Independent Auditor's Report

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pidilite Industries Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Principal audit procedures performed:
Acquisition accounting for Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited)	Our procedures included but were not limited to:
The Parent company completed the acquisition of Pidilite Adhesives Private Limited for ₹ 2,196.46 crores on 3rd November 2020 as set out in Note 52B of the Consolidated Financial Statements. Accounting for the acquisition has involved judgment in order to: • determine the fair value of consideration transferred; • identify and measure the fair value of the identifiable assets acquired and liabilities assumed; • allocate the purchase consideration between identifiable assets and liabilities and goodwill; This is a material acquisitions for the Parent Company and given the level of estimation and judgement required, we considered it to be a key audit matter. The most significant judgements relate to the identification and valuation of intangible assets acquired. The identified intangible assets are the brands and distribution relationships. This includes complex valuation considerations and requires the use of specialists.	• Evaluated the design and tested the operating effectiveness of internal controls implemented by the Parent Company over the purchase price allocation process. • We tested the completeness of the identified assets and liabilities acquired by comparison to the external valuer report through discussions with the Parent Company. • We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: - Reading the valuation report prepared by the appointed external valuation specialists. - Evaluating the competence and independence of the appointed external valuation specialists. - Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the brands and distribution relationships and including assumptions such as the discount rates applied. • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance and Information for Shareholder, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its Associates and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements/ financial information of 33 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 2,074.54 crores as at 31st March 2021, total revenues of ₹ 1,149.72 crores and net cash inflows amounting to ₹ 123.24 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 3.98 crores for the year ended 31st March 2021, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

(c) We did not audit the financial information of 2 subsidiaries, whose financial information reflect total assets of ₹ NIL as at 31st March 2021, total revenues of ₹ NIL and net cash inflows/ (outflows) amounting to ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ NIL for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of a joint venture, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries and associates referred to in the Other Matters section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st March 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

ii) the Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and associate companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 21045474AAAABH4498

Place: Mumbai
Date: 12th May 2021

Annexure “A” to the Independent Auditor’s Report

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2021

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as “Parent” and its subsidiary companies, its associate companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India where such reporting under section 143(3) of the Companies Act, 2013 is applicable.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 12 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm‘s Registration No.117366W/W-100018)

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 21045474AAAABH4498

Place: Mumbai
Date: 12th May 2021

Consolidated Statement of Balance Sheet

as at 31st March 2021

(₹ in crores)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**1,285.03**	1,141.95
(b) Right of Use Assets	5	**157.81**	147.00
(c) Capital Work-In-Progress	4	**293.87**	259.33
(d) Goodwill	6	**1,283.95**	184.03
(e) Other Intangible Assets	6	**1,691.13**	333.73
(f) Investments accounted for using equity method	7	**32.47**	25.30
(g) Financial Assets			
(i) Investments	8	**307.04**	441.16
(ii) Loans	11	**4.85**	4.09
(iii) Other Financial Assets	13	**51.06**	42.85
(h) Income Tax Assets (net)	18	**97.12**	109.53
(i) Deferred Tax Assets (net)	53	**16.59**	13.00
(j) Other Non-Current Assets	20	**94.13**	72.78
Total Non-Current Assets		**5,315.05**	2,774.75
2 Current Assets			
(a) Inventories	17	**1,234.15**	929.47
(b) Financial Assets			
(i) Investments	9	**176.46**	719.73
(ii) Trade Receivables	10	**1,321.02**	1,088.50
(iii) Cash and Cash Equivalents	15	**442.65**	692.23
(iv) Bank balances other than (iii) above	16	**8.81**	11.02
(v) Loans	12	**16.89**	17.38
(vi) Other Financial Assets	14	**85.26**	103.18
(c) Current Tax Assets (net)	19	**3.13**	1.93
(d) Other Current Assets	21	**227.00**	197.51
Total Current Assets		**3,515.37**	3,760.95
TOTAL ASSETS		**8,830.42**	6,535.70
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	**50.82**	50.81
(b) Other Equity	23	**5,542.14**	4,404.80
Equity attributable to owners of the Company		**5,592.96**	4,455.61
Non-Controlling Interests	42(b)	**240.04**	215.65
Total Equity		**5,833.00**	4,671.26
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**12.39**	25.13
(ii) Lease Liabilities		**80.68**	83.08
(iii) Other Financial Liabilities	27	**13.63**	7.26
(b) Provisions	29	**57.98**	51.95
(c) Deferred Tax Liabilities (net)	53	**398.03**	82.29
Total Non-Current Liabilities		**562.71**	249.71
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	**201.51**	143.99
(ii) Trade Payables	26		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		**86.03**	23.13
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		**920.71**	597.88
(iii) Lease Liabilities		**27.71**	28.39
(iv) Other Financial Liabilities	28	**1,034.04**	668.74
(b) Other Current Liabilities	31	**114.73**	122.34
(c) Provisions	30	**24.96**	21.59
(d) Current Tax Liabilities (net)	32	**25.02**	8.67
Total Current Liabilities		**2,434.71**	1,614.73
TOTAL LIABILITIES		**2,997.42**	1,864.44
TOTAL EQUITY AND LIABILITIES		**8,830.42**	6,535.70
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

