

## 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 in the subsequent Board Meeting.

### 3. Board of Directors

During the financial year 2023-24, eight Board Meetings were held on 8<sup>th</sup> May, 2023, 10<sup>th</sup> August, 2023, 10<sup>th</sup> October, 2023, 8<sup>th</sup> November, 2023, 7<sup>th</sup> December, 2023, 23<sup>rd</sup> January, 2024, 29<sup>th</sup> February, 2024 and 28<sup>th</sup> March, 2024.

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's 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 (the Act) 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 (54<sup>th</sup> AGM), number of other Directorships and Committee positions as on 31<sup>st</sup> March, 2024 are given below:

Sr. No.	Name	DIN	Category	No. of Board Meetings attended @	Attendance at 54 <sup>th</sup> 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)	8	Yes	9	1	-
2.	Shri N K Parekh\$ (Non-Executive Director)	00111518	NED (P)	7	Yes	10	-	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	8	Yes	6	1	-
4.	Shri Sudhanshu Vats^ (Deputy Managing Director)	05234702	ED	8	Yes	4	1	-
5.	Shri A B Parekh^^ (Executive Vice Chairman)	00035317	ED (P)	8	Yes	15	2	-
6.	Shri A N Parekh (Executive Vice Chairman)	00111366	ED (P)	8	Yes	8	1	-
7.	Shri B S Mehta\$	00035019	NED (I)	6	Yes	1	-	-
8.	Shri Sanjeev Aga	00022065	NED (I)	8	Yes	5	2	-
9.	Shri Uday Khanna\$\$	00079129	NED (I)	8	Yes	4	1	3
10.	Smt Meera Shankar	06374957	NED (I)	7	Yes	4	2	2
11.	Shri Vinod Dasari	00345657	NED (I)	8	Yes	4	-	-
12.	Shri Piyush Pandey	00114673	NED (I)	8	Yes	4	-	-
13.	Shri Rajeev Vasudeva	02066480	NED (I)	6	Yes	4	-	-
14.	Smt. Meher Pudumjee	00019581	NED (I)	6	Yes	9	1	-
15.	Shri Sandeep Batra (Executive Director – Finance & CFO)	00871843	ED	7	Yes	2	-	-
16.	Shri Joseph Varghese (Director - Operations)	09770335	ED	7	Yes	-	-	-
17.	Shri Murali Sivaraman ^^^	01461231	NED (I)	3	NA	6	3	1

#### Notes:

- # The meeting was held on 7<sup>th</sup> December, 2023 and continued till 9<sup>th</sup> December, 2023.
- @ Including participation by video conference.
- \* Including directorships held in private limited companies, section 8 companies(as per the Act), Alternate directorships and directorships in entities incorporated outside India.
- \*\* Position in Audit Committee and Stakeholders Relationship Committee only (excluding private limited company, foreign company and section 8 company) as provided in Regulation 26(1) of Listing Regulations.
- \$ Ceased to be a Director w.e.f. the close of business hours of 31<sup>st</sup> March, 2024.
- \$\$ Ceased to be a Director w.e.f. the close of business hours of 2<sup>nd</sup> April, 2024.
- ^ Designated as Managing Director Designate w.e.f. 1<sup>st</sup> April, 2024.
- ^^ Designated as Non Executive Vice Chairman w.e.f. 1<sup>st</sup> April, 2024.
- ^^^ Appointed as Independent Director of the Company w.e.f. 23<sup>rd</sup> January, 2024.

