

Corporate Governance Report

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

1. Company's Philosophy on Code of Governance

The Company is committed to complying with the best practices in Corporate Governance and aspires to reach higher standards while emphasising on the principles of integrity, transparency, customer orientation thereby creating a sustainable culture and long term value for all its stakeholders.

The Company has complied in all material respects with applicable mandatory requirements of the Listing Regulations.

2. Board Procedures

The Board / Statutory Committee meetings are pre-scheduled and a tentative annual calendar of the Board and Statutory Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

3. Board of Directors

During the financial year 2020-21, seven Board Meetings were held on 9th April 2020, 17th June 2020, 6th August 2020, 10th September 2020, 28th October 2020, 4th November 2020 and 28th January 2021.

The Directors of the Company, in their fiduciary position, are empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also reviews and approves management's strategic plan & business objectives and monitors the Company's strategic direction.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder. The Independent Directors constitute more than 50% of the Board's strength. The details of composition of the Board, category, attendance of Directors at the Board Meetings and previous Annual General Meeting (51st AGM), number of other Directorships and Committee positions as on 31st March 2021 are given below:

Sr. No.	Name	DIN	Category	No. of Board Meetings attended @	Attendance at 51 st AGM	No. of Directorships held in other companies(**)	No. of Committee positions held in other companies (***)	
							Member-ships	Chairman-ships
1.	Shri M B Parekh (Executive Chairman)	00180955	ED (P)	7	Yes	10	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED (P)	7	Yes	10	1	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	7	Yes	5	1	-
4.	Shri A B Parekh (Whole Time Director)	00035317	ED (P)	7	Yes	14	-	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED (P)	7	Yes	7	1	-
6.	Shri Debabrata Gupta (Whole Time Director)	01500784	ED	7	Yes	-	-	-
7.	Shri B S Mehta	00035019	NED (I)	5	Yes	2	1	-
8.	Shri Sanjeev Aga	00022065	NED (I)	7	Yes	6	2	1
9.	Shri Uday Khanna	00079129	NED (I)	7	Yes	5	1	3
10.	Smt Meera Shankar	06374957	NED (I)	6	Yes	3	1	-
11.	Shri Vinod Kumar Dasari	00345657	NED (I)	6	Yes	5	-	-
12.	Shri Piyush Pandey	00114673	NED (I)	6	Yes	5	1	-
13.	Shri Rajeev Vasudeva*	02066480	NED (I)	3	-	3	-	-

Notes:

@ All the Board meetings were conducted through Video Conferencing.

* Appointed as an Additional Director (Non-Executive Independent) w.e.f. 10th September 2020.

** Including directorships held in private limited companies, Section 8 companies (as per Companies Act, 2013), Alternate directorships and directorships in entities incorporated outside India.

*** Position in Audit Committee and Stakeholders Relationship Committee only (excluding private limited company, foreign company and section 8 company) as provided in Regulation 26(l) of Listing Regulations.

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

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

Names of listed entity wherein Directors are holding position of Director & the category of Directorship as on 31st March 2021:

Name of Director	Name of the other Listed company	Category of Directorship
Shri M B Parekh	Vinyl Chemicals (India) Limited	Managing Director and Chairperson
	Excel Industries Limited	Non-Executive - Independent Director
Shri N K Parekh	Vinyl Chemicals (India) Limited	Non-Executive - Non Independent Director
Shri Bharat Puri	Tata Consumer Products Limited (formerly known as Tata Global Beverages Ltd)	Non-Executive - Independent Director
Shri A B Parekh	Vinyl Chemicals (India) Limited	Non-Executive - Non Independent Director
Shri A N Parekh	-	-
Shri B S Mehta	Atul Limited	Non-Executive - Independent Director
Shri Sanjeev Aga	UFO Moviez India Limited	Non-Executive - Independent Director-Chairperson
	Mahindra Holidays & Resorts India Limited	Non-Executive - Independent Director
	Larsen & Toubro Infotech Limited	Non-Executive - Independent Director
	Larsen & Toubro Limited	Non-Executive - Independent Director
Shri Uday Khanna	Castrol India Limited	Non-Executive - Independent Director
	Pfizer Limited	Non-Executive - Independent Director
	Kotak Mahindra Bank Limited	Non-Executive - Independent Director
Smt Meera Shankar	ITC Limited	Non-Executive - Independent Director
	Adani Transmission Limited	Non-Executive - Independent Director
	JK Tyre & Industries Limited	Non-Executive - Independent Director
Shri Vinod Kumar Dasari	Eicher Motors Ltd	Executive Director
Shri Piyush Pandey	Zee Entertainment Enterprises Limited	Non-Executive - Independent Director
Shri Debabrata Gupta	-	-
Shri Rajeev Vasudeva (w.e.f. 10 th September 2020)	-	-