N. K. JAIN
Partner

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 12th May 2021

Place: Mumbai
Date: 12th May 2021

Consolidated Statement of Profit and Loss

for the year ended 31st March 2021

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
INCOME			
Revenue from Operations	33	**7,292.71**	7,294.47
Other Income	34	**79.40**	149.43
Total Income		**7,372.11**	7,443.90
EXPENSES			
Cost of Materials Consumed	35	**3,017.82**	2,997.71
Purchases of Stock-in-Trade		**477.17**	383.57
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	**(118.32)**	21.22
Employee Benefits Expense	37	**980.86**	927.22
Finance Costs	38	**37.23**	33.60
Depreciation, Amortisation and Impairment Expense	39	**200.66**	169.92
Other Expenses	40	**1,254.56**	1,388.73
Total Expenses		**5,849.98**	5,921.97
Profit before Share of profit/ (loss) of Associate and Joint venture, Exceptional Items and Tax		**1,522.13**	1,521.93
Share of Profit in Associate (net of tax)	42(a)	**3.98**	3.03
Total Share of profit of Associate and Joint Venture		**3.98**	3.03
Profit before Exceptional Items and Tax		**1,526.11**	1,524.96
Exceptional Items	41	**3.62**	55.19
Profit before Tax		**1,522.49**	1,469.77
Tax Expense			
Current Tax	53	**399.88**	383.99
Deferred Tax	53	**(3.52)**	(36.27)
Net Tax Expense		**396.36**	347.72
Profit for the year		**1,126.13**	1,122.05
Attributable to:			
Shareholders of the Company		**1,131.21**	1,116.42
Non-Controlling Interest	42(b)	**(5.08)**	5.63
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(0.99)**	(14.63)
Income tax relating to items that will not be reclassified to profit or loss		**0.28**	3.58
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**(10.15)**	(14.59)
Total Other Comprehensive Income/ (Loss)		**(10.86)**	3.54
Attributable to:			
Shareholders of the Company		**(11.22)**	3.42
Non-Controlling Interest	42(b)	**0.36**	0.12
Total Comprehensive Income for the year		**1,115.27**	1,125.59
Attributable to:			
Shareholders of the Company		**1,119.99**	1,119.84
Non-Controlling Interest		**(4.72)**	5.75
Earnings Per Equity Share:	46		
Basic (₹)		**22.26**	21.98
Diluted (₹)		**22.24**	21.97
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

N. K. JAIN
Partner

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 12th May 2021

Place: Mumbai
Date: 12th May 2021

Consolidated Statement of Changes in Equity

for the year ended 31st March 2021

(₹ in crores)

a. Equity Share Capital

	Amount
Balance as at 1st April 2019	**50.80**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Plan - 2016 (refer Note 49)	0.01
Balance as at 31st March 2020	**50.81**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Plan - 2016 (refer Note 49)	0.01
Balance as at 31st March 2021	**50.82**