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 entities wherein Directors are holding position of Director & the category of Directorship as on 31<sup>st</sup> March, 2024:

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	Non-Executive - Independent Director
Shri Sudhanshu Vats	-	-
Shri A B Parekh	Vinyl Chemicals (India) Limited	Non-Executive - Non Independent Director
Shri A N Parekh	-	-
Shri Sandeep Batra	-	-
Shri Joseph Varghese	-	-
Shri B S Mehta	-	-
Shri Sanjeev Aga	Mahindra Holidays & Resorts India Limited	Non-Executive - Independent Director
	LTIMindtree 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 Energy Solutions Limited	Non-Executive - Independent Director
	JK Tyre & Industries Limited	Non-Executive - Independent Director
Shri Vinod Dasari	-	-
Shri Piyush Pandey	-	-
Shri Rajeev Vasudeva	Marico Limited	Non-Executive - Independent Director
Smt Meher Pudumjee	Thermax Limited	Non-Executive - Non Independent Director and Chairperson
Shri Murali Sivaraman	Bharat Forge Limited	Non-Executive - Independent Director
	ICICI Lombard General Insurance Company Limited	Non-Executive - Independent Director
	Huhtamaki India Limited	Non-Executive - Independent Director
	Medplus Health Services Limited	Non-Executive - Independent Director
	Welspun Living Limited	Non-Executive - Independent Director

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 Act. 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 and Deputy Managing Director of the Company are 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 31<sup>st</sup> March, 2024:

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

#### Familiarization Programme

The Company has a familiarisation programme for its Independent Directors which, inter alia, includes briefing on:

- Role, responsibilities, duties and obligations as a member of the Board;
- Nature of business and business model of the Company, strategic operating plans and functional matters;
- Discussions on Strategic directions for businesses;
- Changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/ legislations & economic environment; and
- Matters relating to Corporate Governance, Code of Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

The comprehensive induction enables Independent Directors to be familiarised with the Company, its history, values and purpose. In the Board meetings, presentations are made by Business Heads which provides good insights on the path forward for the businesses carried on by the Company to the Independent Directors on the Board. The Directors, through Board strategy meeting get an opportunity to interact with the members of senior management of the Company. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company. The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: <https://www.pidilite.com/investor-relations/corporate-governance>.

#### Skills/ expertise/ competencies identified by the Board of Directors (as on 31<sup>st</sup> March, 2024)

The core skills/expertise/competencies as required in the context of the Company's business for effective functioning which are available with the Board and taken into consideration while nominating any candidate to serve on the Board are as under:

Name of Directors	Sales and Marketing	Business & Senior Management	Leadership & Governance	Legal & Regulatory Matters	Finance, Accounts & Risk Management	Relevant Technologies
<b>Executive Directors</b>						
Shri M B Parekh	√	√	√	√	√	√
Shri Bharat Puri	√	√	√	√	√	√
Shri Sudhanshu Vats	√	√	√	√	√	√
Shri A B Parekh	√	√	√	√	√	√
Shri A N Parekh	√	√	√	√	√	√
Shri Joseph Varghese		√	√	√		√
Shri Sandeep Batra		√	√	√	√	
<b>Non-Executive Non-Independent Director</b>						
Shri N K Parekh	√	√	√	√	√	√
<b>Independent Director</b>						
Shri B S Mehta		√	√	√	√	
Shri Sanjeev Aga	√	√	√	√	√	
Shri Uday Khanna	√	√	√	√	√	
Smt Meera Shankar		√	√	√		
Shri Vinod Dasari	√	√	√	√	√	
Shri Piyush Pandey	√	√	√	√	√	
Shri Rajeev Vasudeva		√	√	√	√	
Smt Meher Pudumjee		√	√		√	√
Shri Murali Sivaraman	√	√	√	√	√	

#### Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Act and Regulation 25(3) of Listing Regulations, meeting of the Independent Directors of the Company was held on 9<sup>th</sup> December, 2023.

#### Declarations

The Company has received declarations from the Independent Directors that they meet the criteria of independence laid down under the Act 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 Act 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 Act 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 Act read with the Rules issued thereunder and Regulation 18 read with Part C of Schedule II 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.

The terms of reference of Audit Committee consist of overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible, reviewing and examining with Management the quarterly and annual financial results and the Limited Review/Auditors Report thereon before submission to the Board for approval, recommending the appointment, re-appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services, reviewing, approving or subsequently modifying any Related Party Transactions, reviewing the adequacy of the internal audit function and the findings of any internal investigations by the internal auditors, scrutiny of inter-corporate loans and investments, reviewing the grievance redressal mechanism of the Company and overseeing the functioning of the same and other related matters.

