

(₹ in million)

		As at 31st March 2011	As at 31 st March 2010
II.	Short Term at cost :		
	In Units of Mutual Fund (Unquoted)		
	• Nil (1,969,358) Units of Reliance Medium Term Fund-Retail Plan -Growth Option	-	37.25
	• Nil (2,655,189) Units of HDFC-Cash Management Fund-Treasury Advantage Plan-Wholesale-Growth Option	-	53.56
	• Nil (38,055,404) Units of Birla Sunlife -Dynamic Fund-Growth option	-	579.85
	• Nil (24,810,772) Units of HDFC-High Interest Fund -STP -Growth Option	-	450.00
	• Nil (44,809,008) Units of ICICI Prudential Medium Term Premium Plus -Growth Option	-	450.00
	• Nil (23,842,656) Units of ICICI Prudential Ultra Short Term Super Premium -Growth Option	-	245.26
	• Nil (17,250,897) Units of Reliance Short Term Fund-Retail Plan -Growth Option	-	300.00
	• Nil (25,520,287) Units of IDFC-Money Manager Fund-Investment Plan -Institutional Plan B-Growth	-	364.75
	• 15,000,000 (15,000,000) Units of HDFC FMP 14M March 2010- Growth -Series XII	150.00	150.00
	• 10000000 (Nil) Units of Birla Sunlife Term Plan Series CL - Growth	100.00	-
	• 9517964 (Nil) Units of ICICI Prudential Interval Fund Half Yearly Interval Plan -Retail Cumulative	115.11	-
	• 15000000 (Nil) Units of ICICI Prudential FMP Series 52 -1 Year Plan C -Dividend Option	150.00	-
	• 9993005, (Nil) Units of ICICI Prudential Interval Fund Annual Interval Plan I -Inst.Cumm	100.00	-
	• 8145697 (Nil) Units of ICICI Prudential Interval Fund -half Yearly Interval Plan - II Institutional Cummulative	81.47	-
	• 5000000 (Nil) Units of ICICI Prudential FMP -Series 53- 6 months -Plan A Cummulative	50.00	-
	• 10000000 (Nil) Units of ICICI Prudential FMP -Series 53- 1 Year -Plan E Cummulative	100.00	-
	• 10000000 (Nil) Units of ICICI Prudential FMP -Series 55- 1 year -Plan B Cummulative	100.00	-
	• 10200813 (Nil) Units of ICICI Prudential FMP -Series 55- 1 year -Plan D Cummulative	102.01	-
	• 5000000 (Nil) Units of Reliance Fixed Horizon Fund -XVI Series 3-Growth Option	50.00	-
	• 5000000 (Nil) Units of Reliance Fixed Horizon Fund -XV Series 8-Growth Option	50.00	-
	• 15291150 (Nil) Units of DSP- Black Rock FMP-3M Series 29-Growth	152.91	-
	• 10000000 (Nil) Units of DSP- Black Rock FMP-12M Series 14-Growth	100.00	-
	• 10000000 (Nil) Units of HDFC-FMP 370 D September 2010 (2)-Growth -Series XV	100.00	-
	• 10000000 (Nil) Units of HDFC-FMP 370 D November 2010 (1)-Growth -Series XVII	100.00	-
	• 1000000 (Nil) Units of HDFC-Debt Fund for Cancer Cure -100% Dividend -Donation Option	10.00	-
	• 2986457 (Nil) Units of Aviva Life Insurance	29.99	-
	TOTAL : II	1641.49	2,630.67
	TOTAL : I + II	4254.17	5,111.62
	Less Diminution in value of Investments	256.77	6.70
	TOTAL	3997.40	5,104.92

Previous year's figures are indicated in brackets.

(₹ in million)

Investments purchased and sold during the year other than shown above :	(No. of Units)	Purchase Value
Units of Birla Sunlife Short Term FMP Series 1 Dividend -Payout	10,000,000	100.00
Units of Birla Sunlife Saving Fund Inst. Growth	29,694,439	548.55
Units of Birla Sunlife Short Term FMP Series 3 Growth	20,413,011	204.13
Units of ICICI Pru. Interval Fund II - Qrtly Interval Plan-Dividend Reim	20,259,800	200.00
Units of ICICI Prudential Floating Rate Plan -D -Growth Option	1,450,897	202.60
Units of ICICI Prudential Interval Fund - Quarterly Interval Plan III -Retail Growth	1,249,313	15.00
Units of ICICI Prudential flexible Income Plan - Premium Growth	7,076,901	1,261.25
Units of ICICI Prudential Interval Fund -II Qrtly Interval Plan - C Institutional Cumulative	9,829,362	100.00
Units of ICICI Prudential Liquid Institutional Plan - Growth	283,047	65.00
Units of ICICI Prudential Liquid Super Institutional Plan - Growth	6,230,542	880.00
Units of ICICI Prudential Interval Fund - Quarterly Interval Plan III -Institutional Dividend	6,586,438	65.86
Units of Reliance Qrtly Interval Fund -Series III-Inst.Growth	4,690,986	58.66
Units of Reliance Liquidity Fund -Growth Option	164,526,858	2,354.75
Units of Reliance Fixed Horizon Fund -XV Series 1-Growth Option	25,000,000	250.00
Units of Reliance Liquid Fund -Cash Plan -Growth Option	56,621,643	890.00
Units of IDFC-Super Saver Income Fund-Med.Term -Inst.Plan B-Growth	11,800,686	120.00
Units of DSP BlackRock Short Term Fund -Growth	61,459,948	980.00
Units of DSP- Black Rock FMP-3M Series 18 -Dividend Payout	15,000,000	150.00
Units of DSP- Black Rock FMP-3M Series 23 -Growth	15,000,000	150.00
Units of HDFC-Short Term Opportunities Fund -Growth Option	10,460,751	104.61
Units of HDFC-LIQUID FUND-Premium Plan -Growth Option	33,243,977	650.00
Units of Reliance Medium Term Fund-Retail Plan -Growth Option	14,096,927.12	270.00
Units of Reliance Short Term Fund-Retail Plan -Growth Option	11,383,557.59	200.00
Units of IDFC-MMF-TP -Super -Institutional Plan C-Growth	16,526,733.90	240.00
Units of HDFC-CMF-Tre.Advantage Plan-Wholesale-Growth	4,940,292.37	100.00

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 7 CURRENT ASSETS, LOANS AND ADVANCES			
A. Current Assets			
a. Inventories			
(As valued and certified by the Management)			
Consumable Stores and Spares, etc.	27.47		21.41
Raw Materials	1071.23		694.30
Goods in Process	203.34		162.94
Finished Goods	1834.00		1,334.00
Traded Goods	210.86		165.76
Packing Materials	197.50		127.90
		3,544.40	2,506.31
b. Sundry Debtors (Unsecured)			
Over six months -			
Considered good	56.89		84.54
Considered doubtful	108.39		101.88
Others, Considered good	2809.02		2,303.05
	2974.30		2,489.47
Less : Provision for doubtful debts	108.39		101.88
		2,865.91	2,387.59
c. Cash and Bank Balances			
Cash on Hand	1.22		0.80
Cheques on Hand	92.02		140.66
Remittances in Transit	0.04		-
Bank Balances :			
With Scheduled Banks :			
In Current Accounts	179.93		186.82
In Fixed Deposit Accounts	658.84		2.85
[Fixed Deposit against Bank guarantees ₹ 8.84 million (₹ 2.85 million)]			
Others :			
In Fixed Deposit with Municipal Co-op.Bank Ltd.	0.03		0.03
[Maximum outstanding during the year ₹ 0.03 million (₹ 0.03 million)]			
		932.08	331.16
d. Other Current Assets			
Interest Receivable	8.90		0.14
Foreign Currency Monetary item Translation Difference Account (Refer Note 10 of Schedule 12)	-		9.14
Claims Receivable	31.90		42.23
		40.80	51.51
B. Loans and Advances			
(Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received	264.75		226.91
Advance Payment of Taxes & MAT credit utilised (Net of Provisions)	86.35		137.36
MAT Credit Entitlement	206.47		311.27
Loans and Advances to Staff	48.25		56.48
Loans and Advance to Subsidiaries	30.28		42.40
Deposits	98.25		86.75
Balances with Central Excise Department	137.67		102.74
		872.02	963.91
TOTAL		8,255.21	6,240.48

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 8 CURRENT LIABILITIES AND PROVISIONS			
A.	Current Liabilities		
	Acceptances	58.10	45.70
	Sundry Creditors (Refer Note 2 of Schedule 12)		
	Small and Medium Enterprises	290.84	166.02
	Others	1202.85	948.26
		1,493.69	1,114.28
	Dealers' Deposits	397.21	333.84
	Investor Education and Protection Fund shall be credited by the following to the extent required as and when necessary : Unclaimed Dividends	10.06	9.84
	Other Liabilities	2,177.63	1,798.27
		4,136.69	3,301.93
B.	Provisions		
	For Gratuity	68.09	0.18
	For Leave encashment	86.72	91.29
	Dividends:		
	Proposed Dividend	885.74	759.20
	Corporate Tax on Dividend	143.69	126.09
		1,029.43	885.29
		1,184.24	976.76
	TOTAL	5,320.93	4,278.69

(₹ in million)

		2010-11	2009-10
SCHEDULE 9 OTHER INCOME			
	Interest received - (Gross) [Tax deducted at source ₹ 1.33 million (₹ 0.79 million)]	29.57	7.19
	Insurance Claim Received	0.23	0.84
	Dividend received		
	On Trade Investments	0.82	-
	On Other Investments	8.82	29.37
		9.64	29.37
	Export Incentives	67.70	71.96
	Profit on sale of Investments	117.81	18.48
	Profit on sale of Fixed Assets	-	1.43
	Miscellaneous	193.52	142.50
	TOTAL	418.47	271.77

(₹ in million)

			2010-11	2009-10
SCHEDULE 10 MATERIALS				
A	Raw Materials consumed			
	Opening Stock	694.30		848.35
	Add : Purchases	9359.28		6783.42
		10053.58		7631.77
	Less : Closing Stock	1071.23		694.30
			8,982.35	6937.47
B	Packing Materials consumed			
	Opening Stock	127.90		124.62
	Add : Purchases	2943.43		2393.23
		3071.33		2517.85
	Less : Closing Stock	197.50		127.90
			2,873.83	2389.95
C	Cost of Traded Goods			
	Opening Stock	165.76		167.21
	Add : Purchases	1201.74		997.67
		1367.50		1164.88
	Less : Closing Stock	210.86		165.76
			1,156.64	999.12
D	(Increase) / Decrease in Stocks			
	Closing Stock			
	Goods in Process	203.34		162.94
	Finished Goods	1834.00		1334.00
		2037.34		1496.94
	Less :			
	Opening Stock			
	Goods in Process	162.94		140.75
	Finished Goods	1334.00		987.81
		1496.94		1128.56
			(540.40)	(368.38)
TOTAL			12,472.42	9958.16

(₹ in million)

		2010-11	2009-10
SCHEDULE 11 OTHER EXPENSES			
Stores and Spares consumed		113.96	89.37
Clearing, Forwarding, Octroi Duty, etc.		1,127.94	823.19
Power and Fuel		271.40	206.14
Water Charges		18.20	15.54
Employees' Cost:			
[Refer Notes 1 (vii) ,6,7 and 18 of Schedule 12]			
Salaries, Wages, Bonus, Allowances.	2011.08		1816.65
Contribution to Provident and Other Funds	192.10		108.94
Welfare Expenses	61.43		49.84
		2,264.61	1975.43
Rent		135.93	121.68
Rates and Taxes		16.96	23.25
Insurance		20.41	25.70
Licence fees		1.34	0.87
Repairs:			
Buildings	27.23		20.67
Machinery	46.16		46.76
Others	22.97		24.82
		96.36	92.25
Directors' Fees		0.37	0.35
Advertisement and Publicity		859.08	634.55
Legal, Professional and Consultancy fees		140.14	145.16
Communication Expenses		51.09	59.96
Printing and Stationery		26.60	24.04
Travelling and Conveyance Expenses		345.25	314.10
Bad Debts		34.53	36.13
Provision for Doubtful Debts		6.51	28.38
Processing and Packing Charges		359.97	314.09
Bank Charges		33.40	39.76
Commission and Brokerage		31.72	23.97
Miscellaneous expenses		517.16	475.38
[Refer Note 19 of Schedule 12]			
Remuneration to Auditors			
Audit Fees	2.43		2.43
For Other Services	1.93		1.33
		4.36	3.76
Donations		52.11	28.05
Diminution in value of Investments		250.07	-
[Refer Notes 1(vi) of Schedule 12]			
Foreign Exchange Fluctuation		8.35	93.09
[Refer Note 10 of Schedule 12]			
Loss on Fixed Assets Sold / Discarded		8.56	3.26
Interest			
On Term Loan	90.12		89.84
On Debentures	147.45		165.75
Others	30.59		30.44
		268.16	286.03
TOTAL		7,064.54	5883.48

1 Significant Accounting Policies:

i. General

The financial statements are prepared under the historical cost convention, on the basis of a going concern and as per applicable Indian Accounting Standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis (except as otherwise stated below).

ii. Revenue Recognition

- i. Income from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Sales are net of Sales Tax/VAT, returns, rebates and discounts.
- ii. Interest income is recognised on accrual basis.
- iii. Claims which are not of material nature / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.
- iv. Dividend is accounted for when right to receive dividend is established.

iii. Fixed Assets, Depreciation and Impairment Loss

- a. Fixed Assets are stated at cost of acquisition or construction as reduced by accumulated depreciation and impairment loss, if any.
- b. Preoperative expenditure during construction period / trial run : Direct expenses as well as clearly identifiable indirect expenses incurred on the projects during the period of construction are capitalised alongwith the respective assets.
- c. The Company provides depreciation as under :
 1. For assets acquired upto 30th June 1987, on Straight Line Method (SLM) basis.
 2. For assets acquired after 30th June 1987 and before 31st March 1993, on SLM basis at rates specified in Schedule XIV of the Companies Act, 1956.
 3. For assets acquired after 31st March 1993, on SLM basis as per new rates prescribed under Schedule XIV vide notification no. GSR 756 (E) dated 16th December 1993 issued by the Department of Company Affairs.
 4. For assets each costing ₹ 5000 or less, depreciation is provided fully.
 5. For additions made during the year, depreciation is provided on pro-rata basis
 6. The Goodwill acquired by the Company is amortised over a period of 5 years on SLM basis.
 7. The Copyrights, Trademarks, Technical Knowhow, etc. acquired by the Company are amortised over a period of 10 years on SLM basis.
- d. In case, the recoverable amount of the fixed assets is lower than its carrying amount, provision is made for the impairment loss.

iv. Method of Valuation of Inventories

- a. Raw Materials and Packing materials are valued at cost on weighted average basis.
- b. Finished goods, including traded goods and work in process are valued at lower of cost and net realisable value. Cost (arrived at on weighted average) for this purpose includes direct materials, direct labour, excise duty and appropriate overheads including freight costs upto the ports in respect of finished goods meant for exports.
- c. Consumable stores and spares are valued at lower of cost or net realisable value, as estimated by the management.
- d. Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for.