b. Other Equity

	Reserves and Surplus										Equity attributable to owners of the Company	Non-Controlling interest	Total Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings			
Balance as at 1st April 2019	**0.34**	**10.01**	**0.50**	**0.95**	**0.24**	**0.15**	**9.65**	**14.36**	**1,335.38**	**2,725.71**	**4,097.29**	**207.15**	**4,304.44**
Profit for the year	-	-	-	-	-	-	-	-	-	1,116.42	1,116.42	5.63	**1,122.05**
Addition during the year	-	-	-	-	0.01	-	-	14.47	-	-	14.48	0.11	**14.59**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(11.06)	(11.06)	0.01	**(11.05)**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	-	-	-	(826.77)	(826.77)	-	**(826.77)**
Payment of dividends to Non-Controlling interest	-	-	-	-	-	-	-	-	-	-	-	(0.39)	**(0.39)**
Non-controlling interest on acquisition of subsidiary/ Issue of share capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3.14	**3.14**
Recognition of share-based payments (refer Note 49)	-	13.20	-	-	-	-	1.24	-	-	-	14.44	-	**14.44**
Transferred to Securities Premium on Options exercised during the year	-	13.20	-	-	-	-	(13.20)	-	-	-	-	-	-
Amortised and Exercised during the year	-	-	-	-	-	-	14.84	-	-	-	14.84	-	**14.84**
Lapsed during the year	-	-	-	-	-	-	(0.40)	-	-	-	(0.40)	-	**(0.40)**
Balance as at 31st March 2020	**0.34**	**23.21**	**0.50**	**0.95**	**0.25**	**0.15**	**10.89**	**28.83**	**1,335.38**	**3,004.30**	**4,404.80**	**215.65**	**4,620.45**

(₹ in crores)

b. Other Equity

	Reserves and Surplus										Equity attributable to owners of the Company	Non-Controlling interest	Total Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings			
Profit for the year	-	-	-	-	-	-	-	-	-	1,131.21	1,131.21	(5.08)	**1,126.13**
Addition during the year	-	-	-	-	0.01	-	-	(10.51)	-	-	(10.50)	0.36	**(10.14)**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(0.71)	(0.71)	-	**(0.71)**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	-	-	-	(0.02)	(0.02)	-	**(0.02)**
Non-controlling interest on acquisition of subsidiary/ Issue of share capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	34.29	**34.29**
Change in Group Interest	-	-	-	-	-	-	-	-	-	-	-	(5.18)	**(5.18)**
Recognition of share-based payments (refer Note 49)	-	2.83	-	-	-	-	14.53	-	-	-	17.36	-	**17.36**
Transferred to Securities Premium on Options exercised during the year	-	2.83	-	-	-	-	(2.83)	-	-	-	-	-	-
Amortised and Exercised during the year	-	-	-	-	-	-	17.40	-	-	-	17.40	-	**17.40**
Lapsed during the year	-	-	-	-	-	-	(0.04)	-	-	-	(0.04)	-	**(0.04)**
Balance as at 31st March 2021	**0.34**	**26.04**	**0.50**	**0.95**	**0.26**	**0.15**	**25.42**	**18.32**	**1,335.38**	**4,134.78**	**5,542.14**	**240.04**	**5,782.18**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 12th May 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

PRADIP KUMAR MENON
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 12th May 2021

Consolidated Statement of Cash Flows

for the year ended 31st March 2021

(₹ in crores)

		For the year ended 31st March 2021		For the year ended 31st March 2020	
A	**Cash Flows from Operating Activities**				
	Profit before tax		**1,522.49**		1,469.77
	Adjustments for:				
	Share of profit from Associate	**(3.98)**		(3.03)	
	Finance costs recognised in Consolidated Statement of Profit and Loss	**37.23**		33.60	
	Interest income recognised in Consolidated Statement of Profit and Loss	**(16.84)**		(12.46)	
	Dividend income recognised in Consolidated Statement of Profit and Loss	**(1.13)**		(11.59)	
	Dividend from Associate	**1.79**		2.16	
	Exceptional Item - Impairment in value of Assets and Investments	**3.62**		55.19	
	Loss/ (Profit) on disposal of Property, Plant and Equipment	**5.73**		(2.67)	
	Net gain arising on financial assets designated at FVTPL	**(40.26)**		(109.79)	
	Allowance for Doubtful Debts	**11.01**		8.45	
	Depreciation, Amortisation and Impairment Expense	**200.66**		169.92	
	Unrealised Foreign Exchange (Gain)/ Loss (Net)	**(9.01)**		6.90	
	Provision for Employee Benefits	**8.09**		(10.12)	
	Provision/ Write back of Warranties and Others	**(0.35)**		5.31	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**17.24**		14.44	
	Operating Profits before Working Capital changes		**1,736.29**		1,616.08
	Movements in Working Capital:				
	(Increase)/Decrease in Operating Assets				
	Trade Receivables	**(175.88)**		(37.58)	
	Inventories	**(278.70)**		0.02	
	Non-Current Loans	**(0.76)**		(1.03)	
	Current Loans	**0.49**		(5.26)	
	Non-Current Financial Assets	**(0.19)**		(1.34)	
	Other Current Financial Assets	**17.94**		(32.57)	
	Other Non-Current Non Financial Assets	**(4.20)**		2.65	
	Other Current Non Financial Assets	**(29.20)**		(34.15)	
	Increase/ (Decrease) in Operating Liabilities				
	Trade Payables	**354.61**		41.70	
	Other Current Financial Liabilities	**147.68**		166.92	
	Other Non-Current Financial Liabilities	**6.37**		(75.61)	
	Other Current Non Financial Liabilities	**(11.41)**		32.79	
	Cash generated from Operations		**1,763.04**		1,672.62
	Taxes paid (net of refunds)		**(370.91)**		(393.07)
	Net cash generated from Operating Activities [A]		**1,392.13**		1,279.55
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**(353.76)**		(467.13)	
	Proceeds from disposal of Property, Plant and Equipment & Other Intangible Assets	**1.76**		23.20	
	Payments to purchase Investments	**(2,931.95)**		(1,438.73)	
	Proceeds on sale of Investments	**3,638.81**		1,910.03	
	Payments for business acquisitions (refer Note 52B)	**(2,056.86)**		-	
	(Increase)/ Decrease in Bank Deposits	**(4.75)**		53.03	
	Decrease/ (Increase) in Other Bank Balances	**0.89**		(1.51)	
	Interest received	**16.84**		12.46	
	Dividend received	**1.13**		11.59	
	Net cash (used in)/ generated from Investing Activities [B]		**(1,687.89)**		102.94