During the financial year 2023-24, six meetings of the Audit Committee were held on 4<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 10<sup>th</sup> October, 2023, 7<sup>th</sup> November, 2023, 22<sup>nd</sup> January, 2024 and 28<sup>th</sup> March, 2024 (in respect of all the aforesaid meetings except 10<sup>th</sup> October, 2023 and 28<sup>th</sup> March, 2024, certain business items were transacted and then meeting were adjourned 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)	5
2	Shri M B Parekh	Member	ED(P)	6
3	Shri Uday Khanna	Member	NED (I)	6
4	Shri Sanjeev Aga	Member	NED (I)	6
5	Shri Rajeev Vasudeva*	Member	NED(I)	1

\*Appointed as a member of the Committee w.e.f. 7<sup>th</sup> December, 2023.  
Shri Bharat Puri, Managing Director is a permanent invitee, ex-officio.

The Company Secretary is the Secretary of the Audit Committee. The Deputy Managing Director, 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 54<sup>th</sup> Annual General Meeting held on 10<sup>th</sup> August, 2023.

#### 5. Nomination and Remuneration Committee (NRC)

NRC also functions as Compensation Committee as per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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 2023-24, six meetings of the NRC were held on 8<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 8<sup>th</sup> November, 2023, 8<sup>th</sup> December, 2023, 23<sup>rd</sup> January, 2024 and 29<sup>th</sup> February, 2024.

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)	3
2	Shri N K Parekh	Member	NED (P)	6
3	Shri Sanjeev Aga	Member	NED (I)	6
4	Shri Vinod Dasari	Member	NED (I)	6
5	Shri Rajeev Vasudeva	Member	NED (I)	6

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 Act, Regulation 19 read with Part D (A) of Schedule II of Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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. <https://www.pidilite.com/investor-relations/corporate-governance>. 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 structure of remuneration payable to the Managing Director and Deputy Managing Director involves a fair balance of fixed pay and variable component which is linked to achievement of business goals.

The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Directors like teamwork, integrity, knowledge, competency, participation, conduct and effectiveness. The Board evaluation for financial year 2023-24 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 2023-24 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	2.08	0	0	1.35	3.43	5 years from 01.08.2023
2	Shri Bharat Puri	6.45	6.05	2.42	2.54	17.46	5 years from 10.04.2020
3	Shri Sudhanshu Vats	3.96	0	2.02	3.42	9.40	5 years from 18.05.2022
4	Shri A B Parekh	0.89	0	0	0.53	1.42	5 years from 01.08.2023
5	Shri A N Parekh	0.78	7.26	0	0.86	8.90	5 years from 01.07.2020
6	Shri Sandeep Batra	2.53	0	0.72	1.41	4.66	5 years from 09.11.2022
7	Shri Joseph Varghese	1.38	0	0.31	0.76	2.45	5 years from 09.11.2022

\* Includes House Rent Allowance

The above figures includes contribution towards National Pension Scheme and 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 and excludes the value of the stock options, which is mentioned in the table below.

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
		04.11.2022	1,17,500*	
2	Shri Sudhanshu Vats	13.10.2022	25,000*	
		13.10.2023	25,000*	
		08.11.2024	25,000	
		08.11.2025	25,000	
		01.03.2028	4,00,000\$	
3	Shri Joseph Varghese	18.05.2024	165	
		18.05.2025	165	
4	Shri Sandeep Batra	01.06.2025	5,000	
		01.06.2026	5,000	
		01.06.2027	7,500\$\$	

# The stock options are issued at the face value.

\$ The stock options are issued @ ₹ 2,438/- per share.

\$\$ The stock options are issued @ ₹ 2,205/- per share

\* During the year, Shri Bharat Puri and Shri Sudhanshu Vats, exercised the stock options of ₹ 58.31 crores and ₹ 12.67 crores respectively.

