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MACDERMID INC
Form 11-K
October 15, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended MARCH 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-13889

A. Full title of the plan and the address of the plan, if different from
that of the issuer named below:

MacDermid Equipment, Inc. 401K Plan

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

MacDermid, Incorporated
245 Freight Street
Waterbury, CT 06702-0671

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REQUIRED INFORMATION

In accordance with the rules to Form 11-K, attached as Appendix 1 to this
Form 11-K are the plan financial statements and schedules prepared in accordance
with the financial reporting requirements of ERISA and examined by an
independent accountant on a full scope basis.

EXHIBITS

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23.1 Consent of KPMG LLP

MACDERMID EQUIPMENT, INC. 401K PLAN
Financial Statements and Supplemental Schedule
March 31, 2001 and 2000
(With Independent Auditors' Report Thereon)

MACDERMID EQUIPMENT 401K PLAN

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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

Note: Schedules of reportable transactions, nonexempt transactions, loans or fixed income obligations in default or classified as uncollectible, leases in default or classified as uncollectible and investment assets both acquired and disposed of within the plan year as required by the Employee Retirement Income Security Act of 1974 (ERISA) and Department of Labor Regulations have not been included herein as the information is not applicable.

INDEPENDENT AUDITORS' REPORT

Plan Administration Committee
MacDermid Equipment, Inc. 401K Plan:

We have audited the accompanying statements of net assets available for plan benefits of MacDermid Equipment, Inc. 401K Plan as of March 31, 2001 and 2000 and the related statements of changes in net assets available for plan benefits

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for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of MacDermid Equipment, Inc. 401K Plan as of March 31, 2001 and 2000 and the changes in net assets available for plan benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Hartford, Connecticut
June 22, 2001

MACDERMID EQUIPMENT, INC. 401K PLAN

Statements of Net Assets Available for Plan Benefits

March 31, 2001 and 2000

ASSETS	2001 -----	2000 -----
Assets:		
Investments, at fair value (note 5):		
MacDermid Company Stock Fund	\$ 287,924	242,545
Other investments	1,177,581	1,403,137
	-----	-----
Total investments	1,465,505	1,645,682
Cash	25,574	--
	-----	-----
Total assets	1,491,079	1,645,682
	-----	-----
Liabilities:		

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Due to trustee (note 8)	(10,944)	--
	-----	-----
Total liabilities	(10,944)	--
	-----	-----
Net assets available for plan benefits	\$ 1,480,135	1,645,682
	=====	=====

See accompanying notes to financial statements.

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MACDERMID EQUIPMENT, INC. 401K PLAN

Statements of Changes in Net Assets Available for Plan Benefits

Years ended March 31, 2001 and 2000

	2001

Investment income:	
Dividend and interest income on securities	\$ 86,230
Interest on participant loans	7,227
Net appreciation (depreciation) in fair value of investments (note 6)	(315,058)

Total investment income (loss)	(221,601)
Contributions:	
Employer	95,258
Employee	175,799
Rollover	918

Total additions	50,374
Distributions to participants	(203,707)
Other, net	(12,214)

Total deductions	(215,921)

Net increase (decrease)	(165,547)
Net assets available for plan benefits, beginning of year	1,645,682

Net assets available for plan benefits, end of year	\$ 1,480,135
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See accompanying notes to financial statements.

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MACDERMID EQUIPMENT, INC. 401K PLAN

Notes to Financial Statements

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March 31, 2001 and 2000

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The MacDermid Equipment, Inc. (the Company) 401K Plan (the Plan) is a defined contribution plan that was established as of January 1, 1989 under the name of the Hollmuller America, Inc. 401(k) Plan. MacDermid, Inc. had owned 50% of Hollmuller America, Inc. During 1995, MacDermid, Inc. purchased the remaining 50% of Hollmuller America, Inc., and the name of the Plan was changed to the MacDermid Equipment, Inc. 401K Plan.

The accompanying financial statements have been prepared on an accrual basis. Current values of investments are determined using quoted market prices and current yields. Purchases and sales of securities are recorded on a trade-date basis. The cost of investments sold is determined on an average cost basis.

(b) TRUST FUND

Prudential Investments was the Trustee of the Plan through December 31, 2000. Effective January 1, 2001, First Union National Bank is the Trustee of the Plan. The assets of the Plan were transferred in January 2001. Under the terms of a trust agreement between the Trustee and the Plan, the Trustee manages a trust fund on behalf of the Plan. The Plan Trustee has discretionary authority concerning purchases and sales of investments in the trust fund. The investments and changes therein of this trust fund have been reported to the Plan by the Trustee as having been determined through the use of current values for all assets and liabilities.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Plan to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(d) PAYMENT OF BENEFITS

Benefits are recorded when paid.