SCHEDULE 12 NOTES ON ACCOUNTS

- v. Research and Development Expenditure
- Capital Expenditure is shown separately in Fixed Assets.
 - Revenue expenses including depreciation are charged to respective heads of accounts.
- vi. Investments
- Long Term Investments are stated at cost. In case there is a diminution of permanent nature in value of Investments, the same is provided for.
 - Quoted current investments are stated at the lower of cost and market value.
 - Unquoted current investments are stated at the lower of cost and fair value where available.
- vii. Retirement Benefits
- Contribution to Provident, Superannuation and Family Pension funds are funded as a percentage of salary/wages.
 - Gratuity liability is funded as per group gratuity scheme of Life Insurance Corporation of India.
 - Gratuity and leave encashment are provided for on the basis of actuarial valuation as at the year end.
- viii. Transactions in foreign currencies
- Transactions are recorded at the exchange rates prevailing on the date of transaction.
 - Foreign currency designated assets and liabilities are restated at the year end rates and the resultant gain or loss is taken to Profit and Loss Account, except in respect of fixed Assets which is being capitalised (Refer Schedule 12 note 10)
- ix. Income Tax
- Provision for current tax is made on the basis of relevant provisions of the Income Tax Act,1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is virtual / reasonable certainty that these would be realised in future.
- x. Provisions, Contingent Liabilities and Contingent Assets
- A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material are disclosed by way of notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.
2. The Company did not have at any time during the year amount due to small and medium enterprises (SME) which is outstanding for more than 45 days. Further no interest is paid / payable to such SME creditors. The above information and that given in Schedule 8 "Current Liabilities and Provisions" regarding small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 12 NOTES ON ACCOUNTS			
3. Contingent liabilities not provided for:			
i. Guarantees given by Banks in favour of Government and others		53.93	48.98
ii. Guarantees given by Company		596.65	647.00
iii. Disputed liabilities in respect of Income Tax, Sales Tax, Central Excise and Customs (under appeal)		542.50	323.80
iv. Claims against the company not acknowledged as debts.		82.17	81.44
4. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for		418.40	196.68
5. The net amount of exchange differences (credited) / debited to Profit & Loss Account		8.35	93.09
6. Remuneration to Directors: (Includes benefits which are debited to respective expenses)			
a. Remuneration		50.64	44.20
b. Commission		109.42	85.14
c. Provident Fund Contribution		2.67	2.41
d. Other Perquisites		10.92	8.04
(Excluding Gratuity and Leave encashment which is provided for the Company as a whole)			
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.		4084.57	3373.87
Add: Directors' remuneration	50.64		44.20
Contribution to Provident Fund	2.67		2.41
Other Perquisites	10.92		8.04
		64.23	54.65
		4148.80	3428.52
Less : Profit/(Loss) on sale of investments		117.81	18.48
Profit/(Loss) on sale of fixed assets		(8.56)	(1.83)
Net Profit for the year for the purpose of Directors' Commission		4039.55	3411.87
Commission payable to Directors			
a. Managing Director, Joint Managing Director and Wholetime Directors		104.02	82.44
b. Others		5.40	2.70
		109.42	85.14

(₹ in million)

		As at 31 st March 2010	As at 31 st March 2009
8. Sundry debtors include amount due from :			
	Company as per Section 370 (1B) of the Companies Act, 1956 : Parekh Marketing Limited	93.84	119.29
9.	The borrowing cost on Foreign Currency Convertible Bonds / ECB of ₹ 67.20 million (₹ 74.51 million) has been capitalised during the year.		
10.	The Company had, in March 2009, exercised the option permitted by the Central Government under Notification No G.S.R 225 (E) to treat foreign exchange difference relating to assets as adjustments in the carrying value of such depreciable assets and amortise other differences of a specified nature over the term of the relative item. Accordingly for the period ended 31 st March 2011, the Company has credited the gain of ₹ 1.99 million to the carrying cost of the depreciable assets and credited ₹ 8.05 million to Foreign Currency Monetary Item Translation Account. Out of the said Foreign Currency Monetary Item Translation Account ₹ 1.07 million has been amortised in the current year ended 31 st March 2011.		
11.	Disclosure as per clause 32 of the listing agreement		
	(a) Loans in the nature of Inter Corporate Deposits (ICD's) given to Subsidiaries:		
		Amount outstanding As on 31 st March 2011	Maximum Balance outstanding during the year
	Name of the subsidiary companies		
	i) Bhimad Commercial Co Pvt Ltd	5.55	8.55
	ii) Madhumala Traders Pvt Ltd	5.70	8.70
	iii) Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	-	0.25
	iv) Pagel Concrete Technologies Pvt Ltd	3.21	3.21
	Notes:		
	a) Loans and Advances shown above, fall under the category of 'Loans & Advances' in nature of loans where there is no repayment schedule and re-payable on demand.		
	b) Loans and Advances referred to in point (i), (ii) and (iv) above are not bearing any interest.		

SCHEDULE 12 NOTES ON ACCOUNTS

12. 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 licenced capacity, installed capacity, production and sales of the goods manufactured:

i. DETAILS OF THE GOODS MANUFACTURED / SALES / STOCKS

Class of Goods ^A	Licenced Capacity*	Installed Capacity* Approx.	Opening Stock (Qty)	Opening Stock (₹ in million)	Production Meant for Sale (Qty)	Sales ^B (Qty)	Sales ^B (₹ in million)	Closing Stock (Qty)	Closing Stock (₹ in million)
Dyestuffs									
M.T.	3900	3144	3680	233.47	20577 ^C	21151	2414.07	3106	288.52
	(3900)	(3144)	(2362)	(184.54)	(20949)	(19631)	(1838.00)	(3680)	(233.47)
K.L.			1075	140.26	6380 ^D	6353	1466.90	1102	161.37
			(595)	(79.86)	(6615)	(6135)	(1366.00)	(1075)	(140.26)
Chemicals									
M.T.	372109	260449	13128	596.11	164138 ^E	161545	13870.72	15721	824.31
	(335265)	(244085)	(9619)	(453.30)	(140075)	(136566)	(11056.00)	(13128)	(596.11)
K.L.	37780	32260	3961	296.18	42695 ^F	41113	4714.28	5543	483.96
	(37780)	(28860)	(2831)	(227.35)	(35158)	(34028)	(4092.00)	(3961)	(296.18)
Others Nos. Lac									
			143	67.98	1176 ^G	1183	686.18	136	75.84
			(98)	(42.76)	(2336)	(2291)	(589.00)	(143)	(67.98)
Traded Goods									
				165.76			1635.66		210.86
				(167.21)			(1088.94)		(165.76)
				1499.76			24787.81		2044.86
				(1155.02)			(20029.94)		(1499.76)

* This being technical matter, is as certified by the Management and relied upon by Auditors.

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

B Excluding Resale of Raw Materials / Packing Materials ₹ 95.53 million (₹ 210.41 million)

C Includes 17228 Tonnes (17721 Tonnes) produced in the factory of third party.

D Includes 5165 KL (5315 KL) produced in the factory of third party.

E Includes 51755 Tonnes (38423 Tonnes) produced in the factory of third party.

F Includes 6970 KL (5380 KL) produced in the factory of the third party.

G Includes 1175 Nos Lac (2332 Nos Lac) produced in the factory of the third party.

Figures in bracket indicate previous year's figures.

SCHEDULE 12 NOTES ON ACCOUNTS

ii. a. Value of Imported and Indigenous Raw Materials consumed and percentage thereof :					
		2010-11 ₹ in million	2009-10 ₹ in million	2010-11 %	2009-10 %
Imported		3154.56	2418.28	35.50	35.95
Indigenous		5732.26	4308.78	64.50	64.05
		8886.82 *	6727.06 *	100.00	100.00
ii. b. Consumption of Raw Materials		2010-11		2009-10	
		Quantity MT	Value ₹ in million	Quantity MT	Value ₹ in million
Vinyl Acetate Monomer		25309	1242.32	21321	990.91
Miscellaneous			7644.50		5736.15
(None of these individually account for more than 10% of total consumption)					
			8886.82 *		6727.06

Notes:

* Net of Resale of Raw Materials ₹ 95.53 million (₹ 210.41 million)

(₹ in million)

		2010-11	2009-10
iii. C.I.F. Value of Imports:			
Raw Materials		2912.45	1888.76
Capital Goods		105.20	6.59
Others		582.20	448.53
		3599.85	2343.88
iv. Expenditure in Foreign Currency :			
Foreign Travel		32.34	35.53
Professional Fees		33.75	33.13
Interest		80.52	72.19
Others		154.24	193.05
		300.85	333.90
v. Earnings in Foreign Exchange:			
FOB Value of Exports		2392.92	1838.46
Others		5.44	4.01
		2398.36	1842.47

SCHEDULE 12 NOTES ON ACCOUNTS

13. Segment reporting:

INFORMATION ABOUT BUSINESS SEGMENTS

(₹ in million)

Business Segments	Consumer & Bazaar Products	Industrial Products	Others	Total
REVENUE				
External Sales	18101.84 (14804.74)	5334.48 (4360.72)	101.19 (157.00)	23537.51 (19322.46)
Inter Segment Revenue (at cost plus 10%)	32.59 (19.55)	474.67 (309.60)	- (19.30)	507.26 (348.45)
Total Revenue	18134.43 (14824.29)	5809.15 (4670.32)	101.19 (176.30)	24044.77 (19670.91)
RESULTS				
Segment Results	4625.94 (3848.89)	1000.70 (914.63)	(140.78) ((125.74))	5485.86 (4637.78)
Unallocated Corporate Expenses				1596.01 (1263.85)
Unallocated Corporate Income				314.25 (164.27)
Operating Profit				4204.10 (3538.20)
Interest Expenses				268.16 (286.03)
Interest / Dividend Income				39.21 (36.56)
Income Tax (Provision for Taxation and Deferred Taxation)				936.24 (397.51)
Net Profit				3038.91 (2891.22)
OTHER INFORMATION				
Segment Assets	6460.39 (5497.55)	2747.60 (2053.81)	443.07 (380.47)	9651.06 (7931.83)
Unallocated Corporate Assets				10342.10 (10362.31)
Total assets				19993.16 (18294.14)
Segment Liabilities	2845.45 (2422.54)	1162.21 (856.38)	6.39 (13.01)	4014.05 (3291.93)
Unallocated Corporate Liabilities				4583.85 (5616.42)
Total liabilities				8597.90 (8908.35)
Capital Expenditure	490.70 (143.73)	88.02 (40.92)	51.67 (15.39)	630.39 (200.04)
Unallocated Corporate Capital Expenditure				627.63 (491.10)
Depreciation	209.51 (227.45)	79.35 (69.27)	25.90 (38.57)	314.76 (335.29)

SCHEDULE 12 NOTES ON ACCOUNTS

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS

(₹ in million)

GEOGRAPHICAL SEGMENTS	India		Other Countries		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales Revenue	20982.23	17420.12	2555.28	1902.34	23537.51	19322.46
Carrying amount of Segment Assets	19399.51	17821.53	593.65	472.61	19993.16	18294.14
Additions to Fixed Assets and Intangible Assets	1257.54	689.27	0.48	1.87	1258.02	691.14

Notes:

SEGMENT INFORMATION

Business Segment

The Company is operating into three business segments: Consumer & Bazaar Products, Industrial Products and Others. This segmentation is based around customers.

Consumer & Bazaar Products consist of mainly Adhesives, Sealants, Art Materials and Construction Chemicals.

Industrial Products consists of Organic Pigments, Industrial Resins and Industrial Adhesives.

Others consist of VAM manufacturing unit of Vinyl Chemicals (India) Ltd demerged into the Company wef 1st April 2007.

Geographical Segment

For the purpose of geographical segment the sales are divided into two segments : Sales within India and Sales to other countries.

14. Deferred Taxation:

Out of the net deferred tax liability of ₹ 409.66 million as at 31st March 2011, the major components of deferred tax balances are set out below:

(₹ in million)

	Upto 31 st March 2010	During the year 2010-11	Carried as at 31 st March 2011
Deferred Tax Liability			
i) Difference between Accounting and Tax Depreciation (Cumulative)	500.72	(3.50)	497.22
Deferred Tax Assets			
i) Leave Salary & Others	85.36	2.20	87.56
Net Deferred Tax Liability	415.36	(5.70)	409.66

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

SCHEDULE 12 NOTES ON ACCOUNTS
15. Earnings Per Share

	As at 31st March 2011	As at 31 st March 2010
Weighted Average no. of shares used in computing Basic Earnings per share	506134612	506134612
Add Weighted average Potential no. of equity shares that could arise on exercise of option on Zero Coupon Convertible Bonds from 16 th Jan 2008 to 1 st December 2012	14441438	14300428
Weighted Average no. of shares used in computing Diluted Earnings per share	520576050	520435040
Net Profit after tax (₹ in million)	3038.91	2934.95
Basic Earnings Per Share * (₹)	6.00	5.80
Diluted Earnings Per Share * (₹)	5.84	5.64
* Equity shares of face value of Re 1 each.		

16. a) Particulars of Unhedged foreign currency Exposure as at Balance Sheet Date

Particulars	Amount
Export Debtors	₹ 547.41 million (USD 11.32 million, Euro 0.55 million, SPD 0.04 million, Zar 0.62 million) Previous Year ₹ 432.81 million (USD 8.78 million, Euro 0.54 million, SPD 0.01 million, THB 1.03 million, Zar 0.31 million)
Creditors	₹ 187.8 million (USD 3.77 million, Euro 0.32 million) Previous Year ₹ 56.5 million (USD 1.14 million, Euro 0.5 million)
Loans	₹ 1894.88 million (USD 42.87 million) Previous Year ₹ 2146.13 million (USD 48.55 million)

b) Details of Forward Contract outstanding as at the End of Year

Currency	No. of Contracts	Buy Amount	Purpose
USD	2	₹ 62.62 million	Import of Raw Materials

SCHEDULE 12 NOTES ON ACCOUNTS**17. Related Party Disclosures**

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

i	Relationships:	
a.	Parekh Marketing Ltd	Significant Influence
b.	Vinyl Chemicals (India) Ltd	Substantial Interest in Voting Power (Associate)
c.	Kalva Marketing and Services Ltd	Significant Influence
d.	Nitin Enterprises	Controlling Interest
e.	Fevicol Company Ltd	100% Subsidiary
f.	Bhimad Commercial Co Pvt Ltd	100% Subsidiary
g.	Madhumala Traders Pvt Ltd	100% Subsidiary
h.	Pagel Concrete Technologies Pvt Ltd	75% Subsidiary
i.	Pidilite International Pte Ltd	100% Subsidiary
j.	Pidilite Middle East Ltd	100% Subsidiary
k.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	100% Subsidiary
l.	Pidilite USA Inc	100% Subsidiary
m.	Jupiter Chemicals (LLC)	100% Subsidiary of wholly owned subsidiary
n.	P.T. Pidilite Indonesia	100% Subsidiary of wholly owned subsidiaries
o.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	100% Subsidiary of wholly owned subsidiaries
p.	Pidilite Innovation Centre Pte Ltd	100% Subsidiary of wholly owned subsidiaries
q.	Pidilite Industries Egypt - SAE	100% Subsidiary of wholly owned subsidiaries
r.	Pidilite Bamco Ltd	100% Subsidiary of wholly owned subsidiary
s.	Pidilite South East Asia Ltd.	100% Subsidiary of wholly owned subsidiary
t.	Bamco Supply Services Ltd.	49% Subsidiary of wholly owned subsidiary and having significant influence
u.	PIL Trading Egypt (LLC)	100% Subsidiary of wholly owned subsidiaries
v.	Pidilite Industries Trading (Shanghai) Co. Ltd	100% Subsidiary of wholly owned subsidiaries

ii	Key Management Personnel :
	Sarva Shri M B Parekh - Managing Director, N K Parekh - Jt Managing Director, A B Parekh and A N Parekh - Whole Time Directors, Shri J L Shah- Whole Time Director.

iii	Other Directors :
	Sarva Shri B K Parekh and S K Parekh

SCHEDULE 12 NOTES ON ACCOUNTS

 iv. Transactions with Related Parties during the year ended 31st March 2011 are as follows :