#### 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 31<sup>st</sup> March 2024 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	9,50,000	35,00,000	44,50,000
2	Shri Sanjeev Aga	13,17,000	35,00,000	48,17,000
3	Shri Uday Khanna	10,00,000	35,00,000	45,00,000
4	Smt. Meera Shankar	6,30,000	35,00,000	41,30,000
5	Shri Vinod Dasari	9,00,000	35,00,000	44,00,000
6	Shri Piyush Pandey	6,00,000	35,00,000	41,00,000
7	Shri Rajeev Vasudeva	9,00,000	35,00,000	44,00,000
8	Shri N K Parekh	12,30,000	35,00,000	47,30,000
9	Smt. Meher Pudumjee	5,55,000	35,00,000	40,55,000
10	Shri Murali Sivaraman	2,25,000	6,59,836	8,84,836

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 10<sup>th</sup> August, 2023, 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 Act. 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.

#### D. Particulars of Senior Management:

Below is the list of Senior Management Personnel of the Company including the changes therein since the close of the previous financial year:

Sr. No.	Name	Designation
1	Shri Sandeep Batra	Executive Director - Finance & Chief Financial Officer
2	Smt. Manisha Shetty	Company Secretary
3	Shri Saswata Dhar	President – Legal
4	Shri Vishal Malhan	President – Sales & Marketing – Emerging India
5	Shri Yogesh Anand	Chief Business Officer – International Business
6	Shri Sanjay Bahadur	Chief Strategy & Business Development Officer – CC Businesses
7	Shri Rahul Kumar Sinha	Chief Human Resource Officer
8	Shri Salil Nagesh Dalal	Chief Business Officer – Retail & Roff Business
9	Shri Anubhav Saxena	Chief Research & Development Officer
10	Shri Pankaj Bhargava	Chief Procurement Officer
11	Shri Surendra Gupta	Chief Business Officer – Pigments
12	Shri Manish Dubey (Appointed w.e.f. 10.08.2023)	Chief Marketing Officer
13	Shri Vikas Kulkarni (Appointed w.e.f. 08.11.2023)	Chief Business Officer – Industrial Products
14	Shri Vivek Sharma (Appointed w.e.f. 29.02.2024)	Chief Information & Digital Officer
15	Shri Himanshu Kapadia (Resigned w.e.f. 09.02.2024)	Chief Business Officer – Large User Business & Services

#### 6. Stakeholders Relationship Committee

The composition and role of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act read with the Rules issued thereunder and Regulation 20 read with Part D (B) of Schedule II of the Listing Regulations. During the financial year 2023-24, 20 meetings of the Share Transfer Committee were held. One meeting of Stakeholders Relationship Committee was held on 19<sup>th</sup> January, 2024 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 terms of reference of Stakeholders Relationship Committee is 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.

Smt. Manisha Shetty, Company Secretary is the Compliance Officer for complying with the requirements of the Securities Laws and Listing Regulations.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and Link Intime India Private Limited (erstwhile known as TSR 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 795 of which only 11 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 207 transfers / demats requests have been received. 1 demat/transfer requests which was pending as of 31<sup>st</sup> March, 2024 has been processed subsequently.

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 has appointed Shri A N Parekh, Executive Vice Chairman and Smt. Manisha Shetty, Company Secretary as the Compliance Officers under PIT Regulations.

#### 7. Risk Management Committee

The terms of reference of Risk Management Committee consist of identifying the internal and external risk inter alia, financial, operational, sectoral, sustainability/ESG information, cyber security risk, legal and regulatory risks, and overseeing the implementation of Risk Management Policy and the adequacy of Risk Management systems.