(2) PLAN PROVISIONS

Under the terms of the Plan, an employee is eligible to become a participant in the Plan (for the purpose of making employee contributions) upon the completion of 30 days of employment and reaching the age of 18. For the purpose of receiving Company contributions, an employee is eligible after completing at least 1,000 hours of employment with the Company during the current Plan year and if they are a participant on the last day of the Plan year.

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MACDERMID EQUIPMENT, INC. 401K PLAN

Notes to Financial Statements

March 31, 2001 and 2000

An employee may make voluntary pre-tax contributions to the Plan totaling from 1% to 15% of the employee's gross pay, subject to IRS limitations. Contributions toward Company stock (up to 6%) are matched by the Company \$0.50 per dollar, to a maximum of 3% of employees' gross pay. Each participant shall direct (to funds) 100% of their contributions.

The Company may make profit-sharing contributions to the Plan. This is a discretionary contribution determined by the Board of Directors. Profit-sharing contributions were \$42,822 and \$0 for the years ended March 31, 2001 and 2000, respectively.

Employees vest immediately in their contributions. Full vesting with respect to the Company's contribution requires five years of credited service, except that full vesting will apply when an employee attains age 55, dies or becomes totally disabled. Any forfeited amounts related to the maximum additional 3% of compensation allocated to the MacDermid Company Stock Fund are allocated on a pro rata basis to Plan participants with at least one year of participation in the Plan based on eligible compensation.

Distribution of participants' accounts upon separation shall be paid in (a) a lump sum, or (b) equal installments.

The Company expects to continue the Plan indefinitely, but necessarily reserves the right to amend, modify or terminate the Plan at any time. If it is necessary to discontinue the Plan, the assets in the trust fund will be used to provide benefits in accordance with the provisions of the Plan document.

(3) FEDERAL INCOME TAXES

The Plan has received a tax determination letter from the Internal Revenue Service (IRS) indicating that the Plan qualifies under the provisions of Section 401(a) of the Internal Revenue Code (IRC) and is exempt from federal income taxes. The Plan has been amended since receiving the determination letter, however, the Company believes the Plan is designed and is currently being operated in compliance with the applicable sections of the IRC.

Plan participants are taxed on Plan benefits at the time of distribution to the extent such distribution exceeds a participant's post-tax contribution to the Plan. The Plan withholds the mandatory 20% federal tax from all taxable distributions which are not direct rollovers. The tax consequences to the participant will depend on the type of distribution (lump sum, annuity, or installments).

MACDERMID EQUIPMENT, INC. 401K PLAN

Notes to Financial Statements

March 31, 2001 and 2000

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(4) INVESTMENT PROGRAMS

Plan participants may elect from among 13 separate investment funds in which to have their contributions and a portion of the Company's contribution invested. The 13 investment funds of the Plan as of March 31, 2001 are as follows:

- (1) FIRST UNION STABLE INVESTMENT FUND - Seeks maximum current income consistent with stability of capital and maintenance of liquidity.
- (2) DAVIS NY VENTURE FUND A - Seeks long-term capital appreciation and income through purchasing high-quality, well managed, growing companies at value prices and holding them for the long term.
- (3) EVERGREEN SPECIAL EQUITY FUND I - Seeks growth of capital through investing mainly in both growth and value-oriented stocks that show potential for growth in earnings and price.
- (4) FEDERATED STOCK TRUST FUND - Seeks growth of income and capital by investing principally in a professionally managed and diversified portfolio of common stock of high quality companies.
- (5) INVESCO DYNAMICS FUND - Seeks capital appreciation.
- (6) JANUS GROWTH & INCOME FUND - Seeks long-term growth of capital with a limited emphasis on income.
- (7) JANUS WORLDWIDE FUND -- Seeks long-term growth of capital by investing in a diversified portfolio of common stocks of foreign and domestic issuers of all sizes.
- (8) MFS CAPITAL OPPORTUNITIES FUND A - Seeks capital appreciation by investing primarily in common stocks.
- (9) DREYFUS S&P MID-CAP INDEX FUND - Seeks to provide investment results that correspond to the price and yield performance of publicly-traded common stocks of medium-size domestic companies in the aggregate, as represented by the Standard & Poor's MidCap 400 Index.
- (10) EVERGREEN SELECT CORE BOND FUND - Seeks to maximize total return through a combination of current income and capital growth by investing mainly in corporate and mortgage securities.
- (11) FIDELITY MORTGAGE SECURITIES FUND - Seeks high current income consistent with prudent investment risk. The fund may also consider the potential for capital gain.
- (12) AIM FUNDS GROUP BALANCED A - Seeks to provide income and long-term growth of capital and income by investing in companies of all sizes, both domestic and foreign, and investment-grade bonds.

