

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **Pidilite Chemicals PLC** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

While conducting the audit, we have taken into account the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and



perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. We report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.



(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards generally accepted in India.

For **Khanna & Panchmia**
Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia

Ketan Panchmia
Partner
Membership No. 038985

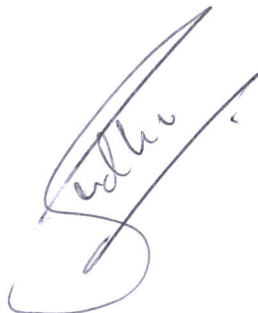


Date: *16/5/2016*
Place: Mumbai

Pidilite Chemicals PLC
BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No	As At 31st March, 2016		As At 31st March, 2015	
		Amount	Amount	Amount	Amount
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	3,989,600		3,989,600	
Reserves and Surplus	2	51,582		52,738	
Money received against Share Warrants			4,041,182		4,042,338
Share Application Money Pending Allotment					
Minority Interest					
Non-Current Liabilities					
Long-Term Borrowings				-	
Deferred Tax Liabilities (Net)				-	
Other Long-Term Liabilities	3	13,162,500		-	
Long-Term Provisions			13,162,500	-	-
Current Liabilities					
Short-Term Borrowings				-	
Trade Payables				-	
Other Current Liabilities	4	18,786		-	
Short-Term Provisions			18,786	-	-
TOTAL			17,222,469		4,042,338
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets					
Tangible Assets				-	
Intangible Assets				-	
Capital Work-In-Progress	5	15,000,000		-	
Intangible Assets Under Development				-	
Fixed Assets Held for Sale			15,000,000	-	
Godwill on Consolidation				-	
Non-Current Investments				-	
Deferred Tax Assets (Net)				-	
Long-Term Loans and Advances				-	
Other Non-Current Assets			15,000,000	-	-
Current Assets					
Current Investments				-	
Inventories				-	
Trade Receivables				-	
Cash and Cash Equivalents	6	2,213,001		4,042,338	
Short-Term Loans and Advances	7	9,468		-	
Other current assets			2,222,469	-	4,042,338
TOTAL			17,222,469		4,042,338

See accompanying notes forming part of the Financial Statements



Director

**FOR KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS**




**Ketan J. Panchmia
PARTNER
Membership No. 38985**

Pidilite Chemicals PLC
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particular	Note No	Year ended 31st March, 2016		Year ended 31st March, 2015	
		Amount	Amount	Amount	Amount
Income					
Revenue from Operations (Gross)				-	
Less: Excise Duty				-	
Revenue from Operations (Net)			-		
Other Income	8		193,370		52,738
Total Revenue			193,370		52,738
Expenses					
Cost of Materials Consumed					-
Purchase of Stock-in-Trade					-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade					-
Employee Benefits Expense					-
Finance Costs					-
Depreciation/Amortisation/Impairment Expense					-
Other Expenses	9		194,526		-
Research and Development Expenditure					-
Total Expenses			194,526		-
Profit / (Loss) Before Exceptional Items and Tax			(1,156)		52,738
Exceptional Items					
Profit Before Tax			(1,156)		52,738
Tax Expense:					
Current Tax					
Deferred Tax					
Profit / (Loss) from the Period from Continuing Operations			(1,156)		52,738
Profit / (Loss) from Discontinuing Operations Before Tax					
Tax Expense of Discontinuing Operations					
Profit / (Loss) from Discontinuing Operations					
Profit / (Loss) for the Year			(1,156)		52,738
Minority Interest					
Profit / (Loss) for the Year After Minority Interest			(1,156)		52,738
Earning Per Equity Share					
Basic and Diluted (`) Face Value per Equity share - ` ...			(0.00)		0.01

See accompanying notes forming part of the Financial Statements


Director

**FOR KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS**


Ketan J. Panchmia
PARTNER
Membership No. 38985

Pidilite Chemicals PLC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Note No	As At 31st March, 2016		As At 31st March, 2015	
		Number of Shares	Amount	Number of Shares	Amount
1. Share Capital					
Authorised Capital					
39,896 Equity Shares of BIR 100 each		39,896	3,989,600	39,896	3,989,600
		39,896	3,989,600	39,896	3,989,600
Issued, Subscribed and Fully Paid					
Equity Shares of BIR 100 each		39,896	3,989,600	39,896	3,989,600
Preference Shares of ` __ each		39,896	3,989,600	39,896	3,989,600
Reconciliation of the Number of Equity Shares Outstanding					
Outstanding at the Beginning of the Year		39,896	3,989,600	-	-
Add: Equity Shares Issued During the Year		-	-	39,896	3,989,600
Less: Equity Shares Bought Back During the Year		-	-	-	-
Outstanding at the End of the Year		39,896	3,989,600	39,896	3,989,600
2. Reserve and Surplus					
Surplus / Deficit in statment of Profit and Loss					
Opening Balance		52,738		-	
Add: Profit / (Loss) for the Year		(1,156)		52,738	
Transfer from General Reserve					
Proposed Dividend and Dividend Tax Written back					
Less: Proposed Dividend					
Corporate Dividend Tax					
Closing Balance			51,582		52,738
			51,582		52,738
3. Other Long-Term Liabilities					
Trade Payables					
Acceptances					
Other than Acceptances					
Others					
Payable on Purchase of Fixed Assets			13,162,500		
			13,162,500		
4. Other Current Liabilities					
Current Maturities of Long-Term Debt			-		
Current Maturities of Finance Lease Obligations			-		
Interest Accrued but not Due on Borrowings			-		-
Interest Accrued and Due on Borrowings			-		-
Unpaid Dividends			-		
Unpaid Matured Deposits and Interest Accrued thereon			-		
Unpaid Matured Debentures and Interest Accrued thereon			-		
Statutory Remittances			-		
Payable on Purchase of Fixed Assets			-		
Contractually Reimbursable Expenses		10,200	10,200		
Interest Accrued on Others			-		
Trade / Security Deposits received			-		
Advances from Customers			-		
Statutory Liability		-	-		
Audit liability		-	-		
Other		8,586	8,586		
			18,786		