The composition and role of Risk Management Committee is in compliance with Regulation 21 read with Part D (C) of Schedule II of Listing Regulations. During the year, two meetings of the Committee were held on 9<sup>th</sup> August, 2023 and 22<sup>nd</sup> January, 2024. The constitution of the Risk Management Committee along with the details of the meetings attended during the financial year 2023-24 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 Rajeev Vasudeva	Member	NED (I)	2
5	Shri Joseph Varghese	Member	ED	2
6	Shri A D Ubhayakar	Member	Senior Executive	1
7	Shri Sanjay Bahadur	Member	Senior Executive	1
8	Shri Pankaj Bhargava	Member	Senior Executive	2

The Chief Financial Officer or Chief - Internal Audit acts as Secretary to the Committee.

The Company also has a Management Risk Committee, also known as the Risk Identification and Mitigation Committee (RIMC). 6 meetings of the RIMC were held during the financial year 2023-24.

#### 8. Corporate Social Responsibility (CSR) Committee

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

The Committee met three times during the financial year 2023-24 i.e. on 8<sup>th</sup> May, 2023, 7<sup>th</sup> November, 2023 and 22<sup>nd</sup> January, 2024. The constitution of the CSR Committee along with the details of the meetings attended during the financial year 2023-24 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri N K Parekh	Member	NED (P)	3
2	Shri Sanjeev Aga	Member	NED (I)	3
3	Shri A B Parekh	Member	ED (P)	2
4	Smt. Meera Shankar	Member	NED (I)	3
5	Smt. Meher Pudumjee	Member	NED (I)	3
6	Shri Joseph Varghese	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 the Annual Action Plan for CSR Implementation to the Board for approval.

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: <https://www.pidilite.com/investor-relations/corporate-governance>.

## 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
2022-23	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	10 <sup>th</sup> August, 2023 at 3.00 p.m.	<ul style="list-style-type: none"> <li>Re-appointment of Shri M B Parekh as the Whole Time Director (designated as Executive Chairman) for a further period of 5 years</li> <li>Re-appointment of Shri A B Parekh, as a Whole Time Director (designated as Executive Vice Chairman) of the Company, for a further period of 5 years.</li> <li>Payment of commission for a sum not exceeding 1% p.a. of the net profits of the Company to the Non-Executive Directors of the Company.</li> </ul>
2021-22	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	10 <sup>th</sup> August, 2022 at 3.00 p.m.	<ul style="list-style-type: none"> <li>Re-appointment of Shri N K Parekh as Non-Executive Director, who retired by rotation.</li> <li>Appointment of Smt. Meher Pudumjee as Independent Director for a term of 5 years.</li> <li>Amendment to Articles of Association of the Company by increase in limit of Directors from 15 Directors to 18 Directors.</li> </ul>
2020-21	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	11 <sup>th</sup> August, 2021 at 3.00 p.m.	<ul style="list-style-type: none"> <li>Re-appointment of Shri Vinod Dasari as an Independent Director for a second term of 5 consecutive years.</li> </ul>

The above mentioned Special Resolutions were passed with requisite majority.

### Postal Ballot

During the year 2023-24, the Company passed the following Special resolutions by postal ballot:

Description of Resolution as given in the Postal Ballot Notice	Particulars of Votes cast						Result Declared
	Electronic Voting						
	Votes cast in favour of the resolution		Votes cast against the resolution		Invalid Votes		
No.	%	No.	%	No.	%		
Special Business							
Re-appointment of Shri Piyush Pandey (DIN: 00114673) as an Independent Director of the Company.	36,56,73,902	85.17	6,36,82,921	14.83	0	0	Approved by requisite majority
Appointment of Shri Murali Sivaraman (DIN: 01461231) as an Independent Director of the Company.	42,23,08,880	98.38	69,61,634	1.62	0	0	Approved by requisite majority

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot passed on 23<sup>rd</sup> June, 2023 and 13<sup>th</sup> March, 2024 respectively.

Shri M.M Sheth of M.M Sheth & Co., Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner pertaining to the re-appointment of Shri Piyush Pandey as an Independent Director of the Company.