Consolidated Statement of Cash Flows

for the year ended 31st March 2021

(₹ in crores)

		For the year ended 31st March 2021		For the year ended 31st March 2020	
C	**Cash Flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company	**0.01**		0.01	
	Payment of Lease Liabilities	**(33.93)**		(34.02)	
	Net increase in Current Borrowings	**27.93**		10.77	
	Net (Decrease)/ Increase in Non-Current Borrowings	**(11.13)**		22.03	
	(Payment)/ Proceeds from Share Capital issued to Minority (net)	**(29.11)**		2.75	
	Dividend paid on Equity Shares (including tax thereon)	**(0.69)**		(825.36)	
	Interest paid	**(29.32)**		(25.39)	
	Net cash used in Financing Activities [C]		**(76.24)**		(849.21)
	Net (decrease)/ increase in Cash and Cash Equivalents [A+B+C]		**(372.00)**		533.28
	Cash and Cash Equivalents at the beginning of the year (refer Note 15)	**606.37**		72.94	
	Bank unrealised gain	**0.18**		0.33	
	Cash and Cash Equivalents at the beginning of the year		**606.55**		73.27
	Cash and Cash Equivalents at the end of the year (refer Note 15)	**327.20**		606.37	
	Bank unrealised (Loss)/ Gain	**(0.05)**		0.18	
	Acquisition under Business Combination (refer Note 52B)	**(92.60)**		-	
	Cash and Cash Equivalents at the end of the year		**234.55**		606.55
	Net (Decrease)/ Increase in Cash and Cash Equivalents		**(372.00)**		533.28

Notes:

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash Flows.

b) Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

(₹ in crores)

Particulars	As at 31st March 2020	Cash Flows	Non-Cash Changes Current/ Non-Current Classification	As at 31st March 2021
Borrowings - Non-Current	25.13	(12.74)	-	**12.39**
	(8.51)	(16.62)	(-)	**(25.13)**
Borrowings - Current	58.14	27.93	-	**86.07**
	(47.37)	(10.77)	(-)	**(58.14)**
Other Financial Liabilities				
- Current portion of Non-Current Borrowings	7.10	1.61	-	**8.71**
	(1.69)	(5.41)	(-)	**(7.10)**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 12th May 2021

Place: Mumbai
Date: 12th May 2021

1 Corporate information

Pidilite Industries Limited (the Company/ Parent), together with its subsidiaries are pioneers in consumer and industrial speciality chemicals in India. The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

The address of its registered o ce is Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021. The address of principal place of business is Ramkrishna Mandir Road, O Mathuradas Vasanji Road, Andheri (E), Mumbai 400 059.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared under the historical cost convention except for the following items –

a. Certain Financial Assets/ Liabilities (including derivative instruments) – at Fair value

b. Employee Stock Options - at Fair value

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest crores, except otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Pidilite Industries Limited (the "Parent") and its subsidiaries (together referred to as "Group") and Group's share of profit/ loss in its Associates and Joint Venture as at 31st March 2021. Control exists when the Group has:

- power over the investee;
- exposure or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to a ect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Generally, there is a presumption that a majority of voting rights result in control. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting pa erns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

If the Group losses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity. Any investment retained is measured at fair value. Any resultant gain or loss is recognised in the Consolidated Statement of Profit and Loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the Parent, i.e., year ended on 31st March 2021.