Nature of Transaction	(₹ in million)										
	Remuneration to Directors	Parekh Marketing Ltd.	Vinyl Chemicals (India) Ltd.	Kaiva Marketing and Services Ltd.	Nitin Enterprises	Bhimad Commercial Co Pvt Ltd.	Madhumala Traders Pvt Ltd.	Pagel Concrete Technology Pvt Ltd.	Pidilite International Pte Ltd.	Pidilite Middle East Ltd.	Puivitec do Brasil Industria e Comercio de Colas e Adesivos Ltda
a. Sales and Related Income		475.33 (427.65)	-	-	1.41 (1.68)	-	-	-	-	-	1.99 (-)
b. Other Income		2.49 (0.50)	0.40	-	-	-	-	-	-	-	0.48 (0.39)
c. Purchases and Other Related Services		0.26 (-)	1168.31 (1026.35)	-	103.12 (87.18)	-	-	-	0.21	-	- (-)
d. Remuneration to Directors: - Managing Director /Jt Managing Director	116.76 (95.28)										
- Wholetime Directors	51.49 (41.80)										
e. Investment in Share Capital		-	-	-	-	-	-	2.65 (87.62)	61.63 (50.62)	49.63 (112.72)	
f. Loans Given / (repayment of loan received)		-	-	-	-	(3.00) (7.50)	(3.00) (7.50)	0.01 (0.14)	-	-	(0.25) (112.72)
g. Purchase of Fixed Assets		-	-	-	-	-	-	-	-	-	-
h. Sale of Fixed Assets		-	-	-	0.16 (0.07)	-	-	-	-	-	- (0.12)
i. Interest Paid / (Received)		-	-	-	-	-	-	-	-	-	-
j. Reimbursement of expenses made		0.55 (0.79)	-	-	-	-	-	-	-	-	- (1.47)
k. Reimbursement of expenses received		0.21 (-)	0.76 (0.62)	-	-	-	-	-	-	-	-
l. Provision For Doubtful Debts Made		-	-	-	-	-	-	-	-	-	-
m. Bad Debts Written Off		-	-	-	-	-	-	-	-	-	-
n. Diminution in value of Investment		-	-	-	-	-	-	-	-	250.00	-
o. Outstanding Balances : - Debtors		93.84 (119.29)	0.54	-	0.25 (0.58)	-	-	-	-	-	7.85 (5.94)
- Creditors		-	140.78 (99.37)	-	3.15 (7.94)	-	-	0.19	-	-	-
- Outstanding Payable (Net of receivable)		(93.84) (119.01)	140.24 (99.37)	-	2.90 (7.36)	-	-	0.19	-	-	(7.85) (5.94)

SCHEDULE 12 NOTES ON ACCOUNTS

 iv. Transactions with Related Parties during the year ended 31st March 2011 are as follows :

Nature of Transaction	(₹ in million)													
	Pidlite USA Inc.	Jupiter Chemicals (LL.C.)	Pidlite Industries Trading (Shanghai) co. Ltd	Pidlite Indonesia	PT Pidilite	Pidlite Speciality Chemicals Bangladesh Pvt Ltd.	Pidlite Innovation Centre Pte Ltd.	Pidlite Industries Egypt SAE	Chem-son Asia Pte Ltd.	Pidlite Bamco Ltd.	Pidlite South East Asia	Bamco Supply Services Limited	PIL Trading Company Egypt	Total
a. Sales and Related Income	29.60 (16.23)	0.42 (0.31)	- (-)	- (-)	- (-)	17.54 (14.98)	0.23 (-)	23.33 (9.73)	- (-)	0.01 (-)	- (-)	(0.34) (0.34)	21.75 (6.86)	571.27 (477.78)
b. Other Income	2.44 (2.15)	0.46 (0.56)	- (-)	- (-)	- (-)	0.15 (0.09)	0.19 (-)	0.18 (0.09)	- (0.27)	0.70 (0.80)	- (-)	- (-)	0.12 (-)	7.61 (4.85)
c. Purchases and Other Related Services	18.74 (12.17)	- (-)	- (-)	0.18 (6.21)	- (-)	- (-)	28.18 (20.49)	- (-)	- (3.87)	- (-)	- (-)	- (-)	- (-)	1319.00 (1156.27)
d. Remuneration to Directors: - Managing Director/Jt Managing Director														116.76 (95.28)
- Wholetime Directors														51.49 (41.80)
e. Investment in Share Capital	17.83 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.48)	- (-)	- (-)	- (-)	- (-)	- (-)	131.74 (251.44)
f. Loans Given/(Taken)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	(6.24) (127.86)
g. Purchase of Fixed Assets	- (-)	0.10 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.10 (0.01)
h. Sale of Fixed Assets	- (-)	- (-)	- (-)	- (-)	- (-)	0.96 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1.12 (0.19)
i. Interest Paid / (Received)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (1.47)
j. Reimbursement of expenses made	2.97 (3.51)	9.20 (35.47)	2.93 (-)	3.29 (8.84)	- (-)	- (-)	- (-)	- (-)	- (-)	0.72 (0.16)	- (-)	- (-)	0.62 (-)	20.28 (48.84)
k. Reimbursement of expenses received	0.44 (-)	- (2.21)	0.17 (-)	- (-)	- (-)	- (0.64)	- (-)	- (0.49)	- (0.63)	- (1.41)	- (-)	- (0.12)	- (-)	1.58 (1.70)
l. Provision For Doubtful Debts Made	- (-)	- (-)	- (-)	3.26 (2.98)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3.26 (2.98)
m. Bad Debts Written Off	- (-)	- (-)	- (-)	0.09 (13.08)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.09 (13.08)
n. Diminution in value of Investment	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	250.00 (-)
o. Outstanding Balances :														
- Debtors	17.15 (37.70)	3.01 (5.69)	1.00 (-)	3.31 (3.37)	7.19 (5.68)	7.19 (5.68)	1.50 (0.26)	12.25 (9.59)	- (-)	1.56 (3.49)	1.05 (1.05)	- (0.48)	24.86 (6.61)	175.36 (199.73)
- Creditors	0.21 (7.96)	0.81 (0.95)	1.11 (-)	0.85 (2.58)	- (-)	- (-)	2.07 (4.67)	- (-)	- (-)	0.72 (0.16)	- (-)	- (-)	- (-)	149.89 (123.91)
- Outstanding Payable (Net of receivable)	(16.94) (29.74)	(2.20) (4.74)	0.11 (-)	(2.46) (0.79)	(7.19) (5.68)	(7.19) (5.68)	0.57 (4.41)	(12.25) (9.59)	- (-)	(0.84) (3.33)	(1.05) (1.05)	- (0.48)	(24.86) (6.61)	(25.47) (75.82)

SCHEDULE 12 NOTES ON ACCOUNTS
18. The Company has classified various employee benefits as under :
(A) Defined Contribution Plans

- (a) Provident Fund
- (b) Superannuation Fund
- (c) State Defined Contribution Plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

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

The Company has recognised the following amounts in the Profit and Loss Account for the year:

(₹ in million)

	2010-11
(i) Contribution to Provident Fund	64.79
(ii) Contribution to Employees' Superannuation Fund	8.37
(iii) Contribution to Employees' State Insurance Scheme	9.61
(iv) Contribution to Employees' Pension Scheme 1995	25.78
(B) Defined Benefit Plans	
(a) Gratuity	
(b) Leave Encashment	
Applicable to certain employees	
Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions :	
(i) Discount Rate (per annum)	8.25%
(ii) Rate of increase in Compensation levels	6.50%

(₹ in million)

	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i. Changes in Present value of Obligation				
a. Opening Present value of Obligation	178.03	91.29	158.57	68.83
b. Interest Cost	14.82	5.34	12.69	5.26
c. Past Service Cost	-	(6.16)	-	-
d. Current Service Cost	17.52	13.85	13.59	10.41
e. Contributions by Plan participants	-	-	-	-
f. Curtailment Cost/(Credit)	-	-	-	-
g. Settlement Cost/(Credit)	-	-	-	-
h. Benefits Paid	(14.34)	(35.33)	(9.86)	(18.11)
i. Actuarial (Gains)/Loss	68.08	17.73	3.04	24.90
j. Amalgamation/ Scheme	-	-	-	-
k. Closing Present value of Obligation	264.11	86.72	178.03	91.29

SCHEDULE 12 NOTES ON ACCOUNTS

(₹ in million)

	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
ii. Changes in Fair value of Plan Assets				
a. Opening Present value of Plan Assets	177.85	-	150.95	-
b. Expected Return on Plan Assets	17.08	-	15.26	-
c. Actuarial (Gain) / Loss	-	-	-	-
d. Employer's Contributions	15.43	-	21.50	-
e. Employees' Contributions (incl. ₹ Nil transferred from previous employers)	-	-	-	-
f. Benefits Paid	(14.34)	-	(9.86)	-
g. Amalgamation / Scheme	-	-	-	-
h. Closing Fair value of Assets	196.02	-	177.85	-
iii. Percentage of each category of Plan Assets to total closing fair value of Plan Assets				
a. Bank Deposits (Sp. Dep. Scheme, 1975)	-	-	-	-
b. Debt Instruments	-	-	-	-
c. Administered by Life Insurance Corporation of India	196.02	-	177.85	-
d. Others	-	-	-	-
iv. Reconciliation of the Present Value of Defined Present Obligations and the Fair Value of Assets				
a. Closing Present value of Funded Obligation	264.11	86.72	178.03	91.29
b. Closing Fair value of plan Assets	196.02	-	177.85	-
c. Funded (Asset) / Liability recognised in the Balance Sheet	68.09	86.72	0.18	91.29
d. Closing Present value of Unfunded Obligation	-	-	-	-
e. Unrecognised Past Service Cost	-	-	-	-
f. Unrecognised Actuarial (Gain) / Loss	-	-	-	-
g. Unfunded Net Liability recognised in the Balance Sheet	-	-	-	-
v. Amounts recognised in the Balance Sheet				
a. Closing Present value of Obligation	264.11	86.72	178.03	91.29
b. Closing Fair value of Plan Assets	196.02	-	177.85	-
c. (Asset) / Liability recognised in the Balance Sheet	68.09	86.72	0.18	91.29
vi. Expenses recognised in the Profit and Loss Account				
a. Current Service Cost	17.52	13.85	13.59	10.41
b. Past Service Cost	-	(6.16)	-	-
c. Interest Cost	14.82	5.34	12.69	5.26
d. Expected Return on Plan Assets	(17.08)	-	(15.26)	-
e. Curtailment cost / (credit)	-	-	-	-
f. Settlement Cost / (credit)	-	-	-	-
g. Net Actuarial (Gain) / Loss	68.08	17.73	3.04	24.90
h. Employees' Contribution	-	-	-	-
i. Total Expenses recognised in the Profit and Loss Account	83.34	30.76	14.06	40.57

SCHEDULE 12 NOTES ON ACCOUNTS**19. Miscellaneous expenses includes excise duty on**

	2010-11	2009-10
Closing Stock	189.23	145.96
Opening Stock	145.96	82.45
Excise duty on stock included in Miscellaneous Expenses	43.27	63.51

20. Research & development Expenditure

	2010-11	2009-10
Capital expenditure included in fixed assets	4.54	5.34
Revenue expenditure charged to Profit & Loss account	105.96	91.64
Total	110.50	96.98

[Refer Notes 1(v) of Schedule 12]

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

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

SCHEDULE 12 NOTES ON ACCOUNTS

**23. 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**

	2010-11	2009-10
I. Registration Details:		
Registration No.	14336	14336
State Code	11	11
Balance Sheet Date	31.03.2011	31.03.2010
	(₹ in million)	(₹ in million)
II. Capital Raised during the year		
Public Issue	Nil	Nil
Rights Issue	Nil	Nil
Bonus Issue	Nil	253.07
Private Placement/ On Amalgamation	Nil	Nil
III. Position of Mobilisation and Deployment of Funds		
Total Liabilities	14672.23	14015.45
Total Assets	14672.23	14015.45
Sources of Funds		
Paid-up Capital	506.13	506.13
Reserves and Surplus	10889.13	8879.66
Secured Loans	859.37	2184.50
Unsecured Loans	2007.94	2029.80
Deferred Tax Liability (Net)	409.66	415.36
Application of Funds		
Net Fixed Assets	7740.55	6948.74
Investments	3997.40	5104.92
Net Current Assets	2934.28	1961.79
IV. Performance of Company		
Turnover	24883.34	20240.35
Less : Excise duty	1345.83	917.89
Net Turnover	23537.51	19322.46
Other Income	418.47	271.77
Total Expenditure	19980.83	16305.50
Profit Before Tax	3975.15	3288.73
Profit After Tax	3038.91	2934.95
Earning per Share in ₹	6.00	5.80
Dividend rate %	175	150
V. Generic Names of three Principal Products/Services of the Company (as per monetary terms)		
Item Code No.	Product	
(ITC Code)	Description	
3506	ADHESIVES	
3905 + 3906	SYNTHETIC RESINS	
3204	ORGANIC PIGMENTS AND PREPARATIONS BASED ON ORGANIC PIGMENTS	

Signatures to Schedules 1 to 12

FOR AND ON BEHALF OF THE BOARD

B K PAREKH
Chairman

S K PAREKH
Vice Chairman

M B PAREKH
Managing Director

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

Cash Flow Statement

For The Year Ended 31st March 2011

(₹ in million)

		2010-11	2009-10
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before taxation	3975.15	3288.73
	Adjustment for Depreciation	443.87	463.86
	(Reversal)/ Additional Provision for Diminution in value of Investments	250.07	(1.91)
	Interest paid	268.16	286.03
	Dividend received	(9.64)	(29.37)
	Interest received	(29.57)	(7.19)
	(Profit) / Loss on Sale of Investment	(117.81)	(18.48)
	(Profit) / Loss on Sale of Assets	8.56	1.83
	Unrealised Foreign exchange losses / (Gain)	1.06	(4.12)
	Bad debts w/off / provision for doubtful debts	41.04	64.51
		855.74	755.16
	Operating Profit before Working Capital changes	4830.89	4043.89
	Working Capital changes:		
	Inventories (inc) / Dec	(1038.09)	(217.38)
	Debtors (Inc) / Dec	(519.36)	(39.07)
	Loans and Advances, etc. (Inc) / Dec	(62.36)	221.65
	Current Liabilities Inc / (Dec)	799.10	979.91
		(820.71)	945.11
	Cash generated from operations	4010.18	4989.00
	Income Tax paid (Net)	(786.13)	(689.86)
	Net Cash flow from Operating Activities	3224.05	4299.14
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(1192.82)	(741.43)
	Sale of Fixed Assets	13.79	10.88
	Purchase of Investments	(11783.63)	(10817.33)
	Sale of Investments	12758.89	8138.18
	(Increase) / decrease in term deposits	(205.99)	(1.43)
	Interest received	29.57	7.19
	Dividend received	9.64	29.37
	Net Cash flow from Investing Activities	(370.55)	(3374.57)
		2853.50	924.57

Cash Flow Statement

For The Year Ended 31st March 2011

(₹ in million)

	2010-11	2009-10
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Increase of long term borrowings	(5.86)	(3.73)
(Repayment) / Increase of long term borrowings - Bank	(241.18)	(263.14)
(Decrease) / Increase in Short term Borrowings - Bank	(189.88)	(729.28)
(Redemption) / Issue of Foreign Currency Convertible Bonds	-	(86.64)
(Repurchase) / Issue of secured Redeemable Non Convertible Debentures	(900.00)	-
Interest Paid	(236.58)	(264.31)
Dividend paid (Including Dividend Tax, where applicable)	(885.07)	(518.52)
Net Cash Flow from Financing Activities	(2458.57)	(1865.62)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		
Net Increase in Cash and Cash Equivalents	394.93	(941.05)
Cash and Cash Equivalents as at 01.04.2010	328.28	1269.33
Cash and Cash Equivalents as at 31.03.2011	723.21	328.28
	394.93	(941.05)