Shri Mitesh Dhabliwala of Parikh & Associates, Practicing Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner pertaining to the appointment of Shri Murali Sivaraman as an Independent Director of the Company.

### Procedure for Postal Ballot:

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provides electronic voting facility to all its members.

The Company generally engages the services of National Securities Depository Limited ("NSDL") for the purpose of providing electronic voting facility to all its members. The Postal Ballot Notice are sent to the members in electronic form at their email addresses registered with the depositories/Link Intime India Private Limited, Company's Registrar and Share Transfer Agent. The Company also publishes notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the

Institute of Company Secretaries of India. Voting rights are reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date.

The scrutinizer submits his report to the Chairman or any other person authorized by the Chairman, after the completion of scrutiny. The results of the postal ballot are announced by the Chairman or any other person authorized by the Chairman. The results are also displayed at the registered office and corporate office of the Company, intimated to NSDL and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website viz. <https://www.pidilite.com/investor-relations/listing-information>.

There is no immediate proposal for passing of 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 Business Standard and Sakal and are displayed on the website of the Company: <https://www.pidilite.com/investor-relations/listing-information>.

### 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 <https://www.pidilite.com/investor-relations/listing-information>. Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Investor Relations 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. Annual Report:

The Annual Report with Audited Financial Statements of the Company and its subsidiaries are available in downloadable formats on the website of the Company <https://www.pidilite.com/investor-relations/financials>. 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 2023-24:

- 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) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V 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.

PRACTISING COMPANY SECRETARIES'  
CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
M/s. Pidilite Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Pidilite Industries Limited ('the Company') for the year ended on March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures 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.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 7<sup>th</sup> May 2024

**For Parikh & Associates**  
(Company Secretaries)

**Mitesh Dhaliwala**  
Partner

FCS No: 8331 CP No: 9511  
UDIN: F008331F000322337  
PR No.: 1129/2021

- The Company has no material subsidiary. Policy for determining 'material' subsidiary is uploaded on the website of the Company: <https://www.pidilite.com/investor-relations/corporate-governance>.
- Company's Policy on Related Party Transactions is uploaded on the website of the Company: <https://www.pidilite.com/investor-relations/corporate-governance>.
- 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.
- M/s. B S R & Co. LLP, Chartered Accountants, has been appointed as the Statutory Auditors of the Company. The payment of Statutory Auditors' fees, on consolidated basis for FY 2023-24 is ₹ 1.13 crores.
- No loans/advances in the nature of debt was given to firms/companies in which directors are interested.
- There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

**13. Equity shares in Unclaimed Suspense Account**

There are 22 Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations.

**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 31<sup>st</sup> March, 2024 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/re-appointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the ensuing 55<sup>th</sup> 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 2023-24**

- Number of complaints filed during the financial year: 0
- Number of complaints disposed of during the financial year: 0
- Number of complaints pending as on end of the financial year: 0

**17. Certificate from Company Secretary in Practice:**

A certificate from Shri Mitesh Dhaliwala of M/s. Parikh & Associates, Company Secretaries in Practice has been 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 31<sup>st</sup> March, 2024.'

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[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  
Pidilite Industries Limited,  
Regent Chambers, 7<sup>th</sup> Floor,  
208, Nariman Point, Mumbai – 400021.

We 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, 7<sup>th</sup> Floor, 208, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before us 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.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 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	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	01.09.2015
10.	Vinod Kumar Dasari	00345657	01.09.2015
11.	Piyush Indernarayan Pandey	00114673	11.04.2018
12.	Meher Pheroze Pudumjee	00019581	18.05.2022
13.	Rajeev Vasudeva	02066480	10.09.2020
14.	Joseph Varghese	09770335	09.11.2022
15.	Sudhanshu Vats	05234702	18.05.2022
16.	Sandeep Batra	00871843	09.11.2022
17.	Murali Sivaraman	01461231	23.01.2024

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 7<sup>th</sup> May 2024

For **Parikh & Associates**  
(Company Secretaries)

**Mitesh Dhaliwala**  
Partner

FCS No: 8331 CP No: 9511  
UDIN: F008331F000322361  
PR No.: 1129/2021

## INFORMATION FOR SHAREHOLDERS

### Annual General Meeting

Day, Date and Time:  
Wednesday, 7<sup>th</sup> August, 2024 at 3.00 p.m.