The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Parent and its subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses in accordance with Ind AS 110 "Consolidated Financial Statements". Further, the carrying amount of the Parent's investments in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated on consolidation.

b) The consolidated financial statements include the share of profit/ loss of an Associate Companies and Joint Venture which have been accounted for using equity method as per Ind AS 28 "Investment in Associates and Joint Ventures". The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss (the loss being restricted to the cost of investment) of the investee after the acquisition date.

c) Profit or loss and each component of Other Comprehensive Income (the 'OCI') are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

d) The excess of cost to the Group of its investments in the subsidiary companies, Joint Venture and Associate Company over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries, Joint Venture and Associate Company as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

e) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/ loss for the year and each component of Other Comprehensive Income of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

f) The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

g) Goodwill arising on consolidation is not amortised but tested for impairment.

2.3 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of acquiree. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding changes against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Contingent consideration that is classified as an asset or a liability is subsequently (after the measurement period) remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in Consolidated Statement of Profit and Loss.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. Identity of the reserves appearing in the financial statements of the transferor is preserved and appears in the financial statements of the transferee in the same form. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.4 Goodwill

Goodwill is measured as the excess of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on business combination or acquisition of an associate and a Joint Venture is described at Note 2.5.

2.5 Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate or a Joint Venture is accounted for using the equity method from the date on which the investee becomes an associate or a Joint Venture.

Under the equity method, an investment in an associate or a Joint Venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and Other Comprehensive Income of the associate or Joint Venture. Distributions received from an associate or a Joint Venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a Joint Venture exceeds the Group's interest in that associate or Joint Venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or Joint Venture); the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or Joint Venture.

On acquisition of the investment in an associate or a Joint Venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or Joint Venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or Joint Venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a Joint Venture of the Group, profits and losses resulting from the transactions with the associate or Joint Venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or Joint Venture that are not related to the Group.

2.6 Revenue Recognition

The Group recognises revenue from sale of goods and services, based on the terms of contract and as per the business practise; the Group determines transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. Revenue is recognised when it is realized or is realizable and has been earned after the deduction of variable components such as discounts, rebates, incentives, promotional couponing and schemes. The Group estimates the amount of variable components based on historical, current and forecast information available and either expected value method or most likely method, as appropriate and records a corresponding liability in other payables; the actual amounts may be different from such estimates. These differences, which have historically not been significant, are recognised as a change in management estimate in a subsequent period.

2.6.1.a Sale of goods

Revenue is recognised when control of the products being sold has been transferred to a customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied and the Group no longer has control over the inventory.

Advance received from customer before transfer of control of goods to the customer is recognised as contract liability.

2.6.1.b Sale of Services

Revenue from sale of services includes fixed price contracts and time and material contracts and is recognised as sale, as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognised as sales and are recorded as uncertified revenue and unbilled revenue. Incomplete services are recorded at cost as work-in-progress.

The Group accounts for provision of warranty in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.6.2 Dividend, Interest income and Royalty

Dividend income from investments is recognised when the Group's right to receive dividend is established.

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Group and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement in case of sales provided that it is probable that the economic benefits associated with the royalty shall flow to the Group and the amount of royalty can be measured reliably.

Claims/ Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

The Group's policy for recognition of revenue (rental income) from leases is described in Note 2.7.1.

2.7 Leasing

The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

2.7.1 Group as Lessor

Rental income from leases is recognised on a straight- line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue.

Amounts due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

Finance lease income is allocated over accounting periods so as to reflect constant periodic rate of return of the Group's net investment outstanding in respect of the leases.

2.7.2 Group as Lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short - term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.8 Foreign Currencies

The functional currency of the Parent and its Indian Subsidiaries is the Indian Rupee, whereas the functional currency of Foreign Subsidiaries is the currency of their countries of domicile. In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the Consolidated Statement of Profit and Loss. For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

2.9 Share-based payment transactions of the Group

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. .