NOTES:

- Closing Balance of Cash and Cash Equivalents includes exchange rate gain of ₹ 10.13 million (Previous year loss of ₹ 62.10 million)
- Cash and cash Equivalents includes:

	31 st March 2011	31 st March 2010
Cash on Hand	1.22	0.80
Cheques on Hand	92.02	140.66
Remittances in Transit	0.04	-
Bank Balances:		
With Scheduled Banks:		
In Current Accounts	179.93	186.82
In Fixed Deposits Accounts	450.00	-
	723.21	328.28

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO.
Chartered Accountants

B K PAREKH
Chairman

CHETAN DESAI
Partner
Membership No. 17000

S K PAREKH
Vice Chairman

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

M B PAREKH
Managing Director

Statement pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

Currency	Names of the subsidiaries									
	Fevicol Company Ltd.	Pidilite International Pte Ltd.	Pidilite Middle East Ltd.	Jupiter Chemicals (L.L.C.).	Pidilite Speciality Chemicals Bangladesh Pvt Ltd.	Pidilite Bamco Ltd.	PT Pidilite Indonesia	Pidilite USA Inc	Pidilite Innovation Center Pte Ltd.	
	Indian ₹	Singapore Dollars	AED	AED	Taka	Baht	IDR	US Dollars	Singapore Dollars	
The financial year of the subsidiary ended on	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	
Holding company's interest	100%	100%	100%	100%	100%	*100%	100%	100%	100%	
				by Pidilite Middle East Ltd.	by Pidilite International Pte Ltd. (99%) & Pidilite Middle East Ltd. (1%)	by Pidilite International Pte Ltd.	by Pidilite International Pte Ltd. (99%) & Pidilite Middle East Ltd. (1%)	100%	by Pidilite International Pte Ltd.	
Equity Share Capital Including Share application Money	-	23400081	32362573	300000	218297435	25881800	8826346588	14780000	995155	
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	0.50	824.44	391.24	3.63	133.69	37.98	45.01	656.23	35.06	
Local Currency Indian ₹ in million										
Local Currency Indian ₹ in million	-	(74082)	(20003669)	(7213547)	8729414	(4252428)	(246363945)	320240	(254518)	
Local Currency Indian ₹ in million	-	(2373841)	(219286)	(12732949)	698441	(16696572)	(5078541808)	(6056049)	(185818)	
	(0.19)	(83.64)	(2.65)	(153.93)	0.43	(24.50)	(25.90)	(268.89)	(6.55)	
Additional information u/s 212(5)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	

* One Equity share each held by Shri M B Parekh and Shri A N Parekh respectively

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

B K Parekh
Chairman

S K Parekh
Vice Chairman

M B Parekh
Managing Director

Statement pursuant to Section 212 of The Companies Act, 1956 relating to Subsidiary Companies

Currency	Madhumala Traders Pvt Ltd.	Bhimad Commercial Co Pvt Ltd.	Pidlilite Industries Egypt - SAE	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Pidlilite South-east Asia Ltd.	Bamco Supply and Services Ltd.	PIL trading Egypt (L.L.C.)	Pidlilite Industries Trading (Shanghai) Co. Ltd*	Pagel Concrete Technologies Pvt Ltd.
The financial year of the subsidiary ended on	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011	31 st March 2011
Holding company's interest	100%	100%	100% by Pidilite International Pte Ltd. (97%), Pidilite Industries Ltd. (2%) & Pidilite Middle East Ltd. (1%)	100%	100% by Pidilite International Pte Ltd. (97%), Pidilite Industries Ltd. (3%)	49% by Pidilite International Pte Ltd.	100% by Pidilite Industries Egypt- SAE	100% by Pidilite International Pte Ltd.	75%
Equity Share Capital Including Share application Money	- 0.10	- 0.10	26294556 196.02	36703930 1002.00	4000000 5.87	1000000 1.47	50000 0.37	197688 1.34	0 1.00
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	- 2.64	- 2.64	(2617956) (19.52)	(3238677) (88.41)	(94425) (0.14)	253779 0.37	(2847979) (21.23)	(100842) (0.68)	- -
Net aggregate Profits or (Losses) for the previous financial years 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	- 12.16	- 12.17	(6247726) (46.57)	(10354010) (282.66)	(4140775) (6.08)	1223088 1.79	(184,166.31) (1.37)	- -	- (1.53)
Additional information u/s 212(5)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

* Became subsidiary of Pidilite International Pte Ltd. during the year.

FOR AND ON BEHALF OF THE BOARD

B K Parekh
Chairman

S K Parekh
Vice Chairman

M B Parekh
Managing Director

SAVITHRI PAREKH
Company Secretary

Mumbai
Date : 19th May 2011

Corporate Governance Report

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the following report:

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 2010-11, 5 Board Meetings (including one adjourned meeting) were held on 19th May 2010 (adjourned to 16th June 2010), 21st July 2010, 20th October 2010 and 8th February 2011.

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee Memberships as on 31st March 2011 are given below:

Sr. No.	Name	Category	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in other Companies(*)	No. of Committee positions held in other Companies @	
						Memberships	Chairmanships
1	Shri B K Parekh (Chairman)	NED(P)	4	Yes	16	2	-
2	Shri S K Parekh (Vice Chairman)	NED(P)	5	Yes	6	-	-
3	Shri M B Parekh (Managing Director)	ED(P)	4	Yes	9	-	-
4	Shri N K Parekh (Jt. Managing Director)	ED(P)	4	Yes	8	-	-
5	Shri A B Parekh (Wholetime Director)	ED(P)	3	No	11	-	-
6	Shri A N Parekh (Wholetime Director)	ED(P)	4	Yes	12	-	-
7	Shri R M Gandhi	NED (I)	5	Yes	4	2	4
8	Shri N J Jhaveri	NED (I)	4	Yes	9	2	2
9	Shri Bansi S Mehta	NED (I)	4	Yes	16	5	4
10	Shri Ranjan Kapur	NED (I)	5	No	12	3	1
11	Shri Yash Mahajan	NED (I)	2	No	2	1	-
12	Shri Bharat Puri	NED (I)	2	No	-	-	-
13	Shri D Bhattacharya	NED (I)	3	No	7	-	1
14	Shri J L Shah (Wholetime Director)	ED	4	Yes	-	-	-

* Including Directorships held in Private Limited Companies, Section 25 Companies, Alternate Directorships and Directorships in bodies incorporated outside India.

@ Includes position in Audit Committee and Shareholders' / Investors' Grievance Committee only.

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

Shri B K Parekh, Shri S K Parekh and Shri N K Parekh are related to each other. Shri M B Parekh and Shri A B Parekh are related to each other as well as to Shri B K Parekh. Shri A N Parekh is related to Shri N K Parekh.

3. Audit Committee

During the financial year 2010-11, 4 meetings of the Committee were held on 19th May 2010, 21st July 2010, 20th October 2010 and 8th February 2011.

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)	3
2	Shri N J Jhaveri	Member	NED (I)	4
3	Shri B K Parekh	Member	NED (P)	3
4	Shri Ranjan Kapur	Member	NED (I)	4

The Managing Director is a permanent invitee to the meetings. The Company Secretary is the Secretary of the Committee. Director - Finance, Chief Finance - Domestic, Statutory Auditor and Internal Auditors are invited to attend the meetings. The Cost Auditor is invited when required.

The powers and terms of reference of the Committee are as specified 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 2010-11 are given below:

Sr. No.	Name	Salary * (₹)	Commission Payable (₹)	Perquisites (₹)	Total (₹)	Tenure (No. of years)
1	Shri M B Parekh (Managing Director)	11,152,212	69,345,293	10,821,595	91,319,100	5 years from 01/08/2008
2	Shri N K Parekh (Jt. Managing Director)	5,576,100	13,461,145	4,132,945	23,170,190	5 years from 01/08/2008
3	Shri A B Parekh (Wholetime Director)	3,827,574	13,053,232	5,089,536	21,970,342	5 years from 01/08/2008
4	Shri A N Parekh (Wholetime Director)	4,164,696	8,158,270	3,244,296	15,567,262	5 years from 01/07/2010
5	Shri J L Shah (Wholetime Director)	3,720,000	-	7,488,558	11,208,558	2 years from 21/10/2009

* Includes House Rent Allowance

The above figures are exclusive of Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of tenure as per the rules of the Company.

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 of stock options for the Directors or the employees.

The details of sitting fees paid for attending the Board/ Committee meetings and commission due to the Non-Executive Directors for the year ended 31st March 2011 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B K Parekh	-	6,00,000	6,00,000
2	Shri S K Parekh	-	6,00,000	6,00,000
3	Shri R M Gandhi	61,000	6,00,000	6,61,000
4	Shri N J Jhaveri	80,000	6,00,000	6,80,000
5	Shri Banshi S Mehta	73,000	6,00,000	6,73,000
6	Shri Ranjan Kapur	83,000	6,00,000	6,83,000
7	Shri Yash Mahajan	20,000	6,00,000	6,20,000
8	Shri Bharat Puri	20,000	6,00,000	6,20,000
9	Shri D Bhattacharya	30,000	6,00,000	6,30,000

M/s Banshi S Mehta & Co., a Chartered Accountants firm in which Shri Banshi S Mehta is a partner is consulted by the Company 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 and they do not have any material association with the Company. Other Non-Executive Directors did not have pecuniary relationships or transactions vis-à-vis the Company.

In terms of Special Resolution passed by the Members at Annual General Meeting held on 27th August 2008, Non-Executive Directors have been paid aggregate commission at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with section 309(5) of the Companies, Act, 1956 as determined by the Board of Directors, based on consideration of time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

The number of shares held by Non-Executive Directors as on 31st March 2011: Shri R M Gandhi - 70,450; Shri N J Jhaveri - 10,000; Shri Ranjan Kapur - Nil; Shri Banshi S Mehta - 24,716; Shri Yash Mahajan - 10,000; Shri B K Parekh - 58,16,446; Shri S K Parekh - 4,59,69,560; Shri Bharat Puri - Nil; Shri D. Bhattacharya - Nil.

5. Shareholders'/Investors' Grievance Committee

During the year 12 meetings of the Share Transfer Committee were held and 1 meeting of the Shareholders' / Investors' Grievance Committee (SIG Committee) was held on 5th January 2011 which was attended by Shri R M Gandhi, Shri B K Parekh and Shri S K Parekh.

Details of composition of the SIG 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 S K Parekh	Member	NED (P)

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

The Secretarial Department of the Company, under the supervision of Smt Savithri Parekh, Secretary who is also nominated as the "Compliance Officer" w.e.f. 1st November 2010 (Shri P C Patel, President and Secretary was the Compliance Officer up to 31st October 2010) as required by SEBI/Listing Agreement and TSR Darashaw Limited, Registrar & Share Transfer Agent, attend to all shareholders'/investors' grievances received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs and Registrar of Companies.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and TSR Darashaw Ltd. have attended to all the shareholders'/investors' grievances/correspondences generally within a period of 15 days from the date of receipt.

The total number of letters received from the shareholders were 1275 of which only 15 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. There were no pending complaints as on 31st March 2011. 1 request for dematerialization of shares and 3 requests for transfer of shares were pending for approval as on 31st March 2011 which were dealt with by 5th April 2011 and 11th April 2011 respectively.

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, President is the Compliance Officer for the purpose.

6. General Body Meetings

Details of location, date and time of the Annual General Meetings for the last three years are given below:

Financial Year	Venue	Date & Time
2009-10	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	11 th August 2010 at 11.00 a.m.
2008-09	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	4 th August 2009 at 11.00 a.m.
2007-08	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	27 th August 2008 at 11.00 a.m.

The following Special Resolutions were passed with requisite majority in the previous 3 Annual General Meetings:

2009-2010

No Special Resolutions were passed.

2008-2009

- Appointment of Shri Sanket S Parekh, a relative of Director to hold office or place of profit in the Company under Section 314 of the Companies Act, 1956.

2007-2008

- Re-appointment of Shri N K Parekh as the Joint Managing Director of the Company and payment of Remuneration under Section 198, 269, 309, 311 and Schedule XIII of the Companies Act, 1956.
- Payment of Commission to Directors (other than the Managing Director, Joint Managing Director and Wholetime Directors) under Section 309 of the Companies Act, 1956.

No Special Resolution was passed 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 have 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 the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.

-
- The Company has complied with all applicable mandatory requirements of Clause 49 of the Listing Agreement. Out of the non-mandatory requirements, the Company has adopted the following:

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.

8. Means of Communication

- The quarterly results of the Company are normally published in the following newspapers:

The Economic Times (English), Maharashtra Times (Marathi) and displayed on the Company's website.

- Presentation made to Institutional Investors or to Analysts: Yes. Also displayed on Company's website.

9. Information relating to Directors

Information relating to Directors seeking appointment / reappointment as required under clause 49(IV)(G)(i) of the Listing Agreement is given in the Notice of the Annual General Meeting.

10. Information for Shareholders

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

11. Declaration by the Managing Director under Clause 49(1)(D)(ii)

Declaration by the Managing Director of the Company under Clause 49(1)(D)(ii) of the Listing Agreement with Stock Exchanges is given below:

"Pursuant to Clause 49(1)(D)(ii) of the Listing Agreement with Stock Exchanges, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March 2011."

Corporate Governance Compliance Certificate

To

**The Members of
M/s Pidilite Industries Limited**

Co. Regn No: 14336
Nominal Capital: ₹ 70 Crore

We have examined relevant records of M/s Pidilite Industries Ltd. (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. for the financial year ended 31st March 2011. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and informations furnished, we certify that the Company has complied with all the applicable mandatory conditions of the said Clause 49 of the Listing Agreement.

Date: 19th May 2011
Mumbai

For M M SHETH & CO
Company Secretaries

M M SHETH
Proprietor
FCS.1455, CP.729

Information for Shareholders

Annual General Meeting

Day, Date & Time:

Tuesday, 26th July 2011 at 3 p.m.

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

Financial Year 1st April to 31st March

Date of Book Closure

12th July 2011 to 26th July 2011 (both days inclusive)

Dividend Payment

Dividend will be paid on or after 26th July 2011 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 Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Annual Listing fee for the financial year 2011-12 has been paid to BSE & NSE.

Stock Codes

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Ltd.	500331
National Stock Exchange of India Ltd.	PIDILITIND

Listing of Secured Redeemable Non-Convertible Debentures (NCDs)

The Company had issued NCDs (Series I) aggregating to ₹ 750 million and NCDs (Series II) aggregating to ₹ 750 million, which are listed at the Wholesale Debt Market segment of National Stock Exchange of India Ltd. and the Debenture Trustees are IDBI Trusteeship Services Ltd., Asian Building, Ground Floor, 17 R Kamani Marg, Ballard Estate, Mumbai 400 001.

During the financial year 2010 - 2011, the Company has repurchased NCD - Series I of ₹ 150 million (outstanding as on 31st March 2011 - ₹ 600 million) and has fully repurchased NCD-Series II aggregating to ₹ 750 million.