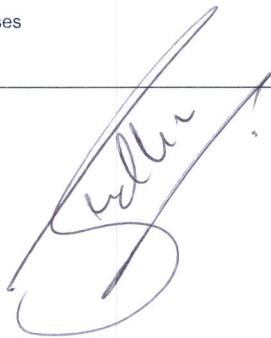
Pidilite Chemicals PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Note No	As At 31st March, 2016		As At 31st March, 2015	
		Amount	Amount	Amount	Amount
5. Fixed Assets					
Capital Work in Progress - Land		15,000,000			
			15,000,000		
6. Cash and Cash Equivalents					
Cash on hand		-	-	-	-
Cheques, Drafts on hand					
Balance with Banks					
In Current Accounts		386,504			
In EEFC Accounts (Foreign currency Account)		1,826,497		3,989,600	
In Deposit Accounts (refer footnote (i) below)		-			
In Earmarked Accounts					
Unpaid Dividend Accounts (refer footnote (ii) below)		-			
Unpaid Matured Debentures		-			
Balances held as Margin Money or Security against Borrowings, Guarantees and Other Commitments (refer footnote (i) below)		-	2,213,001		3,989,600
Others					
			2,213,001		3,989,600
					3,989,600
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements is					3,989,600
Footnote					
(i) Balances with Banks include Deposits amounting to ` _____ (Previous Year ` _____) and Margin Monies amounting to ` _____ (Previous Year ` _____) which have an original Maturity of more than 12 months.					
(ii) Represents amount which are not available for use by the Company.					
7. Short-Terms Loans and Advances					
(Unsecured – Considered Good unless stated otherwise)					
Loans and Advances to Subsidiary Company		-	-		
Security Deposits					
Considered Good		-			
Doubtful		-			
Less: Provision for Doubtful Deposits		-	-		
Loans and Advances to Employees					
Considered Good		-			
Doubtful		-			
Less: Provision for Doubtful Loans and Advances		-	-		
Prepaid Expenses		9,468	-		
Balance with Government Authorities			9,468		

Pidilite Chemicals PLC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particular	As At 31st March, 2016		Year ended 31st March, 2015	
	Amount	Amount	Amount	Amount
8. Other Income				
Interest on				
Deposits with Banks				
Loans and Advances				
Other Current Investments				
Other Long-Term Investment				
Loan to Subsidiary Company				
Others		-		
Dividend Income - Other Long-Term Investments		-		
Net Gain on Sales of:				
Current Investments	-	-		
Long-Term investments	-	-		
Net Gain on Foreign Currency Transactions and Translation (Other than considered as Finance Cost)	193,370	193,370	52,738	52,738
Profit on Sale of Fixed Assets (Net)				
Sundry Balances Written Back (Net)				
Insurance Claims		-		
Lease Rental and Hire Charges		-		
Other Non-Operating Income				-
		193,370		52,738
9. Other Expenses				
Consumption of Stores and Spare Parts		-		
Conversion and Other Manufacturing Charges		-		
Power and Fuel		-		
Rent		10,200		
Rates and Taxes		-		
Insurance		-		
Selling and Distribution		-		
Commission and Discount		-		
Repairs		-		
Building		-		
Plant and Machinery		-		
Others		-		
Printing and Stationery		3,340		
Travelling and Conveyance		-		
Overseas Travel and Export Promotion		-		
Communication		-		
Provision for Doubtful Trade and Other Receivables / Loans and Advances				
Provision for Doubtful Debts	-	-		
Sundry Balances / Bad Debts Written Off (Net)		-		
Less: Adjusted out of Provision for earlier years		-		
Professional and Consultancy		180,706		
Donations		-		
Loss on Fixed Assets Sold / Written Off / Scrapped		-		
Net loss on Sale of Investments				
From Current Investments				
From Long-Term Investments				
Net loss on Foreign Currency Transactions and Translation (Other than considered as Finance Cost)		-		
Increase / (Decrease) of Excise Duty on Inventory		-		
Payment to Auditors				
Audit Fees	-	-		
Taxation Matters	-	-		
Company Law Matter	-	-		
Management Service	-	-		
Other Services	-	-		
For Reimbursement Expenses	-	-		
Miscellaneous Expenses		280		
		194,526		-



**FOR KHANNA & PANCHMIA
CHARTERED ACCOUNTANTS**

Ketan J. Panchmia

**Ketan J. Panchmia
PARTNER**