Shri M B Parekh and Shri A B Parekh are related to each other. Shri A N Parekh and Shri N K Parekh are related to each other. The Chairman is not related to the Managing Director, as per the definition of 'relative' defined under the Companies Act, 2013. The Chairman of the Company is a Promoter Director and has been serving as a Director of the Company since 1972. He has guided the Company through decades of diversification and growth. He is primarily responsible for ensuring that the Board provides effective governance to the Company.

The Managing Director of the Company is responsible for executing all corporate strategy and planning in consultation with the Board and other matters of the management.

The number of shares held by Non-Executive Directors as on 31st March 2021:

Shri B S Mehta - 24,716, Shri Sanjeev Aga - 798, Shri Uday Khanna - 5,000, Smt Meera Shankar - Nil; Shri Vinod Kumar Dasari - Nil, Shri Piyush Pandey - Nil, Shri Rajeev Vasudeva - 670 and Shri N K Parekh (Promoter) - 5,42,73,688.

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: www.pidilite.com. The Independent Directors were updated with the strategic and operational details of the respective divisions of the Company.

Skills/ expertise/ competencies identified by the Board of Directors (as on 31st March 2021)

The core skills/expertise/competencies available with the Board and taken into consideration while nominating any candidate to serve on the Board are:

Name of Directors	Sales and Marketing	Business & Senior Management	Leadership & Governance	Legal & Regulatory Matters	Finance, Accounts & Risk Management	Relevant Technologies
Executive Directors						
Shri M B Parekh	√	√	√	√	√	√
Shri Bharat Puri	√	√	√	√	√	√
Shri A B Parekh	√	√	√	√	√	√
Shri A N Parekh	√	√	√	√	√	√
Shri Debabrata Gupta		√	√	√		√
Non-Executive Non-Independent Director						
Shri N K Parekh	√	√	√	√	√	√
Independent Director						
Shri B S Mehta		√	√	√	√	
Shri Sanjeev Aga	√	√	√	√	√	
Shri Uday Khanna	√	√	√	√	√	
Smt Meera Shankar		√	√	√		
Shri Vinod Dasari	√	√	√	√	√	
Shri Piyush Pandey	√	√	√	√	√	
Shri Rajeev Vasudeva		√	√	√	√	

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, meeting of the Independent Directors of the Company was held on 8th March 2021.

Declarations

The Company has received declarations from the Independent Directors that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management of the Company. The Company has issued formal appointment letters to all the Independent Directors in accordance with the Companies Act, 2013 read with the Rules issued thereunder. The draft of the letter of appointment/ re-appointment, containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website. Based on intimations/disclosures received from the Directors periodically, the Directors of the Company hold positions of, memberships/Chairmanships of the committees which are not more than the prescribed limits.

4. Audit Committee

The composition of the Audit Committee, its powers and terms of reference are in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

During the financial year 2020-21, four meetings of the Audit Committee were held on 16th June 2020, 5th August 2020, 3rd November 2020 and 27th January 2021 (in respect of all the aforesaid meetings certain business items were transacted and then meeting were adjourned to the next consecutive day for discussion on financial results and other related matters).