ISIN for NCD (Series I) - INE318A07015

Market Price Data

Share prices during the financial year 2010-11 at NSE for one equity share of ₹ 1/- each were as under:

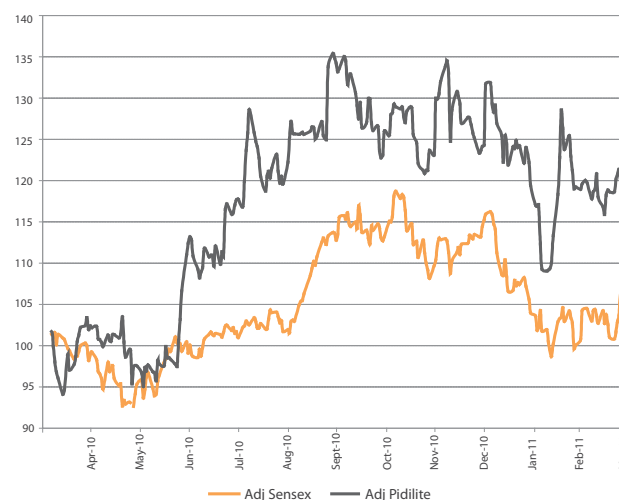
Month	Share Price (₹)	
	High	Low
April, 2010	120.50	107.60
May, 2010	129.40	105.70
June, 2010	133.30	107.60
July, 2010	138.80	124.50
August, 2010	151.45	134.00
September, 2010	159.75	141.50
October, 2010	158.00	125.70
November, 2010	154.40	137.35
December, 2010	159.00	140.00
January, 2011	154.75	134.00
February, 2011	152.80	122.80
March, 2011	157.35	132.05

Share prices during the financial year 2010-11 at BSE for one equity share of Re.1/- each were as under:

Month	Share Price (₹)	
	High	Low
April, 2010	120.50	108.05
May, 2010	129.35	108.10
June, 2010	133.10	105.85
July, 2010	138.00	124.75
August, 2010	151.40	134.00
September, 2010	159.65	142.15
October, 2010	157.70	140.40
November, 2010	153.70	137.00
December, 2010	158.00	141.50
January, 2011	155.00	135.00
February, 2011	153.00	123.05
March, 2011	153.95	131.25

Stock Performance

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



Registrar & Transfer Agent

TSR Darashaw Limited
 Unit: Pidilite Industries Limited
 6-10, Haji Moosa Patrawala Ind. Estate,
 20, Dr. E. Moses Road,
 Mahalaxmi, Mumbai - 400 011
 Tel : 022 - 66568484
 Fax : 022 - 66568494
 E-mail : csg-unit@tsrdarashaw.com
 Website : www.tsrdarashaw.com

Share Transfer System

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

No. of shares	Authorisation given to
Up to 4000 *	TSR Darashaw Limited
Up to 20000 *	Any one of the Sarva Shri B K Parekh, S K Parekh, M B Parekh, Directors or the Company Secretary.
Above 20000 *	Share Transfer Committee comprising the Directors viz, Sarva Shri B K Parekh, S K Parekh, N K Parekh and R M Gandhi.

*Revised w.e.f. 19th May 2010

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 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March 2011

No. of Equity Shares held	No. of folios	%	No of Shares	%
Up to 5000	30696	92.18	14954575	2.96
5001 - 10000	1953	5.86	14987483	2.96
10001- 20000	315	0.95	4720777	0.93
20001 - 30000	73	0.22	1829661	0.36
30001 - 40000	51	0.15	1850913	0.37
40001 - 50000	30	0.09	1380032	0.27
50001 - 100000	55	0.17	4197459	0.83
100001 and above	127	0.38	462213712	91.32
Total	33300	100.00	506134612	100.00
No. of Shareholders & shares in physical mode	2193	6.59	5028224	0.99
No. of beneficial owners & shares in electronic mode	31107	93.41	501106388	99.01
Total	33300	100.00	506134612	100.00

Dematerialisation of shares & liquidity

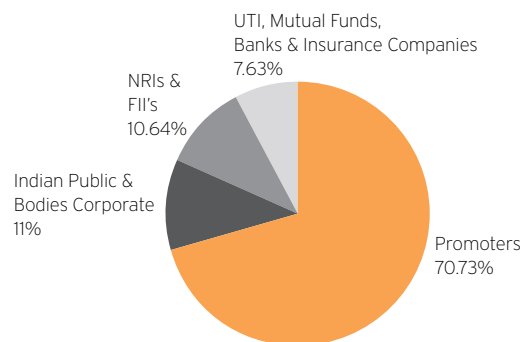
As on 31st March 2011, 99.01% of total equity shares of the Company were held in dematerialised form with National Securities Depository Ltd. and Central Depository Services (India) Ltd. The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under ISIN INE318A01026.

Requests for dematerialisation of shares are processed and generally confirmed within 21 days of receipt.

Outstanding GDRs/ADRs/Warrants/Convertible instruments

In December, 2007, the Company raised U.S. \$ 40 million through Zero Coupon Foreign Currency Convertible Bonds. The Bonds have a yield to maturity of 6.75% per annum (calculated on a semi-annual basis) and are redeemable in 2012 i.e. after 5 years and 1 day from closing date. The Bonds are convertible into equity shares of the Company at any time on and after 16th January 2008 until 1st December, 2012. The original price of conversion was ₹ 256.035 per share which was reset in terms of the provisions of the offering circular.

Shareholding Pattern as on 31st March 2011:



The Company issued Bonus Equity Shares in the ratio of 1:1 with Record Date on 17th March 2010. FCCB holders who exercised their right till the Record Date were eligible to receive the Bonus Shares at par with other Shareholders. Furthermore, those FCCB holders who opt for conversion after the Record Date, under the terms on which the FCCBs were offered are entitled to a proportionately higher number of Equity Shares as if the conversion had taken place prior to the Record Date.

The Company has repurchased and cancelled Bonds of face value of U.S. \$ 2.8 million and as on 31st March 2011 the outstanding Bonds are U.S. \$ 37.2 million.

The Bonds have been issued at par and will be redeemed, if not converted into shares, at 139.37% of par value on maturity.

The Bonds are listed on the Singapore Exchange Securities Trading Limited and the shares to be issued upon conversion of the Bonds will be listed on the NSE and BSE. ISIN for Bonds: XS0330177667

Plant Locations in India

Mahad, Panvel, Taloja (Maharashtra); Vapi, Surat (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi (Himachal Pradesh).

Address for Correspondence

Registered Office:

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

Corporate Office:

Ramkrishna Mandir Road, Off. Mathuradas Vasanji Road, Andheri (E), Mumbai - 400059
Tel No : 022-67697000/7037

Fax No : 022-28216007

Email : investor.relations@pidilite.co.in

Website : www.pidilite.com

Corporate Secretarial/Investors' Assistance Department:

The Company's Secretarial Department headed by Smt Savithri Parekh, Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact Smt. Savithri Parekh or Shri Abhishek Thareja at the Corporate Office in Mumbai for any assistance they may need.

Consolidated
Financial
Statements

Auditors' Report

Auditors' Report to the Board of Directors of Pidilite Industries Limited on the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of **Pidilite Industries Limited** ("the Company") and its Subsidiaries (including subsidiaries of subsidiaries) and an associate (collectively referred to as "the group") as at 31st March 2011 and the consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the 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.
3. We did not audit the financial statements of subsidiaries (including subsidiaries of subsidiaries), whose financial statements reflect total assets of ₹ 3,513 million as at 31st March 2011, total revenues of ₹ 3,244 million and net cash outflow of ₹ 9 million for the year then ended. We also did not audit the financial statements of an associate in whose financial statements the Group's share of profit is ₹ 17 million for the year ended 31st March 2011. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements" and Accounting Standards (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Pidilite Industries Limited and its subsidiaries (including subsidiaries of subsidiaries) and the associate included in the Consolidated Financial Statements.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow statement, of the cash flows of the Group for the year ended on that date.

For HARIBHAKTI & CO
Chartered Accountants
FRN No. 103523W

CHETAN DESAI
Partner
Membership No. 17000

Place: Mumbai
Date: 19th May 2011

Consolidated Balance Sheet

As at 31st March 2011

(₹ in million)

	Schedule	As at 31 st March 2011	As at 31 st March 2010
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	1	506.13	506.13
b. Reserves and Surplus	2	10,340.90	8,213.31
		10,847.03	8,719.44
2. Loan Funds			
a. Secured Loans	3	1,327.17	2,627.36
b. Unsecured Loans	4	2,028.49	2,058.96
		3,355.66	4,686.32
3. Deferred Tax Liability			
		420.56	419.23
4. Minority Interest			
		2.04	1.58
TOTAL		14,625.29	13,826.57
II APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block	5	10,598.69	9,808.19
b. Less : Accumulated Depreciation		4,959.95	4,346.22
c. Net Block		5,638.74	5,461.97
d. Capital work in progress		3,499.61	2,927.63
		9,138.35	8,389.60
2. Investments			
	6	1,704.59	2,677.69
3. Deferred Tax Asset			
		0.21	2.57
4. Current Assets, Loans and Advances			
a. Inventories	7	4,092.03	2,978.74
b. Sundry Debtors		3,459.68	2,959.02
c. Cash and Bank Balances		1,039.01	448.52
d. Other Current Assets		40.81	51.51
e. Loans and Advances		924.73	994.32
		9,556.26	7,432.11
Less : Current Liabilities and Provisions			
a. Liabilities	8	4,589.88	3,695.75
b. Provisions		1,184.24	979.65
		5,774.12	4,675.40
Net Current Assets		3,782.14	2,756.71
TOTAL		14,625.29	13,826.57
Notes forming part of the Accounts		12	

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO.
Chartered Accountants

B K PAREKH
Chairman

CHETAN DESAI
Partner
Membership No. 17000

S K PAREKH
Vice Chairman

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

M B PAREKH
Managing Director

Consolidated Profit and Loss Account

For The Year Ended 31st March 2011

(₹ in million)

	Schedule	2010-11	2009-10
INCOME			
Sales		27,794.80	22,867.22
Less : Excise Duty		1,355.71	926.60
Net Sales		26,439.09	21,940.62
Other Income	9	432.40	335.19
		26,871.49	22,275.81
EXPENDITURE			
Materials	10	14,047.35	11,390.68
Other Expenses	11	8,198.19	7,108.80
Depreciation		595.30	665.50
		22,840.84	19,164.98
Profit before Taxation		4,030.65	3,110.83
Income Tax Expense			
Current Tax		944.03	566.94
Less : MAT Credit Entitlement		-	142.29
		944.03	424.65
Deferred Tax		2.74	(16.52)
		946.77	408.13
Profit for the year		3,083.88	2,702.70
Prior year Tax Provision written back (Net)		-	43.73
Share of Profit in Associate Company for the year		16.97	23.70
Minority Interest		(0.38)	(0.54)
Balance brought forward from previous year		270.78	208.95
Profit available for appropriation		3,371.25	2,978.54
Proposed Dividend on Equity Share Capital		885.74	759.20
Corporate Tax on Dividend		143.69	126.10
		1,029.43	885.30
Transfer to Debenture Redemption Reserve		42.31	322.46
Transfer to General Reserve		1,900.00	1,500.00
Balance carried to Balance Sheet		399.51	270.78
Earnings per share: (Refer note 6 of Schedule 12)			
Basic (₹)		6.13	5.47
Diluted (₹)		5.96	5.32
Face Value of Share (₹)		1.00	1.00
Notes forming part of the Accounts	12		

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO.
Chartered Accountants

B K PAREKH
Chairman

CHETAN DESAI
Partner
Membership No. 17000

S K PAREKH
Vice Chairman

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

M B PAREKH
Managing Director

Schedule

Schedule Numbers 1 to 12 annexed to and forming part of the Consolidated Balance Sheet as at 31st March 2011 and Profit and Loss Account for the year ended 31st March 2011

(₹ in million)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 1 SHARE CAPITAL		
Authorised		
70,00,00,000 Equity Shares of ₹ 1 each	700.00	700.00
TOTAL	700.00	700.00
Issued, Subscribed and Paid up		
50,61,34,612 Equity Shares of ₹ 1 each, fully paid-up (Notes 1 to 3)	506.13	506.13
TOTAL	506.13	506.13
NOTES		
Out of the above		
1. 74,75,880 Equity Shares of ₹ 1 each have been issued for consideration other than cash pursuant to various schemes of amalgamation during earlier years.		
2. 47,94,81,646 Equity Shares of ₹ 1 each have been allotted as fully paid-up Bonus Shares by way of capitalisation of General Reserve, Securities Premium Account and Capital Redemption Reserve.		
3. The Equity Shares of the face value of ₹ 10 each were sub-divided into ten Equity Shares of the face value of ₹ 1 each w.e.f. 27 th September 2005.		
SCHEDULE 2 RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Balance Sheet	5.20	5.11
Cash Subsidy Reserve		
	11.24	11.24
Less: Reversed during the year	1.77	-
	9.47	11.24
Debenture Redemption Reserve		
Balance as per last Balance Sheet	649.91	327.46
Add : Transferred from Profit and Loss Account	42.31	322.45
	692.22	649.91
General Reserve		
Balance as per last Balance Sheet	7,210.58	5,933.71
Add : Transferred from Special Reserve	-	1.19
Less : Capitalised during the year for bonus issue	-	224.32
Add : Transferred from Profit and Loss Account	1,900.00	1,500.00
	9,110.58	7,210.58
Foreign Currency Translation Reserve	123.92	65.69
Profit and Loss Account	399.51	270.78
TOTAL	10,340.90	8,213.31

(in million)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 3 SECURED LOANS		
600 (750) 11.9% Secured Redeemable Non Convertible Debentures of ₹ 10,00,000 Each (Note.1)	600.00	750.00
Nil (750) 10.2% Secured Redeemable Non Convertible Debentures of ₹ 10,00,000 Each (Note.1)	-	750.00
Term Loans from Banks (Note.2)	231.67	466.92
Working Capital Loans from Banks (including Working Capital Demand Loan) (Note.3)	495.50	660.44
TOTAL	1,327.17	2,627.36

1. Secured Redeemable Non Convertible Debentures are secured by way of mortgage and charge (by First pari passu charge) on the immovable property in Gujarat and all movable properties of the Company.
The Company has repurchased 11.9% Secured Redeemable Non-Convertible Debentures of ₹ 150 million and 10.2% Secured Redeemable Non-Convertible Debentures aggregating to ₹ 750 million during the year. 600 Secured Redeemable Non Convertible Debentures with interest @ 11.9% p.a. will be redeemed at par on 5th December 2013.
2. Term Loan from Banks is secured by way of hypothecation of all movable Plant and Machinery of the Company.
3. Working Capital Loans from Banks of the holding company are secured by way of first charge on the stock of Raw Materials, Finished Goods, Packing Material, Stock in Process, Bills Receivable and Book Debts and by way of second charge on the entire Plant and Machinery of the Company including Stores and Spares. Further, these loans are secured by way of an Equitable Mortgage on the Land and Building of the Company's unit at Kondivita, Mumbai.