2.10.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

2.10.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes forming part of the consolidated nancial statements

2.10.3 Current and Deferred Tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.11 Property, Plant and Equipment

2.11.1 Property, Plant and Equipment acquired separately

Freehold Land is stated at cost and not depreciated.

Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

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2.12.3 **Internally generated Intangible Assets – Research and Development Expenditure**

Expenditure on research activities is recognised in Consolidated Statement of Profit and Loss in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if and only if it meets the recognition criteria of intangible assets. The amount initially recognised is the sum total of expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is recognised in Consolidated Statement of Profit and Loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.12.4 **Useful lives of Intangible Assets**

Estimated useful lives of the Intangible Assets are as follows:

Type of Asset	Useful Life
Computer Software	5-10 years
Technical Knowhow	10-15 years
Non-Compete Fees	10-15 years
Distributor Relationship	15 years
Copyrights	Indefinite Life
Trademark	10 years-Indefinite Life

2.13 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in Consolidated Statement of Profit and Loss.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value.

Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour and appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

2.15 Provisions (other than Employee Benefits)

A provision is recognised when as a result of past event, the Group has a present legal or constructive obligation that can be reliably estimated, and, it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

2.16 Financial Instruments

2.16.1 **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit and Loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit and Loss are recognised in Consolidated Statement of Profit and Loss.

2.16.2 Subsequent measurement of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the “Other income” line item.

2.16.3 **Impairment of Financial Assets**

The Group recognises loss allowance using expected credit loss model financial assets which are not measured at Fair Value Through Profit and Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Group measures loss allowance at an amount equal to lifetime expected credit losses. The Group computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.4 Financial Liabilities and Equity Instruments

2.16.4.1 **Classification of debt or equity**

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

2.16.4.2 **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds, net of direct issue costs.

2.16.4.3 **Financial Liabilities**

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method.

2.16.5 **Derecognition of Financial Assets and Liabilities**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Group derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

2.16.6 **Derivative Financial Instruments**

The Group holds derivative financial instruments such as foreign exchange forward contracts to hedge its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at their fair value and changes at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately.

2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / loss before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Group are segregated.

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

2.18 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding allocation of resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities respectively".

2.19 Employee Benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme.

2.19.1 Defined Contribution Plans

The Group's contribution to Provident Fund, Superannuation Fund, National Pension Scheme and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

2.19.2 Defined Benefit Plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected in the Consolidated Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.19.3 Short-Term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees upto the reporting date.

2.20 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.21 Assets held for sale

Sale of business is classified as held for sale, if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification as held for sale is met when disposal business is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale.

2.22 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate line of business that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

2.23 Non-current assets and disposal groups held for sale

Assets of disposal groups that is available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Non-current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell.

3. Critical Accounting Judgements and key sources of Estimation Uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical Judgments

3.1.1 Classification of Plus Call Technical Services LLC as a Joint Venture

Plus Call Technical Services LLC is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the LLC itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Plus Call Technical Services LLC is classified as Joint Venture of the Group.

3.1.2 Classification of entities as Subsidiaries wherein Group has ownership interest and voting rights of 50% or less

Pidilite MEA Chemicals LLC, Bamco Supply and Services Ltd, ICA Pidilite Pvt Ltd, Pidilite Grupo Puma Pvt Ltd, Pidilite Grupo Puma Manufacturing Ltd are subsidiaries of the Group even though the Group has ownership interest and voting rights of 50% or less in the subsidiaries respectively. However, based on the relevant facts and circumstances, control and management of these entities lie with the Group. The Group has the power to direct the relevant activities of these entities and therefore controls these entities.

3.2 Key accounting, judgements, assumptions and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.2.1 Impairment of Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets (i.e. trademark and copyrights) are tested for impairment on an annual basis. Recoverable amount of cash- generating units is determined based on higher of value-in-use and fair value less cost to sell. The impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which the intangibles are monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

3.2.2 Business Combinations and Intangible Assets

Business combinations are accounted for using Ind AS 103, 'Business Combinations'. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

3.2.3 Employee related provisions

The costs of long-term and short-term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates (disclosed in Note 51).

3.2.4 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 53).