Details of composition of the Audit Committee and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of Meetings attended
1	Shri B S Mehta	Chairman	NED (I)	3
2	Shri M B Parekh	Member	ED (P)	4
3	Shri Uday Khanna	Member	NED (I)	4
4	Shri Sanjeev Aga	Member	NED (I)	4

Shri Bharat Puri, Managing Director is a permanent invitee, ex-officio.

The Company Secretary is the Secretary of the Audit Committee. The Chief Financial Officer, Vice President – Domestic Accounts, Chief - Internal Audit, Statutory Auditors and Internal Auditors are invited to attend the meetings. The Cost Auditor is invited as and when required. The remuneration of Chief Internal Auditor is reviewed by the management.

The Chairman of the Audit Committee was present at the 51st Annual General Meeting held on 10th September 2020.

5. Nomination and Remuneration Committee (NRC)

NRC also functions as Compensation Committee as per SEBI (Share Based Employee Benefits) Regulations, 2014.

The terms of reference of NRC consists of making recommendation to the Board for all remuneration payable to Directors and Senior Management and making policy relating thereto, review of performance-based remuneration with reference to corporate goals and objectives, frame policy and review the process of succession planning at key levels in the Company and other related matters.

During the financial year 2020-21, seven meetings of the NRC were held on 17th June 2020, 5th August 2020, 10th September 2020, 4th November 2020, 29th December 2020, 27th January 2021 and 11th March 2021.

Details of composition of the NRC and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri B S Mehta	Chairman	NED (I)	5
2	Shri N K Parekh	Member	NED (P)	7
3	Shri Sanjeev Aga	Member	NED (I)	7
4	Shri Vinod Dasari	Member	NED (I)	5
5	Shri Rajeev Vasudeva*	Member	NED (I)	1

*Shri Rajeev Vasudeva was appointed as member of NRC at the Board Meeting held on 28th January 2021 and as such he attended only one NRC which was convened on 11th March 2021.

Shri Rahul Kumar Sinha, Chief Human Resource Officer, acts as the Secretary of the NRC.

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 and Part D of Schedule II of Listing Regulations and SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

The Committee has formulated Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel and is available on the Company's website viz. www.pidilite.com. The Remuneration Policy is directed towards time commitment and responsibilities of the Directors and senior management, desirability of performance-based remuneration and salaries paid by comparable companies.

The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness. The Board evaluation for financial year 2020-21 was completed and summary of findings and recommendations were discussed by the Directors.

A. Remuneration of Executive Directors

Details of Executive Directors' remuneration for the financial year 2020-21 are given below:

(₹ in crores)

Sr. No.	Name	Salary *	Commission Payable	Variable Pay (Provision)	Perquisites and other allowances	Total	Tenure (No. of years)
1	Shri M B Parekh (Executive Chairman)	1.85	0	0	1.04	2.89	5 years from 01.08.2018
2	Shri Bharat Puri (Managing Director)	5.74	3.66	1.93	2.08	13.41	5 years from 10.04.2020
3	Shri A B Parekh (Whole Time Director)	0.79	0	0	0.42	1.21	5 years from 01.08.2018
4	Shri A N Parekh (Whole Time Director)	0.69	4.40	0	0.45	5.54	5 years from 01.07.2020
5	Shri Debabrata Gupta (Whole Time Director)	1.08	0	0.27	0.81	2.16	3 years from 01.03.2020

* 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.

Details of Stock options:

Sr. No.	Name of the Director	Vesting date	No. of options#	Exercise period
1	Shri Bharat Puri	30.10.2020	1,10,000*	Within 3 years from the date of vesting
		04.11.2021	1,17,500	
		04.11.2022	1,17,500	
2	Shri Debabrata Gupta	04.11.2021	210	Within 3 years from the date of vesting
		04.11.2022	210	

The stock options are issued at the face value.

* Vested but not exercised.

B. Service Contracts, notice period, severance fees

Notice period for the Executive Directors is as applicable to the senior employees of the Company except for Shri Bharat Puri where the notice period is of 365 days (as per agreement). No severance fee is payable to the Executive Directors on termination of employment.