SCHEDULE 4 UNSECURED LOANS		
Long term		
Interest free Sales Tax loan from Government of Maharashtra	344.73	350.59
Foreign Currency Convertible Bonds (US \$ 37.2 million Zero Coupon Convertible Bonds due in 2012) [During the year Company has bought back bonds of US \$ Nil (US \$1.7 million)]	1,663.21	1,679.21
Others	20.55	29.16
TOTAL	2,028.49	2,058.96

Amount due within one year ₹ 9.03 million (₹ 5.86 million)

SCHEDULE 5 FIXED ASSETS

(₹ in million)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2010	Additions/ Adjust- ments	Deductions/ Adjustments	Foreign Exchange Gain/Loss	As at 31.3.2011	Provided during the year	Deductions/ Adjustments	Foreign Exchange Gain/Loss	As at 31.3.2011	As at 31.3.2010
Freehold Land	174.14	-	-	(0.45)	173.69	-	-	-	173.69	174.14
Leasehold Land	77.03	16.77	-	-	93.80	0.83	-	-	86.39	70.45
Buildings	1,523.49	56.34	-	(13.67)	1,566.16	48.59	-	0.60	377.16	1,195.52
Plant and Machinery	5,454.63	558.63	6.37	39.12	6,046.01	371.14	2.77	38.95	3,257.89	2,604.05
Furniture and Fixtures	436.07	27.93	16.42	(0.47)	447.11	31.19	9.10	1.21	189.50	269.87
Vehicles	230.14	18.24	48.06	0.52	200.84	20.85	27.63	0.48	90.58	133.26
Capital Expenditure on Scientific Research										
- Buildings	1.44	-	-	-	1.44	0.05	-	-	1.05	0.45
- Plant and Machinery	47.65	4.54	-	-	52.19	1.31	-	-	27.67	21.29
- Furniture and Fixtures	3.07	-	-	-	3.07	0.19	-	-	2.33	0.93
Assets given on Lease										
Plant and Machinery	1.82	-	-	-	1.82	-	-	-	1.82	-
Intangible Assets										
- Goodwill	829.07	3.21	-	81.45	913.73	60.84	-	14.18	289.18	614.91
- Computer software	36.63	0.55	-	1.43	38.61	4.06	-	0.98	32.08	9.59
- Copyrights, Trademarks, etc.	993.01	64.85	-	2.36	1,060.22	56.25	-	1.53	683.28	367.51
Total	9,808.19	751.06	70.85	110.29	10,598.69	595.30	39.50	57.93	4,959.95	5,461.97
Previous Year	9,273.25	630.76	129.52	33.70	9,808.19	665.50	91.27	10.90	4,346.22	
Capital work in progress includes capital advances.										
TOTAL									3,499.61	2,927.63
									9,138.35	8,389.60

(₹ in million)

	As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 6 LONG TERM INVESTMENTS (AT COST)		
I. In Equity Shares (Fully paid)		
a. Trade :		
Quoted :		
• 7,451,540 (7,451,540) Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	11.79	11.79
• Goodwill (Net Arising at the time of acquisition of shares)	(9.52)	(9.52)
• Share of undistributed Profit / losses in previous years	35.94	12.24
• Dividend received	(0.82)	-
• Share of Profit / Losses Current Year	16.97	23.70
Total 1 a)	54.36	38.21
b. Non Trade :		
i) Quoted :		
• 3,594 (3,594) Equity Shares of ₹ 10 each of Hindustan Adhesives Ltd	0.09	0.09
• 14,400 (14,400) Equity Shares of ₹ 10 each of Hindustan Organic Chemicals Ltd	0.72	0.72
• 1674 (1674) Equity Shares of ₹ 10 each of Reliance Industries Ltd	0.77	0.77
• 222,542 (222,542) Equity Shares of ₹ 10 each of Indian Overseas Bank Ltd	2.96	2.96
• 61,900 (61,900) Equity Shares of ₹ 10 each of Menon Pistons Ltd	4.38	4.38
Total 1 b (i)	8.92	8.92
Total 1 a) + 1 b (i)	63.28	47.13
[Market Value ₹ 108.43 million (₹ 87.59 million)]		
ii) Unquoted		
• 200,200 (200,200) Equity Shares of ₹ 10 each of Enjayes Spices & Chemicals Oil Ltd	5.29	5.29
• 121,300 (121,300) Equity Shares of ₹ 10 each of Pal Peugeot Ltd	1.21	1.21
• 2,275 (2,275) Equity Shares of ₹ 1 each of Himalaya House Co-op Society Ltd (Cost ₹ 2275)	-	-
• 628 (628) Equity Shares of ₹ 100 each of Jawahar Co-op Industrial Estate Ltd	0.06	0.06
• 40 (40) Equity Shares of ₹ 50 each of Regent Chambers Premises Co-op Society Ltd (Cost ₹ 2000)	-	-
• 25 (25) Equity Shares of ₹ 10 each of New Usha Nagar Co-op Housing Society Ltd (Cost ₹ 250)	-	-
• 2500 (2500) Equity Shares of ₹ 10 Each Of Saraswat Co-Operative Bank Ltd	0.03	0.03
• 10 (10) Equity Shares of ₹ 100 each of Taloja CETP Co-op Society Ltd (Cost ₹ 1000)	-	-
TOTAL 1 b (ii)	6.59	6.59
TOTAL - I	69.87	53.72

(₹ in million)

	As at 31st March 2011	As at 31 st March 2010
II. Short Term at cost :		
In Units of Mutual Fund (Unquoted)		
• Nil (1,969,358) Units of Reliance Medium Term Fund-Retail Plan -Growth Option	-	37.25
• Nil (2,655,189) Units of HDFC-Cash Management Fund-Treasury Advantage Plan-Wholesale-Growth Option	-	53.56
• Nil (38,055,404) Units of Birla Sunlife -Dynamic Fund-Growth option	-	579.85
• Nil (24,810,772) Units of HDFC-High Interest Fund -STP -Growth Option	-	450.00
• Nil (44,809,008) Units of ICICI Prudential Medium Term Premium Plus -Growth Option	-	450.00
• Nil (23,842,656) Units of ICICI Prudential Ultra Short Term Super Premium -Growth Option	-	245.26
• Nil (17,250,897) Units of Reliance Short Term Fund-Retail Plan -Growth Option	-	300.00
• Nil (25,520,287) Units of IDFC-Money Manager Fund-Investment Plan -Institutional Plan B-Growth	-	364.75
• 15,000,000 (15,000,000) Units of HDFC FMP 14M March 2010- Growth -Series XII	150.00	150.00
• 10000000 (Nil) Units of Birla Sunlife Term Plan Series CL - Growth	100.00	-
• 9517964 (Nil) Units of ICICI Prudential Interval Fund Half Yearly Interval Plan -Retail Cumulative	115.11	-
• 15000000 (Nil) Units of ICICI Prudential FMP Series 52 -1 Year Plan C -Dividend Option	150.00	-
• 9993005 (Nil) Units of ICICI Prudential Interval Fund Annual Interval Plan I -Inst.Cumm	100.00	-
• 8145697 (Nil) Units of ICICI Prudential Interval Fund -half Yearly Interval Plan - II Institutional Cummulative	81.47	-
• 5000000 (Nil) Units of ICICI Prudential FMP -Series 53- 6 months -Plan A Cummulative	50.00	-
• 10000000 (Nil) Units of ICICI Prudential FMP -Series 53- 1 Year -Plan E Cummulative	100.00	-
• 10000000 (Nil) Units of ICICI Prudential FMP -Series 55- 1 year -Plan B Cummulative	100.00	-
• 10200813 (Nil) Units of ICICI Prudential FMP -Series 55- 1 year -Plan D Cummulative	102.01	-
• 5000000 (Nil) Units of Reliance Fixed Horizon Fund -XVI Series 3-Growth Option	50.00	-
• 5000000 (Nil) Units of Reliance Fixed Horizon Fund -XV Series 8-Growth Option	50.00	-
• 15291150 (Nil) Units of DSP- Black Rock FMP-3M Series 29-Growth	152.91	-
• 10000000 (Nil) Units of DSP- Black Rock FMP-12M Series 14-Growth	100.00	-
• 10000000 (Nil) Units of HDFC-FMP 370 D September 2010 (2)-Growth -Series XV	100.00	-
• 10000000 (Nil) Units of HDFC-FMP 370 D November 2010 (1)-Growth -Series XVII	100.00	-
• 1000000 (Nil) Units of HDFC-Debt Fund for Cancer Cure -100% Dividend -Donation Option	10.00	-
• 2986457 (Nil) Units of Aviva Life Insurance	29.99	-
TOTAL - II	1,641.49	2,630.67
TOTAL : I + II	1,711.36	2,684.39
Less Diminution in value of Investments	6.77	6.70
TOTAL	1,704.59	2,677.69

Previous year's figures are indicated in brackets.

(₹ in million)

Investments purchased and sold during the year other than shown above :	(No. of Units)	Purchase Value
Units of Birla Sunlife Short Term FMP Series 1 Dividend -Payout	10,000,000	100.00
Units of Birla Sunlife Saving Fund Inst. Growth	29,694,439	548.55
Units of Birla Sunlife Short Term FMP Series 3 Growth	20,413,011	204.13
Units of ICICI Pru. Interval Fund II - Qrtly Interval Plan-Dividend Reim.	20,259,800	200.00
Units of ICICI Prudential Floating Rate Plan -D -Growth Option	1,450,897	202.60
Units of ICICI Prudential Interval Fund - Quarterly Interval Plan III -Retail Growth	1,249,313	15.00
Units of ICICI Prudential flexible Income Plan - Premium Growth	7,076,901	1,261.25
Units of ICICI Prudential Interval Fund -II Qrtly Interval Plan - C Institutional Cumulative	9,829,362	100.00
Units of ICICI Prudential Liquid Institutional Plan - Growth	283,047	65.00
Units of ICICI Prudential Liquid Super Institutional Plan - Growth	6,230,542	880.00
Units of ICICI Prudential Interval Fund - Quarterly Interval Plan III -Institutional Dividend	6,586,438	65.86
Units of Reliance Qrtly Interval Fund -Series III-Inst.Growth	4,690,986	58.66
Units of Reliance Liquidity Fund -Growth Option	164,526,858	2,354.75
Units of Reliance Fixed Horizon Fund -XV Series 1-Growth Option	25,000,000	250.00
Units of Reliance Liquid Fund -Cash Plan -Growth Option	56,621,643	890.00
Units of IDFC-Super Saver Income Fund-Med.Term -Inst.Plan B-Growth	11,800,686	120.00
Units of DSP BlackRock Short Term Fund -Growth	61,459,948	980.00
Units of DSP- Black Rock FMP-3M Series 18 -Dividend Payout	15,000,000	150.00
Units of DSP- Black Rock FMP-3M Series 23 -Growth	15,000,000	150.00
Units of HDFC-Short Term Opportunities Fund -Growth Option	10,460,751	104.61
Units of HDFC-LIQUID FUND-Premium Plan -Growth Option	33,243,977	650.00
Units of Reliance Medium Term Fund-Retail Plan -Growth Option	14,096,927.12	270.00
Units of Reliance Short Term Fund-Retail Plan -Growth Option	11,383,557.59	200.00
Units of IDFC-MMF-TP -Super -Institutional Plan C-Growth	16,526,733.90	240.00
Units of HDFC-CMF-Tre.Advantage Plan-Wholesale-Growth	4,940,292.37	100.00

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 7 CURRENT ASSETS, LOANS AND ADVANCES			
A	Current Assets		
a.	Inventories (As valued and certified by the Management)		
	Consumable Stores and Spares, etc.	27.47	21.41
	Raw Materials	1,299.74	893.09
	Goods in Process	214.90	167.66
	Finished Goods	1,953.52	1,428.65
	Traded Goods	396.66	338.09
	Packing Materials	199.74	129.84
		4,092.03	2,978.74
b.	Sundry Debtors (Unsecured) Over six months -		
	Considered good	56.89	103.91
	Considered doubtful	131.38	109.77
	Others, Considered good	3,402.79	2,855.11
		3,591.06	3,068.79
	Less : Provision for doubtful debts	131.38	109.77
		3,459.68	2,959.02
c.	Cash and Bank Balances		
	Cash on Hand	1.73	1.56
	Cheques on Hand	92.02	140.66
	Remittances in Transit	0.04	-
	Bank Balances :		
	With Scheduled Banks :		
	In Current Accounts	286.35	301.67
	In Fixed Deposit Accounts	658.84	4.60
	Others :		
	In Fixed Deposit with Municipal Co-op.Bank Ltd.	0.03	0.03
	[Maximum outstanding during the year ₹ 0.03 million (₹ 0.03 million)]		
		1,039.01	448.52
d.	Other Current Assets		
	Interest Receivable	8.91	0.14
	Foreign Currency Monetary item Translation Difference Account (Refer Note 7 of Schedule 12)	-	9.14
	Claims Receivable	31.90	42.23
		40.81	51.51
B.	Loans and Advances		
	(Unsecured, considered good)		
	Advances recoverable in cash or in kind or for value to be received	322.77	276.80
	Advance Payment of Taxes (Net of Provisions)	85.46	140.41
	MAT Credit Entitlement	206.47	311.27
	Loans and Advances to Staff	55.07	59.80
	Deposits	108.72	93.96
	Balances with Central Excise Department	146.24	112.08
		924.73	994.32
	TOTAL	9,556.26	7,432.11

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
SCHEDULE 8 CURRENT LIABILITIES AND PROVISIONS			
A	Current Liabilities		
	Acceptances	58.10	45.70
	Sundry Creditors		
	Small and Medium Enterprises	290.84	166.02
	Others	1,465.30	1,209.29
		1,756.14	1,375.31
	Dealers' Deposits	397.21	333.84
	Investor Education and Protection Fund shall be credited by the following to the extent required as and when necessary : Unclaimed Dividends and Preference Share Capital	10.06	9.84
	Other Liabilities	2,368.37	1,931.06
		4,589.88	3,695.75
B	Provisions		
	For Gratuity	68.09	0.18
	For Leave encashment	86.72	94.18
	Dividends:		
	Proposed Dividend	885.74	759.20
	Corporate Tax on Dividend	143.69	126.09
		1,029.43	885.29
		1,184.24	979.65
	TOTAL	5,774.12	4,675.40

		2010-11	2009-10
SCHEDULE 9 OTHER INCOME			
	Interest received - (Gross) [Tax deducted at source ₹ 1.33 million (₹ 0.79 million)]	31.01	6.57
	Insurance Claim Received	0.23	0.84
	Dividend received		
	On Trade Investments	-	-
	On Other Investments	8.83	29.37
		8.83	29.37
	Export Incentives	67.70	71.96
	Profit on sale of Investments	117.81	18.48
	Profit on sale of Fixed Assets	-	1.97
	Miscellaneous	206.82	206.00
	TOTAL	432.40	335.19

(₹ in million)

			2010-11	2009-10
SCHEDULE 10 MATERIALS				
A	Raw Materials consumed			
	Opening Stock	893.08		984.11
	Add : Purchases	10,596.60		7,546.41
		11,489.68		8,530.52
	Less : Closing Stock	1,299.74		893.08
			10,189.94	7,637.44
B	Packing Materials consumed		2,895.65	2,409.75
C	Cost of Traded Goods			
	Opening Stock	338.09		167.21
	Add : Purchases	1,592.44		1,647.56
		1,930.53		1,814.77
	Less : Closing Stock	396.66		338.09
			1,533.87	1,476.68
D	(Increase) / Decrease in Stocks			
	Closing Stock			
	Goods in Process	214.90		167.66
	Finished Goods	1,953.52		1,428.65
		2,168.42		1,596.31
	Less :			
	Opening Stock			
	Goods in Process	167.66		140.75
	Finished Goods	1,428.65		1,322.37
		1,596.31		1,463.12
			(572.11)	(133.19)
TOTAL			14,047.35	11,390.68

(₹ in million)

		2010-11	2009-10
SCHEDULE 11 OTHER EXPENSES			
Stores and Spares consumed		123.56	97.49
Clearing, Forwarding, Octroi Duty, etc.		1,253.61	933.18
Power and Fuel		298.77	230.67
Water Charges		21.82	19.99
Employees' Emoluments :			
[Refer Notes 1 (viii) of Schedule 12]			
Salaries, Wages, Bonus, Allowances	2,637.98		2,359.80
Contribution to Provident and Other Funds	192.64		111.21
Welfare Expenses	67.45		53.79
		2,898.07	2,524.80
Rent		194.69	182.23
Rates and Taxes		19.12	26.42
Insurance		30.10	34.12
Licence fees		2.61	3.00
Repairs :			
Buildings	27.50		20.93
Machinery	57.71		57.37
Others	28.22		30.39
		113.43	108.69
Directors' Fees		7.97	8.86
Advertisement and Publicity		974.94	717.62
Legal, Professional and Consultancy fees		189.32	177.97
Communication Expenses		68.98	79.68
Printing and Stationery		31.83	30.00
Travelling and Conveyance Expenses		398.29	355.34
Bad Debts		54.14	40.33
Provision for Doubtful Debts		23.56	40.08
Processing and Packing Charges		359.97	314.09
Bank Charges		48.88	54.82
Commission and Brokerage		136.41	106.99
Miscellaneous expenses		551.01	573.85
Remuneration to Auditors			
Audit Fees (Including Tax Audit Fees)	13.66		9.56
For Other Services	1.94		1.33
		15.60	10.89
Donations		52.11	28.05
Diminution in value of Investments		0.07	-
[Refer Notes 1(vii) of Schedule 12]			
Foreign Exchange Fluctuation		6.80	72.83
[Refer Note 7 of Schedule 12]			
Loss on Fixed Assets Sold / Discarded		8.27	8.27
Interest			
On Term Loan	90.12		89.84
On Debentures	147.45		165.75
Others	76.69		72.95
		314.26	328.54
TOTAL		8,198.19	7,108.80

SCHEDULE 12 NOTES ON ACCOUNTS

1 Significant Accounting Policies:

- i. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS21) on Consolidated Financial Statements and it comprises of the results of Pidilite Industries Limited (Holding Company) and subsidiary companies viz.