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(13) MACDERMID COMPANY STOCK FUND - This fund consists primarily of common stock of MacDermid, Inc.

Participants may elect to transfer amounts from one investment fund to another using a voice response system. Once an election is made to allocate funds to the MacDermid Company Stock Fund, the funds may not be transferred out, except that participants over the age of 55 may transfer certain funds out of the MacDermid Company Stock Fund.

(5) INVESTMENTS

In September 1999, The American Institute of Certified Public Accountants issued Statement of Position 99-3, ACCOUNTING FOR AND REPORTING OF CERTAIN DEFINED CONTRIBUTION PLAN INVESTMENTS AND OTHER DISCLOSURE MATTERS (SOP 99-3). SOP 99-3 simplifies the disclosure for certain investments and is effective for plan years ended after December 15, 1999. The Plan adopted SOP 99-3 during the Plan year ended March 31, 2000.

The following table represents the fair value of investments. Investments that represent 5% or more the Plan's net assets are separately identified:

	MARCH 31,	
	2001	2000
First Union Stable Investment Fund	\$ 135,155	--
Davis NY Venture Fund A	255,052	--
Janus Growth & Income Fund	174,598	--
AIM Funds Group Balanced A	296,048	--
Oppenheimer Quest Value A	--	83,490
Prudential Equity Fund Z	--	90,253
Prudential Diversified High Growth Fund Z	--	284,776
Prudential Diversified Moderate Growth Fund Z	--	372,748
Prudential Stock Index Fund I	--	99,072
Prudential Global Growth Fund Z	--	103,346
Kemper Dremen High Return Equity	--	150,303
MacDermid Company Stock Fund	287,924	242,545
Other investments	316,728	219,149
	\$1,465,505	1,645,682
	=====	=====

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(Continued)

MACDERMID EQUIPMENT, INC. 401K PLAN

Notes to Financial Statements

March 31, 2001 and 2000

(6) APPRECIATION (DEPRECIATION) IN FAIR VALUE OF ASSETS HELD

During the years ended March 31, 2001 and 2000, the Plan's investments (including investments bought and sold, as well as investments held during

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the year) appreciated (depreciated) as follows:

	NET APPRECIATION (DEPRECIATION) IN FAIR VALUE	
	2001	2000
Common stocks	\$(208,536)	(76,300)
Mutual funds	(106,522)	101,240
	\$(315,058)	24,940

(7) PARTICIPANT NOTES RECEIVABLE

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Loan Fund. Loan terms range from 1-5 years or up to 10 years for the purchase of a primary residence. Loans are secured by the balance in a participant's account and bear interest at a rate equal to the prime rate. Principal and interest is paid ratably through regular payroll deductions.

(8) DUE TO TRUSTEE

During April 2001, it was disclosed by the trustee that an excess amount had been recorded as contributions to the trust in March 2001. This amount is recorded as a payable in the statement of net assets available for plan benefits as of March 31, 2001, and was subsequently repaid in May 2001.

(9) RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by First Union and Prudential. First Union and Prudential are the trustees as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

(10) SUBSEQUENT EVENT

In May 2001, the Board of Directors of the Company elected to change the Plan's fiscal year-end from March 31 to December 31.

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MACDERMID EQUIPMENT, INC. 401K PLAN

Schedule of Assets (Held at End of Year)

March 31, 2001

IDENTITY OF ISSUER, BORROWER,	DESCRIPTION OF	CURRENT
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LESSOR, OR SIMILAR PARTY	INVESTMENT	VALUE
*First Union Stable Investment Fund	5,011 shares	\$ 135,155
*MacDermid Company Stock Fund	15,925 shares	287,924
Davis NY Venture Fund A	9,882 shares	255,052
Evergreen Special Equity Fund I	1,446 shares	15,202
Federated Stock Trust Fund	284 shares	9,342
Invesco Dynamics Fund	316 shares	5,274
Janus Growth & Income Fund	7,549 shares	174,598
Janus Worldwide Fund	1,581 shares	49,430
MFS Capital Opportunities Fund A	3,719 shares	56,042
Dreyfus S&P Mid-Cap Index Fund	420 shares	8,245
Evergreen Select Core Bond Fund	5,751 shares	62,059
Fidelity Mortgage Securities Fund	4,109 shares	41,918
AIM Funds Group Balanced A	10,904 shares	296,048
*Participant Loans	8.0% - 9.5%	69,216
Total		\$1,465,505

*Represents a party-in-interest.

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SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

MACDERMID EQUIPMENT, INC. 401K PLAN

Date: October 15, 2001

By: /s/ Frank Montiero

 Frank Montiero
 Member, MacDermid Benefit Plans
 Administration Committee