C. Details of sitting fees and commission to Non-Executive Directors

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 2021 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	8,25,000	25,00,000	33,25,000
2	Shri Sanjeev Aga	11,57,000	25,00,000	36,57,000
3	Shri Uday Khanna	8,25,000	25,00,000	33,25,000
4	Smt.Meera Shankar	5,20,000	25,00,000	30,20,000
5	Shri Vinod Kumar Dasari	7,00,000	25,00,000	32,00,000
6	Shri N K Parekh	13,53,000	25,00,000	38,53,000
7	Shri Piyush Pandey	4,50,000	25,00,000	29,50,000
8	Shri Rajeev Vasudeva*	2,75,000	13,83,562	16,58,562

* Appointed as Additional Director (Non-Executive Independent) w.e.f. 10th September 2020

The Non-Executive Directors did not have pecuniary relationships or transactions vis-à-vis the Company. The Company regularly obtains services from Ogilvy and Mather Pvt. Ltd., in which Shri Piyush Pandey, Independent Director of the Company, is a Whole-time Director. The Company has not granted any Stock option to any of its Non-Executive Directors.

In terms of Special Resolution passed by the Members at Annual General Meeting held on 30th August 2018, the aggregate commission paid to the Non-Executive Directors does not exceed 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The commission is determined by the Board of Directors considering the time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

6. Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the Listing Regulations. During the financial year 2020-21, 13 meetings of the Share Transfer Committee were held and one meeting of Stakeholders Relationship Committee was held on 15th January 2021 which was attended by all the members of the Committee.

Details of composition of the Stakeholders Relationship Committee are given below:

Sr. No.	Name	Designation	Category
1	Shri Sanjeev Aga	Chairman	NED (I)
2	Shri N K Parekh	Member	NED (P)
3	Shri A B Parekh	Member	ED (P)

The Committee is empowered to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/transmission of shares, non-receipt of declared dividends, non-receipt of Annual Reports, effective exercise of voting rights by shareholders, service standards for Registrar and Share Transfer Agent, reducing quantum of unclaimed dividend, etc.

The status of investor grievances and share transfers is reported to the Board on periodic basis.

Shri Puneet Bansal, Company Secretary and Smt. Manisha Shetty, Additional Company Secretary, are the Compliance Officers for complying with the requirements of the Securities Laws and Listing Regulations.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and TSR Darashaw Consultants Pvt 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 920 of which only 8 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. No request for transfer of shares was pending as on 31st March 2021.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, ('PIT Regulations') the Company has adopted a Code of Conduct for Prevention of Insider Trading ('Code'). All the Directors, employees and other persons specified therein are governed by this Code.

The Company appointed Shri A N Parekh, Whole Time Director, Shri Puneet Bansal, Company Secretary and Smt. Manisha Shetty, Additional Company Secretary as the Compliance Officers under PIT Regulations.

7. Risk Management Committee

The composition of Risk Management Committee is in compliance with the provisions of the Companies Act, 2013 and Regulation 21 of Listing Regulations. During the year, two meetings of the Committee were held on 16th June 2020 and 3rd November 2020. The constitution of the Risk Management Committee along with the details of the meetings attended during the financial year 2020-21 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri B S Mehta	Chairman	NED (I)	1
2	Shri Uday Khanna	Member	NED (I)	2
3	Shri A N Parekh	Member	ED (P)	2
4	Shri Debabrata Gupta	Member	ED	2
5	Shri A D Ubhaykar	Member		2
6	Shri Sanjay Bahadur	Member		2
7	Shri Pankaj Bhargava	Member		2

The Company also has a Management Risk Committee, also known as the Risk Identification and Mitigation Committee (RIMC). 4 meetings of the RIMC were held during the financial year 2020-21. The terms of reference of the Committee is mentioned in the Directors Report forming part of this Annual Report. The Chief Financial Officer or Chief - Internal Audit acts as Secretary to the Committee.

8. Corporate Social Responsibility (CSR) Committee

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met two times during the financial year 2020-21 i.e. on 17th June 2020 and 28th January 2021.