Name of Subsidiary Company	Country of incorporation	Proportion of Ownership Interest	
Fevicol Company Ltd.	India	100%	Subsidiary
Bhimad Commercial Co Pvt Ltd.	India	100%	Subsidiary
Madhumala Traders Pvt Ltd.	India	100%	Subsidiary
Pagel Concrete Technologies Ltd.	India	75%	Subsidiary
Nitin Enterprises	India		Partnership firm 100% holding of wholly owned Subsidiary
Pidilite International Pte Ltd.	Singapore	100%	Subsidiary
Pidilite Middle East Ltd.	Dubai	100%	Subsidiary
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Brazil	100%	Subsidiary
Pidilite USA Inc.	USA	100%	Subsidiary
Jupiter Chemicals (LLC)	Dubai	100%	Subsidiary of wholly owned Subsidiary
PT Pidilite Indonesia	Indonesia	100%	Subsidiary of wholly owned Subsidiary
Pidilite Speciality Chemicals Bangladesh Pvt. Ltd.	Bangladesh	100%	Subsidiary of wholly owned Subsidiary
Pidilite Innovation Centre Pte Ltd.	Singapore	100%	Subsidiary of wholly owned Subsidiary
Pidilite Industries Egypt - SAE	Egypt	100%	Subsidiary of wholly owned Subsidiary
Pidilite Bamco Ltd.	Thailand	100%	Subsidiary of wholly owned Subsidiary
Pidilite South East Asia Ltd.	Thailand	100%	Subsidiary of wholly owned Subsidiary
PIL Trading Egypt (LLC)	Egypt	100%	Subsidiary of wholly owned Subsidiary
Pidilite Industries Trading (Shanghai) Co. Ltd	China	100%	Subsidiary of wholly owned Subsidiary
Bamco Supply Services Ltd.	Thailand	49%	Subsidiary of wholly owned Subsidiary & Having significant influence

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions & other events in similar circumstances & are presented in the same manner as holding company separate financial statements except as provided under para iv(5), iv(6), iv(e), v(e) and viii(d).

ii. General

The financial statements are prepared under the historical cost convention, on the basis of a going concern and as per applicable Indian Accounting Standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

iii. Revenue Recognition

- Income from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Sales are net of Sales Tax/VAT, returns, rebates and discounts.
- Interest income is recognised on accrual basis.
- Claims which are not of material nature / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.
- Dividend is accounted for when right to receive dividend is established.

iv. Fixed Assets, Depreciation and Impairment Loss

- a. Fixed assets are stated at cost of acquisition or construction as reduced by accumulated depreciation and impairment loss, if any.
- b. Preoperative expenditure during construction period/trial run : Direct expenses as well as clearly identifiable indirect expenses, incurred on project during the period of construction are being capitalised alongwith the respective assets.
- c. The Company provides depreciation as under:
 1. For assets acquired upto 30th June 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 the Income-Tax Act, 1961.
 2. For assets acquired after 30th June 1987 and before 31st March 1993, on SLM basis at rates specified in Schedule XIV of the Companies Act, 1956.
 3. For assets acquired after 31st March 1993, on SLM basis as per new rates prescribed under Schedule XIV vide notification No. GSR 756 (E) dated 16th December 1993 issued by the Department of Company Affairs.
 4. The Company provides pro-rata depreciation for additions made during the year except for each asset costing ₹ 5,000 or less, for which depreciation has been provided at hundred percent.
 5. The Goodwill acquired by the Company is amortised over a period of 5 years on SLM basis. In case of subsidiaries, no goodwill is amortised except Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda where goodwill is amortised over a period of 10 years.
 6. The Copyrights, Trademarks, Technical Knowhow, etc. acquired by the Parent Company are amortised over a period of 10 years on SLM basis. In case of subsidiaries, it is not amortised except for Pidilite USA Inc where it is amortised over a period of 15 years.
- d. In case, the recoverable amount of the fixed assets is lower than its carrying amount, provision is made for the impairment loss.
- e. The depreciation on fixed assets of the subsidiary companies is provided for on SLM over their estimated useful life at rates permissible under applicable local laws.

v. Method of Valuation of Inventories

- a. Raw Materials and Packing materials are valued at cost on weighted average basis.
- b. Finished goods, including traded goods and Work in progress are valued at lower of cost and net realisable value. Cost (arrived at on weighted average) for this purpose includes direct materials, direct labour, excise duty and appropriate overheads including freight costs upto the ports in respect of finished goods meant for exports.
- c. Consumable stores & spares are valued at lower of cost or net realisable value as estimated by the management.
- d. Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for.
- e. In case of Subsidiary companies, inventory valuation is as per generally accepted accounting principles of respective countries.

vi. Research and Development Expenditure

- a. Capital Expenditure is shown separately in Fixed Assets.
- b. Revenue expenses including depreciation are charged to respective heads of accounts.

vii. Investments

- a. Long Term Investments are stated at cost. In case there is a diminution of permanent nature in value of Investments the same is provided for.
- b.
 - i) Quoted current investments are stated at the lower of cost and market value.
 - ii) Unquoted current investments are stated at the lower of cost and fair value where available.

viii. Retirement Benefits

- a. Contribution to Provident, Superannuation and Family Pension funds are funded as a percentage of salary / wages.
- b. Gratuity liability is funded as per group gratuity scheme of Life Insurance Corporation of India.
- c. Gratuity and Leave encashment liability is provided for on the basis of actuarial valuation as at the year end.
- d. Retirement benefits for the employees in subsidiary companies are governed under applicable local laws.

ix. Transactions in foreign currencies

- a. Transactions are recorded at the exchange rates prevailing on the date of transaction.
- b. In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets & liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising out of consolidation is transferred to "Foreign Currency Translation Reserve".
- c. Foreign currency designated assets and liabilities are restated at the year end rates and the resultant gain or loss is taken to Profit and Loss Account except in respect of fixed Assets which is being capitalised (Refer Note 7 of Schedule 12)

x. Income Tax

Provision for current tax is made on the basis of relevant provisions of the Income Tax Act, 1961 in case of the Holding Company and Income Tax Laws of the respective country in case of the subsidiary companies. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is virtual / reasonable certainty that these would be realised in future.

SCHEDULE 12 NOTES ON ACCOUNTS**xi. Provisions, Contingent Liabilities and Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material are disclosed by way of notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

- xii.** In case of Associate where the company directly or indirectly through subsidiaries holds more than 20% of the equity, investment in associate is accounted for using Equity method in accordance with Accounting Standard AS-23 -Accounting for Investment in Associates in consolidated financial statement issued by the Institute of Chartered Accountants of India.

The Associate Company considered in the financial statements is

	Country of incorporation	Proportion of Ownership Interest
Vinyl Chemicals (India) Ltd.	India	40.64%

(₹ in million)

		As at 31 st March 2011	As at 31 st March 2010
2.	Contingent liabilities not provided for:		
i.	Guarantees given by Banks in favour of Government and others	53.93	50.25
ii.	Guarantees given by Company	596.65	647.00
iii.	Disputed liabilities in respect of Income Tax, Sales Tax, Central Excise and Customs (under appeal)	542.50	323.80
iv.	Claims against the company not acknowledged as debts	82.17	81.44

SCHEDULE 12 NOTES ON ACCOUNTS

3 Segment reporting

INFORMATION ABOUT BUSINESS SEGMENTS

(₹ in million)

Business Segments	Consumer & Bazaar Products	Industrial Products	Others	Total
REVENUE				
External Sales	21,003.42 (17,422.90)	5,334.48 (4,360.72)	101.19 (157.00)	26,439.09 (21,940.62)
Inter Segment Revenue (at cost plus 10%)	32.59 (19.55)	474.67 (309.60)	- (19.30)	507.26 (348.45)
Total Revenue	21,036.01 (17,442.45)	5,809.15 (4,670.32)	101.19 (176.30)	26,946.35 (22,289.07)
RESULTS				
Segment Results	4,466.29 (3,714.08)	1,000.70 (914.63)	(140.78) (125.74)	5,326.21 (4,503.01)
Unallocated Corporate Expenses				1,346.00 (1,263.85)
Unallocated Corporate Income				324.86 (164.27)
Operating Profit				4,305.07 (3,403.43)
Interest Expenses				314.26 (328.54)
Interest / Dividend Income				39.84 (35.94)
Income Tax (Provision for Taxation and Deferred Taxation)				946.77 (408.13)
Net Profit				3,083.88 (2,702.70)
OTHER INFORMATION				
Segment Assets	9,202.04 (8,159.06)	2,747.60 (2,053.81)	443.07 (380.47)	12,392.71 (10,593.34)
Unallocated Corporate Assets				8,006.70 (7,908.63)
Total assets				20,399.41 (18,501.97)
Segment Liabilities	3,799.93 (3,296.72)	1,162.21 (856.38)	6.39 (13.01)	4,968.53 (4,166.11)
Unallocated Corporate Liabilities				4,583.85 (5,616.42)
Total liabilities				9,552.38 (9,782.53)
Capital Expenditure	555.72 (191.85)	88.02 (40.92)	51.67 (15.39)	695.41 (248.16)
Unallocated Corporate Capital Expenditure				627.63 (491.10)
Depreciation	360.94 (429.09)	79.35 (69.27)	25.90 (38.57)	466.19 (536.93)

SCHEDULE 12 NOTES ON ACCOUNTS

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS

(₹ in million)

GEOGRAPHICAL SEGMENTS	India		Other Countries		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales Revenue	20,982.23	17,420.12	5,456.86	4,520.50	26,439.09	21,940.62
Carrying amount of Segment Assets	19,399.52	17,821.53	999.89	680.44	20,399.41	18,501.97
Additions to Fixed Assets and Intangible Assets	1,257.54	689.27	65.50	49.99	1,323.04	739.26

Notes:

SEGMENT INFORMATION

Business Segment:

The Company is operating into three business segments: Consumer & Bazaar Products, Industrial Products and Others. This segmentation is based around customers.

Consumer & Bazaar Products consist of mainly Adhesives, Sealants, Art Materials and Construction Chemicals.

Industrial Products consists of Organic Pigments, Industrial Resins and Industrial Adhesives.

Others consist of VAM manufacturing unit of Vinyl Chemicals (India) Ltd. demerged into the Company wef 1st April 2007.

Geographical Segment:

For the purpose of geographical segment the sales are divided into two segments : Sales within India and Sales to other countries.

4. Deferred Taxation:

A. In respect of Holding Company:

Out of the net deferred tax liability of ₹ 409.66 million as at 31st March 2011, the major components of deferred tax balances are set out below :

(₹ in million)

	Upto 31 st March 2010	During the year 2010-11	Carried as at 31 st March 2011
Deferred Tax Liability			
i) Difference between Accounting and Tax Depreciation (Cumulative)	500.72	(3.50)	497.22
Deferred Tax Assets			
i) Leave Salary & Others	85.36	2.20	87.56
Net Deferred Tax Liability	415.36	(5.70)	409.66

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

SCHEDULE 12 NOTES ON ACCOUNTS

B. In respect of Subsidiaries:

(₹ in million)

	Upto 31 st March 2010	During the year 2010-11	Carried as at 31 st March 2011
1. PT Pidilite Indonesia			
Deferred Tax Liability			
i) Difference between Accounting and Tax Depreciation (Cumulative)	-	-	-
Deferred Tax Assets			
i) Leave Salary	0.52	(0.39)	0.13
ii) Others	0.77	(0.68)	0.09
	1.29	(1.08)	0.21
Net Current Deferred Tax (Asset)/Liability	(1.29)	1.08	(0.21)
2. Pidilite USA, Inc.			
Current Deferred Tax Asset			
Account Receivable	1.87	1.99	3.86
Accrued Vacation pay	1.35	(1.35)	-
Inventory	15.33	(1.52)	13.81
Inventory reserve	-	2.15	2.15
Current Deferred Tax Asset	18.55	1.27	19.82
Less: Valuation Allowance	(18.55)	(1.27)	(19.82)
Current Deferred Tax Asset, net	-	-	-
Non Current Deferred Tax Asset	-	-	-
Net operating losses	74.43	0.64	75.07
Intangibles other than goodwill	0.92	0.24	1.16
Goodwill	8.01	(0.66)	7.35
Non Current Deferred Tax Asset	83.36	0.22	83.58
Less: Valuation Allowance	(79.89)	(0.72)	(80.61)
Non Current Deferred Tax Asset , Net	3.47	(0.50)	2.97
Non Current Deferred Tax Liability			
Goodwill	3.82	1.01	4.83
Property , Plant and Equipment	3.47	(0.50)	2.97
Net Deferred Tax (Assets)/ Liability	3.82	1.01	4.83
3. Pidilite Industries Egypt - SAE			
Deferred Tax Liability	-	7.11	7.11
Deferred Tax Asset	(1.28)	-	(1.28)
Net Deferred Tax (Assets)/ Liability	(1.28)	7.11	5.83
4. Nitin Enterprises			
Deferred Tax Liability	-	0.19	0.19
Deferred Tax Asset	-	-	-
Net Deferred Tax (Assets)/ Liability	-	0.19	0.19
5. Pagel Concrete Technologies Ltd			
Deferred Tax Liability	0.05	-	0.05
Deferred Tax Asset	-	-	-
Net Deferred Tax (Assets)/ Liability	0.05	-	0.05

SCHEDULE 12 NOTES ON ACCOUNTS

5. 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 (Associate) |
| b. | Kalva Marketing and Services 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, A B Parekh and A N Parekh - Whole Time Directors
Shri J L Shah- Whole Time Director.

iii) Other Directors :

Sarva Shri B K Parekh and S K Parekh

iv) Transactions with Related Parties during the year ended 31st March 2011 are as follows:

(₹ in million)

Nature of Transaction		Remuneration to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Kalva Marketing and Services Ltd	Total
a	Sales and Related Income		475.33	Nil	Nil	475.33
			(427.65)	(Nil)	(Nil)	(427.65)
b	Other Income		2.49	0.40	Nil	2.89
			(0.50)	(Nil)	(Nil)	(0.50)
c	Purchases and Other Related Services		0.26	1168.31	Nil	1168.57
			(Nil)	(1026.35)	(Nil)	(1026.35)
d	Remuneration to Directors:					
	- Managing Director / Jt Managing Director	116.76				116.76
		(95.28)				(95.28)
	- Whole Time Directors	51.49				51.49
		(41.80)				(41.80)
e	Investment in Share Capital		Nil	Nil	Nil	Nil
			(Nil)	(Nil)	(Nil)	(Nil)
f	Loans Given / (repayment of loan received)		Nil	Nil	Nil	Nil
			(Nil)	(Nil)	(Nil)	(Nil)
g	Purchase of Fixed Assets		Nil	Nil	Nil	Nil
			(Nil)	(Nil)	(Nil)	(Nil)
h	Sale of Fixed Assets		Nil	Nil	Nil	Nil
			(Nil)	(Nil)	(Nil)	(Nil)
l	Interest Paid / (Received)		Nil	Nil	Nil	Nil
			(Nil)	(Nil)	(Nil)	(Nil)
j	Reimbursement of expenses made		0.55	Nil	Nil	0.55
			(0.79)	(0.07)	(Nil)	(0.86)
k	Reimbursement of expenses received		0.21	0.76	Nil	0.97
			(Nil)	(0.62)	(Nil)	(0.62)

SCHEDULE 12 NOTES ON ACCOUNTS**iv) Transactions with Related Parties during the year ended 31st March 2011 are as follows:**

(₹ in million)

Nature of Transaction	Remuneration to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Kalva Marketing and Services Ltd	Total
l Provision For Doubtful Debts		Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
m Bad Debts Written Off		Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
n Outstanding Balances :					
- Debtors		93.84	0.54	Nil	94.38
		(119.29)	(Nil)	(Nil)	(119.29)
- Creditors		Nil	140.78	Nil	140.78
		(0.28)	(99.37)	(Nil)	(99.65)
- Outstanding Payable (Net of receivable)		(93.84)	140.24	Nil	46.40
		((119.01))	(99.37)	(Nil)	((19.64))

6. Earnings Per Share

	As at 31 st March 2011	As at 31 st March 2010
Weighted Average no. of shares used in computing Basic Earnings per share	506134612	506134612
Add: Weighted average Potential no. of equity shares that could arise on exercise of option on Zero Coupon Convertible Bonds from 16 th Jan 2008 to 1 st December 2012	14441438	14300428
Weighted Average no. of shares used in computing Diluted Earnings per share	520576050	520435040
Net Profit after tax including prior year Tax Provision written back (₹ in million)	3,100.47	2,769.59
Basic Earnings Per Share * (₹)	6.13	5.47
Diluted Earnings Per Share * (₹)	5.96	5.32

* Equity shares of face value of Re 1 each.