### Venue:

The Company is conducting AGM through Video Conferencing/Other Audio Visual Means as permitted under the various circulars issued by Ministry of Corporate Affairs.

**Financial Year:** 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024

### Date of Book Closure:

Thursday, 25<sup>th</sup> July, 2024 to Wednesday, 7<sup>th</sup> August, 2024 (both days inclusive).

### Dividend Payment

The credit of dividend will commence from 14<sup>th</sup> August, 2024 subject to the approval for payment of dividend by the shareholders at the Annual General Meeting.

### Listing of Shares on Stock Exchanges:

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Annual Listing fee for the financial year 2023-24 has been paid to BSE and NSE.

### Stock Codes

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500331
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	PIDILITIND

### Market Price Data

Share prices during the financial year 2023-24 at NSE for one equity share of ₹1/- each were as under:

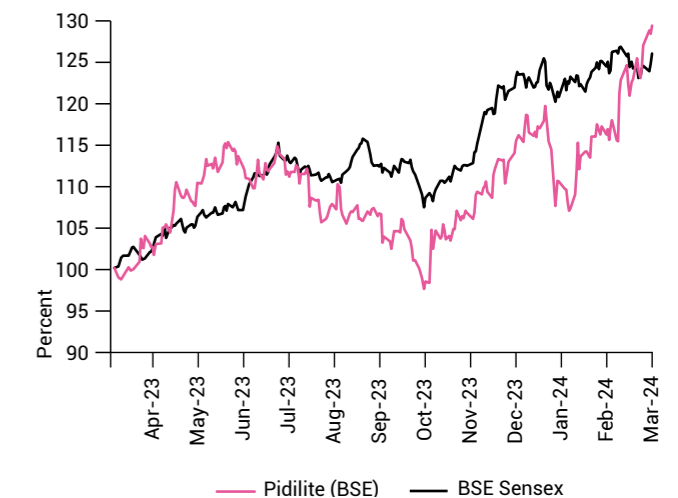
Month	Share Price (₹)	
	High	Low
April 2023	2,450.40	2,296.30
May 2023	2,618.70	2,400.15
June 2023	2,735.00	2,585.30
July 2023	2,695.95	2,551.50
August 2023	2,643.95	2,470.00
September 2023	2,533.55	2,414.05
October 2023	2,497.50	2,292.55
November 2023	2,563.60	2,395.25
December 2023	2,753.60	2,535.70
January 2024	2,805.00	2,488.10
February 2024	2,759.00	2,503.25
March 2024	3,037.30	2,690.00

Share prices during the financial year 2023-24 at BSE for one equity share of ₹1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2023	2,459.95	2,297.00
May 2023	2,618.00	2,401.15
June 2023	2,734.40	2,585.95
July 2023	2,692.45	2,547.25
August 2023	2,647.40	2,470.05
September 2023	2,530.00	2,415.00
October 2023	2,495.00	2,293.10
November 2023	2,562.95	2,397.90
December 2023	2,753.00	2,536.70
January 2024	2,804.00	2,490.00
February 2024	2,759.50	2,503.40
March 2024	3,036.05	2,681.25

### Stock Performance:

Base is considered to be 100 as on 1<sup>st</sup> April, 2023.



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

### Registrar & Share Transfer Agent

Link Intime India Private Limited (RTA)  
(Erstwhile known as TSR Consultants Private Limited)  
Unit: Pidilite Industries Limited  
C 101, 1<sup>st</sup> Floor, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai - 400083  
Tel : +91 810 811 8484  
E-mail: [csg-unit@linkintime.co.in](mailto:csg-unit@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)