The constitution of the CSR Committee along with the details of the meetings attended during the financial year 2020-21 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri N K Parekh	Member	NED (P)	2
2	Shri Sanjeev Aga	Member	NED (I)	2
3	Shri A B Parekh	Member	ED (P)	2
4	Smt. Meera Shankar	Member	NED (I)	2
5	Shri Debabrata Gupta	Member	ED	2

Members elect Chairperson of the Committee at each meeting. The Company Secretary acts as Secretary to the Committee.

The CSR Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred.
- Monitor the implementation of Corporate Social Responsibility Policy.
- Recommend to the Board for approval of Annual Action Plan for CSR Implementation

The details of the CSR initiatives of the Company form part of the Social & Community Service Initiatives Report and Annexure to the Directors' Report. The Constitution of CSR Committee, the CSR Policy and details of CSR Projects are available on the website of the Company: www.pidilite.com

9. General Body Meetings

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

Financial Year	Venue	Date & Time	Details of special resolution passed at the AGM
2019-20	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	10 th September 2020 at 3.00 p.m.	<ul style="list-style-type: none"> Re-appointment of Shri N K Parekh as Non-Executive Director, who retired by rotation Re-appointment of Shri Sanjeev Aga as an Independent Director for a second term of 5 consecutive years
2018-19	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai-400 021.	6 th August 2019 at 3.00 p.m.	<ul style="list-style-type: none"> Re-appointment of Shri N K Parekh as a Non-Executive Director, who retired by rotation. Re-appointment of Shri B S Mehta as an Independent Director for a second term of 5 consecutive years Re-appointment of Shri Uday Khanna as an Independent Director for a second term of 5 consecutive years Re-appointment of Smt. Meera Shankar as an Independent Director for a second term of 5 consecutive years
2017-18	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai-400 021.	30 th August 2018 at 11.00 a.m.	<ul style="list-style-type: none"> Re-appointment of Shri M B Parekh as the Whole Time Director designated as Executive Chairman for a period of 5 years

The above mentioned Special Resolutions were passed with requisite majority.

Postal Ballot

No postal ballot was conducted during the financial year 2020-21. There is no immediate proposal for passing any resolution through postal ballot.

10. Means of Communication

a. Publication of financial results:

The extract of standalone and consolidated results are normally published in The Economic Times and Maharashtra Times and are displayed on the website of the Company: www.pidilite.com

b. Websites and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website (www.pidilite.com). Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

c. Analysts presentations:

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company and a transcript of such calls/meeting are uploaded on the Company's website and Stock Exchanges.

d. Stock Exchange:

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

e. Reminders to Investors:

Reminders are, inter alia, sent to shareholders for registering their email ids, claiming returned undelivered share certificates and unclaimed dividend and transfer of shares thereto.

f. The Annual Report with Audited Financial Statements of the Company and its subsidiaries are available in downloadable formats on the website of the Company www.pidilite.com. The Annual Report and Audited Financial Statements of the Company are also available on the websites of the Stock Exchanges.

11. General Information for Shareholders

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

12. Disclosures

During the financial year 2020-21:

- There were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Company has a Vigil Mechanism and Whistle Blower Policy for Directors and Employees to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee Chairman.
- The Company has no material subsidiary. Policy for determining 'material' subsidiary is uploaded on the website of the Company: www.pidilite.com
- Company's Policy on Related Party Transactions is uploaded on the website of the Company: www.pidilite.com
- The Company has not made preferential allotment or qualified institutional placement.
- There were no instances, wherein the Board had not accepted recommendations made by any committee of the Board.
- Total fees of ₹ 1.50 crores for financial year 2020-21, for all services, was paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors of the Company M/s. Deloitte Haskins & Sells LLP and all entities in the network firm/network entity of which the Statutory Auditors is a part.