7. The Company had, in March 2009, exercised the option permitted by the Central Government under Notification No G.S.R 225 (E) to treat foreign exchange difference relating to assets as adjustments in the carrying value of such depreciable assets and amortise other differences of a specified nature over the term of the relative item. Accordingly for the period ended 31st March 2011, the Company has credited the gain of ₹ 1.99 million to the carrying cost of the depreciable assets and credited ₹ 8.05 million to Foreign Currency Monetary Item Translation Account. Out of the said Foreign Currency Monetary Item Translation Account ₹ 1.07 million has been amortised in the current year ended 31st March 2011.

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

9. Previous year's figures have been regrouped / rearranged wherever necessary and strictly not comparable as current year figures consist of Eighteen subsidiaries as against Seventeen subsidiaries in previous year.

Signatures to Schedules 1 to 12

FOR AND ON BEHALF OF THE BOARD

B K PAREKH
ChairmanS K PAREKH
Vice ChairmanMumbai
Date : 19th May 2011SAVITHRI PAREKH
Company SecretaryM B PAREKH
Managing Director

Consolidated Cash Flow Statement

For The Year Ended 31st March 2011

(₹ in million)

		2010-11	2009-10
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before taxation	4,030.65	3,110.83
	Adjustment for Depreciation	595.30	665.50
	Additional /(Reversal) Provision for Diminution in value of Investments	0.07	(1.91)
	Interest paid	314.26	328.54
	Dividend received	(8.83)	(29.37)
	Interest received	(31.01)	(6.57)
	(Profit) / Loss on Sale of Investment	(117.81)	(18.48)
	(Profit) / Loss on Sale of Assets	8.27	6.30
	Unrealised Foreign exchange losses / (Gain)	1.06	(4.12)
	(Decrease) / Increase in Foreign Currency Translation Reserve	58.23	(107.56)
	Bad debts w/off / provision for doubtful debts	77.70	80.41
		897.24	912.74
	Operating Profit before Working Capital changes	4,927.89	4,023.57
	Working Capital changes :		
	Inventories (Inc) / Dec	(1,113.29)	(180.51)
	Debtors (Inc) / Dec	(578.36)	(163.40)
	Loans and Advances, etc. (Inc) / Dec	(174.06)	122.61
	Current Liabilities Inc / (Dec)	854.93	808.01
		(1,010.78)	586.71
	Cash generated from operations	3,917.11	4,610.28
	Income Tax paid (Net)	(698.82)	(694.55)
	Net Cash flow from Operating Activities	3,218.29	3,915.73
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(1,300.90)	(790.12)
	Sale of Fixed Assets	13.79	10.88
	Purchase of Investments	(11,651.08)	(10,518.12)
	Sale of Investments	12,758.89	8,138.18
	(Increase) / decrease in term deposits	(204.24)	(4.63)
	Interest received	31.01	6.57
	Dividend received	8.83	29.37
	Net Cash flow from Investing Activities	(343.70)	(3,127.87)
		2,874.59	787.86

Consolidated Cash Flow Statement

For The Year Ended 31st March 2011

(₹ in million)

	2010-11	2009-10
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Increase of long term borrowings	(5.86)	(3.73)
(Repayment) / Increase of long term borrowings - Bank	(241.18)	(263.14)
(Decrease) / Increase in Short term Borrowings - Bank	(164.94)	(693.96)
(Redemption) / Issue of Foreign Currency Convertible Bonds	-	(86.64)
(Redemption) / Issue of secured Redeemable Non Convertible Debentures	(900.00)	-
(Repayment) / Increase of Short Term Borrowings - Others	(8.61)	(71.71)
Interest Paid	(282.68)	(306.82)
Dividend paid (Including Dividend Tax, where applicable)	(885.07)	(518.52)
Net Cash Flow from Financing Activities	(2,488.34)	(1,944.52)
Net Increase in Cash and Cash Equivalents	386.25	(1,156.66)
Cash and Cash Equivalents as at 01.04.2010	443.89	1,600.55
Cash and Cash Equivalents as at 31.03.2011	830.14	443.89
	386.25	(1,156.66)

NOTES:

1 Closing Balance of Cash and Cash Equivalents includes exchange rate gain of ₹ 10.13 million (Previous year loss of ₹ 62.10 million)

2 Cash and cash Equivalents includes:

	31 st March 2011	31 st March 2010
Cash on Hand	1.73	1.56
Cheques on Hand	92.02	140.66
Remittances in Transit	0.04	-
Bank Balances:		
With Scheduled Banks:		
In Current Accounts	286.35	301.67
In Fixed Deposits Accounts	450.00	-
	830.14	443.89

AS PER OUR ATTACHED REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For HARIBHAKTI & CO.
Chartered Accountants

B K PAREKH
Chairman

CHETAN DESAI
Partner
Membership No. 17000

S K PAREKH
Vice Chairman

Mumbai
Date : 19th May 2011

SAVITHRI PAREKH
Company Secretary

M B PAREKH
Managing Director

Information on Subsidiary Companies

(As directed by Central Government Order under Section 212(8) of the Companies Act, 1956)

			Names of the subsidiaries								
			Fevicol Company Ltd.	Pidlite International Pte Ltd.*	Pidlite Middle East Ltd.*	Jupiter Chemicals (L.L.C.)*	Pidlite Speciality Chemicals Bangladesh Pvt Ltd.*	Pidlite Bamco Ltd.*	PT Pidlite Indonesia*	Pidlite USA Inc*	Pidlite Innovation Centre Pte Ltd.*
1	Currency		Indian ₹	Singapore Dollars	AED	AED	Taka	Baht	IDR	US Dollars	Singapore Dollars
2	Capital	Foreign Currency	-	23,400,081	32,362,573	300,000	218,297,435	25,881,800	8,826,346,588	14,780,000	995,155
	(includes Share application Money)	Indian ₹ in million	0.50	824.44	391.24	3.63	133.69	37.98	45.01	656.23	35.06
3	Reserves	Foreign Currency	-	(2,447,923)	(20,222,955)	(19,946,496)	9,427,855	(4,696,811)	(5,266,715,498)	(5,793,580)	(440,336)
		Indian ₹ in million	(0.19)	(86.25)	(244.48)	(241.14)	5.77	(6.89)	(26.86)	(257.23)	(15.51)
4	Total Assets	Foreign Currency	-	20,977,043	32,176,113	19,854,643	276,917,318	82,744,706	4,527,534,828	17,198,671	1,184,418
		Indian ₹ in million	0.31	739.07	388.99	240.03	169.58	121.43	23.09	763.62	41.73
5	Total Liabilities	Foreign Currency	-	24,885	20,036,495	39,501,138	49,192,028	61,559,718	967,903,738	8,212,250	629,599
		Indian ₹ in million	-	0.88	242.23	477.55	30.13	90.34	4.94	364.62	22.18
6	Investments	Foreign Currency	-	-	-	-	-	-	-	-	-
	(except in case of subsidiaries)	Indian ₹ in million	-	-	-	-	-	-	-	-	-
7	Turnover & Other Income	Foreign Currency	-	339,243.00	92.00	8,765,202.60	194,845,040.80	126,027,810.80	743,264,883.00	27,488,262.53	1,528,672.48
		Indian ₹ in million	0.01	11.95	-	105.97	119.32	184.95	3.79	1,220.48	53.86
8	Profit/(Loss) Before Taxation	Foreign Currency	-	(74,081.91)	(20,003,669.00)	(7,213,547.10)	8,729,413.85	(4,252,427.51)	(269,329,028.00)	347,681.07	(254,518.18)
		Indian ₹ in million	-	(2.61)	(241.83)	(87.21)	5.35	(6.24)	(1.37)	15.44	(8.97)
9	Provision For Tax	Foreign Currency	-	-	-	-	-	-	(22,965,083.00)	27,441.00	-
	(including Deferred Tax)	Indian ₹ in million	-	-	-	-	-	-	(0.12)	1.22	-
10	Profit/(Loss) After Taxation	Foreign Currency	-	(74,081.91)	(20,003,669.00)	(7,213,547.10)	8,729,413.85	(4,252,427.51)	(246,363,945.00)	320,240.07	(254,518.18)
		Indian ₹ in million	-	(2.61)	(241.83)	(87.21)	5.35	(6.24)	(1.26)	14.22	(8.97)
11	Proposed Dividend	Foreign Currency	-	-	-	-	-	-	-	-	-
		Indian ₹ in million	-	-	-	-	-	-	-	-	-
12	Exchange Rate as on 31 st March 2011		-	35.23	12.09	12.09	0.61	1.47	0.00510	44.40	35.23

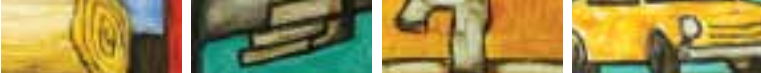
* Financial statements of these Foreign Subsidiaries have been converted in to Indian Rupees at rates prevailing as on 31st March 2011.

Information on Subsidiary Companies

(As directed by Central Government Order under Section 212(8) of the Companies Act, 1956)

			Madhumala Traders Pvt Ltd.	Bhimad Commercial Co Pvt Ltd.	Pidlite Industries Egypt - SAE*	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda*	Pidlite Southeast Asia Ltd.*	Banco Supply and Services Limited*	PIL trading Egypt (L.L.C.)*	Pidlite Industries Trading (Shanghai) Co. Ltd.*	Pagel Concrete Technologies Pvt Ltd.
1	Currency		Indian ₹	Indian ₹	EGP	Brazilian Reais	Baht	Baht	EGP	RMB	Indian ₹
2	Capital	Foreign Currency	-	-	26,294,556	36,703,930	4,000,000	1,000,000	50,000	197,688	-
	(includes Share application Money)	Indian ₹ in million	0.10	0.10	196.02	1,002.00	5.87	1.47	0.37	1.34	1.00
3	Reserves	Foreign Currency	-	-	(8,865,681)	(13,592,687)	(4,235,200)	1,741,004	(3,032,145)	(100,842)	-
		Indian ₹ in million	14.80	14.81	(66.09)	(371.07)	(6.22)	2.55	(22.60)	(0.68)	(4.29)
4	Total Assets	Foreign Currency	-	-	21,795,851	35,906,593	439,373	8,139,998	2,899,845	333,672	-
		Indian ₹ in million	20.60	20.46	162.48	980.24	0.64	11.95	21.62	2.26	0.13
5	Total Liabilities	Foreign Currency	-	-	4,366,976	12,795,349	674,573	5,398,995	5,881,990	236,826	-
		Indian ₹ in million	5.70	5.55	32.55	349.31	0.99	7.92	43.85	1.61	3.42
6	Investments	Foreign Currency	-	-	-	-	-	-	-	-	-
	(except in case of subsidiaries)	Indian ₹ in million	20.58	20.45	-	-	-	-	-	-	0.03
7	Turnover & Other Income	Foreign Currency	-	-	8,078,515.63	48,187,576.00	-	15,381,957.16	9,300,074.01	428,840.11	-
		Indian ₹ in million	2.65	2.65	60.22	1,315.50	-	22.57	69.33	2.91	0.01
8	Profit/(Loss) Before Taxation	Foreign Currency	-	-	(1,684,236.50)	(3,238,677.00)	(94,425.19)	882,093.80	(2,847,978.86)	(100,842.34)	-
		Indian ₹ in million	2.64	2.64	(12.56)	(88.41)	(0.14)	1.29	(21.23)	(0.68)	(0.01)
9	Provision For Tax	Foreign Currency	-	-	933,719.00	-	-	364,178.41	-	-	-
	(including Deferred Tax)	Indian ₹ in million	-	-	6.96	-	-	0.53	-	-	-
10	Profit/(Loss) After Taxation	Foreign Currency	-	-	(2,617,955.50)	(3,238,677.00)	(94,425.19)	517,915.39	(2,847,978.86)	(100,842.34)	-
		Indian ₹ in million	2.64	2.64	(19.52)	(88.41)	(0.14)	0.76	(21.23)	(0.68)	(0.01)
11	Proposed Dividend	Foreign Currency	-	-	-	-	-	-	-	-	-
		Indian ₹ in million	-	-	-	-	-	-	-	-	-
12	Exchange Rate as on 31 st March 2011		-	-	7.45	27.30	1.47	1.47	7.45	6.78	-

* Financial statements of these Foreign Subsidiaries have been converted in to Indian Rupees at rates prevailing as on 31st March 2011.



Almost a decade old initiative to create special bonds with loyal carpenters and furniture designers, the Fevicol Champion's Club (FCC) provides an excellent platform to enhance their skills and also help them emerge as powerful individuals who contribute to the society.

The club organises activities like labour camps, blood donation drives, visits to old age homes and orphanages. To showcase the success of FCC, the members took it a step further and celebrated FCC Day - Bandhutwa Bhavana Diwas on December 20, 2010.

For the second year in succession, Dr. Fixit Institute, (a knowledge initiative centre promoted by the Company), successfully organised the Healthy Construction Lecture Series. This helped Indian construction experts interact with international experts in the field of waterproofing and building repairs.

This year, the institute, in association with National Roofing Contractors Association a premier professional body from USA, organised a technical session in roof waterproofing.

Plumber, painter and auto mechanic meets were also organised to interact with the community and inform them about the developments in their respective trade areas. These opportunities were also used to brief them about products and get feedback.



FCC members working at local hospital in Chennai



The FCC Office bearers receiving memento during 'Amantran'



HCLS lecture series on "Green Buildings"



Product demonstration for Auto Mechanics



Plumber meet on the usage & benefit of the products



Technical session on roofing treatments



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Cover paintings Vijay Achrekar Design Pidilite Design Studio