Corporate Governance Compliance Certificate

13. Equity shares in Unclaimed Suspense Account

The details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations are as follows:

Description	No. of Records	No. of Equity Shares of ₹ 1/- each
No. of shareholders and outstanding shares at the beginning of the year	43	38786
No. of shareholder's request received for transfer of shares during the year	0	0
No. of shareholders to whom shares transferred during the year	0	0
No. of shareholders and shares transferred to IEPF A/C	43	38786
No. of shareholders and outstanding shares at the end of the year	0	0

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

14. Compliance of discretionary requirements under Regulation 27 of Listing Regulations

- The Chairman of the Company, Shri M B Parekh, is the Executive Chairman.
- As the financial results are published in the newspapers and also posted on Company's website, the same are not being sent to the shareholders.
- The Company's financial statements for the financial year ended 31st March 2021 do not contain any modified audit opinion.
- Shri Bharat Puri is the Managing Director and Chief Executive Officer of the Company. He is not related to any Director, Key Managerial Personnel or their relatives of the Company.
- The Internal Auditor makes quarterly presentation to the Audit Committee on their Reports.

15. Information relating to Directors

Information relating to Directors seeking appointment/reappointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the ensuing 52nd Annual General Meeting.

16. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2020-21

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: 1
- Number of complaints pending as on end of the financial year: Nil

17. Certificate from Company Secretary in Practice:

A certificate from Shri M M Sheth of M/s. M M Sheth & Co., Company Secretaries in Practice is attached with this report stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

18. Governance of Subsidiary Companies:

The summary of the minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 read with Schedule V of the Listing Regulations is provided in Notes to the standalone financial statements.

19. Declaration by Shri Bharat Puri, Managing Director under Schedule V (D) of Listing Regulations

'Pursuant to Schedule V (D) of Listing Regulations, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March 2021.'

To

The Members of
M/s. Pidilite Industries Limited

We have examined relevant records of M/s Pidilite Industries Ltd. (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended on 31st March 2021 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedure and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted online verification of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.

On the basis of our examination of the records produced, explanations and information furnished and considering the practical difficulties caused by lockdown imposed by the State Government due to Covid-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended on 31st March 2021 as stipulated in the Listing Regulations.

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.

Place: Mumbai
Date: 12th May 2021

For M M SHETH & CO.
(Company Secretaries)

M M SHETH
(Prop)
FCS No. 1455, CP No. 729
PR No. 1000/2020
UDIN: F001455C000286036

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of

M/s. Pidilite Industries Limited,

Regent Chambers, 7th Floor,
208, Nariman Point, Mumbai – 400021.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Pidilite Industries Limited** having **CIN: L24100MH1969PLC014336** and having registered office at **Regent Chambers, 7th Floor, 208, Nariman Point, Mumbai – 400021, Maharashtra, India** (hereinafter referred to as '**the Company**'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have conducted online verification of records, as facilitated by the Company, due to Covid-19 pandemic and subsequent lockdown situation for the purpose of issuing this Certificate.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of Appointment in Company
1	Narendrakumar Kalyanji Parekh	00111518	28/07/1969
2	Madhukar Balvantray Parekh	00180955	31/08/1972
3	Ajay Balvantray Parekh	00035317	26/06/1985
4	Bansidhar Sunderlal Mehta	00035019	25/07/2000
5	Apurva Narendrakumar Parekh	00111366	01/07/2005
6	Bharat Tilakraj Puri	02173566	28/05/2008
7	Uday Chander Khanna	00079129	03/04/2014
8	Meera Shankar	06374957	30/07/2014
9	Sanjeev Aga	00022065	29/07/2011
10			

Registrar & Share Transfer Agent

TSR Darashaw Consultants Private Limited
(formerly known as TSR Darashaw Limited)
Unit: Pidilite Industries Limited
C 101, 1st Floor, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai - 400083
Tel : 022 - 66568484
Fax : 022 - 66568494
E-mail: cs-unit@tcplindia.co.in
Website: <https://www.tcplindia.co.in>

Share Transfer System

The Company has delegated the authority to approve shares received for transfer in physical form to TSR Darashaw Consultants Private Limited, Registrar & Share Transfer Agent and Share Transfer Committee comprising of the Directors viz, Sarva Shri N K Parekh, A B Parekh and A N Parekh.

Presently the share transfers documents are processed and the share certificates duly transferred are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March 2021

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Upto 5000	2,83,387	99.13	2,70,20,654	5.32
5001 - 10000	1,485	0.52	1,10,30,107	2.17
10001- 20000	414	0.14	58,96,991	1.16
20001- 30000	122	0.04	30,05,649	0.59
30001- 40000	78	0.03	27,46,579	0.54
40001- 50000	49	0.02	21,75,924	0.43
50001- 100000	117	0.04	84,87,050	1.67
100001 and above	226	0.08	44,77,90,426	88.12
Total	2,85,878	100.00	50,81,53,380	100.00
No. of Shareholders & shares in physical mode	835	0.29	13,30,204	0.26
No. of beneficial owners & shares in electronic mode	2,85,043	99.71	50,68,23,176	99.74
Total	2,85,878	100.00	50,81,53,380	100.00

Dematerialisation of shares and liquidity

As on 31st March 2021, 99.74% of total equity shares of the Company were held in dematerialised form with National Securities Depository Limited and Central Depository

Services (India) Limited. The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under **ISIN - INE318A01026**.

Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

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

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

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

Particulars	Amount of dividend (₹)	No. of shares
Final Dividend for the Financial Year 2012-13	15,58,638	51,818

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

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

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, need to apply to the IEPF Authority by making an application in Form IEPF-5 (available on <http://www.iepf.gov.in>). Company has appointed Shri Puneet Bansal as Nodal Officer and Smt Manisha Shetty, as Deputy Nodal Officer.

Plant Locations

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

Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2021. The ratings

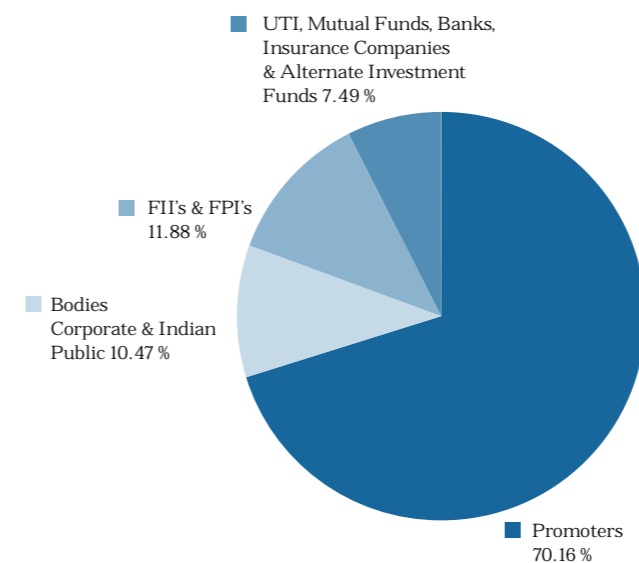
given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA respectively. There was no revision in the said ratings during the year under review.

Commodity price risk / Foreign Exchange Risk and Hedging Activities

Certain key raw materials and packing materials used by the Company are derivatives of commodities such as crude oil, paper, aluminium etc. Any material price fluctuation in such commodities can impact the margins of the Company till the impact is appropriately factored in the pricing of Company's products. The Company does not undertake commodity hedging activities.

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with the policies of the Company.

Exposure to commodity and commodity risks faced by the Company throughout the year is Nil

Shareholding Pattern as on 31st March 2021**Address for Correspondence****Registered Office:**

Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai - 400 021
Tel No: 022-2282 2708
CIN: L24100MH1969PLC014336

Corporate Office:

Ramkrishna Mandir Road, Off. Mathuradas VasANJI Road, Andheri (E), Mumbai - 400 059
Tel No : 022-28357000/7949
Fax No : 022-28216007
E-mail : investor.relations@pidilite.co.in
Website : www.pidilite.com

Corporate Secretarial/Investors' Assistance Department

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

Outstanding GDRs/ADRs/Warrants

The Company has no outstanding GDRs/ADRs/Warrants as on 31st March 2021.

Employee Stock Options

The information with regard to the Employee Stock Options are set out under Annexure to Directors' Report.