3.2.5 Property, Plant and Equipment and Other Intangible Assets

The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired. These estimates are reviewed annually by the management. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2.6 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 'Leases'. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes forming part of the consolidated nancial statements

(₹ in crores)

4 Property, Plant and Equipment and Capital Work-In-Progress

	As at 31st March 2021	As at 31st March 2020
Carrying Amounts		
• Freehold Land	**130.00**	123.33
• Buildings	**432.64**	381.68
• Plant and Machinery	**637.07**	552.22
• Vehicles	**7.03**	7.17
• Furniture and Fixtures	**32.97**	34.54
• O ce Equipment	**45.32**	43.01
	1,285.03	1,141.95
Capital Work-In-Progress*	**293.87**	259.33
TOTAL	**1,578.90**	1,401.28

* Net of Impairment ₹ **NIL** (₹ 55.19 crores as at 31st March 2020) (refer Note 41)

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2019	**85.28**	**391.39**	**1,187.28**	**24.86**	**89.01**	**120.04**	**1,897.86**
Additions	36.73	103.95	170.62	1.14	9.57	21.91	**343.92**
Disposals/ Adjustments	-	(3.39)	(16.15)	(0.41)	(0.19)	0.64	**(19.50)**
Foreign Currency Translation	1.32	6.86	4.01	0.29	1.05	0.43	**13.96**
Balance as at 31st March 2020	**123.33**	**498.81**	**1,345.76**	**25.88**	**99.44**	**143.02**	**2,236.24**
Additions	8.41	72.30	187.55	2.06	4.98	16.24	**291.54**
Acquisition under Business Combinations (refer Note 52B)	-	-	5.60	-	0.02	-	**5.62**
Disposals/ Adjustments	(1.43)	(0.05)	(25.69)	(4.65)	(0.60)	(8.77)	**(41.19)**
Foreign Currency Translation	(0.31)	(3.20)	(4.42)	(0.05)	(0.53)	(0.46)	**(8.97)**
Balance as at 31st March 2021	**130.00**	**567.86**	**1,508.80**	**23.24**	**103.31**	**150.03**	**2,483.24**
Accumulated Depreciation and Impairment							
Balance as at 1st April 2019	-	**(101.84)**	**(720.27)**	**(17.03)**	**(57.30)**	**(88.10)**	**(984.54)**
Eliminated on disposal of assets	-	1.63	13.21	0.28	(1.09)	(0.13)	**13.90**
Depreciation expense	-	(15.03)	(84.11)	(1.75)	(5.84)	(11.73)	**(118.46)**
Foreign Currency Translation	-	(1.89)	(2.37)	(0.21)	(0.67)	(0.05)	**(5.19)**
Balance as at 31st March 2020	-	**(117.13)**	**(793.54)**	**(18.71)**	**(64.90)**	**(100.01)**	**(1,094.29)**
Eliminated on disposal of assets	-	0.04	20.38	4.46	0.46	8.33	**33.67**
Acquisition under Business Combinations (refer Note 52B)	-	-	(1.52)	-	(0.01)	-	**(1.53)**
Depreciation expense	-	(18.69)	(100.04)	(1.98)	(6.23)	(13.20)	**(140.14)**
Foreign Currency Translation	-	0.56	2.99	0.02	0.34	0.17	**4.08**
Balance as at 31st March 2021	-	**(135.22)**	**(871.73)**	**(16.21)**	**(70.34)**	**(104.71)**	**(1,198.21)**
Net Carrying Amount							
Balance as at 1st April 2019	**85.28**	**289.55**	**467.01**	**7.83**	**31.71**	**31.94**	**913.32**
Additions	36.73	103.95	170.62	1.14	9.57	21.91	**343.92**
Disposals/ Adjustments	-	(3.39)	(16.15)	(0.41)	(0.19)	0.64	**(19.50)**
Depreciation expense	-	(15.03)	(84.11)	(1.75)	(5.84)	(11.73)	**(118.46)**
Depreciation Eliminated on disposal of assets	-	1.63	13.21	0.28	(1.09)	(0.13)	**13.90**
Foreign Currency Translation	1.32	4.97	1.64	0.08	0.38	0.38	**8.77**
Balance as at 31st March 2020	**123.33**	**381.68**	**552.22**	**7.17**	**34.54**	**43.01**	**1,141.95**
Additions	8.41	72.30	187.55	2.06	4.98	16.24	**291.54**
Disposals/ Adjustments	(1.43)	(0.05)	(25.69)	(4.65)	(0.60)	(8.77)	**(41.19)**
Acquisition under Business Combinations (refer Note 52B)	-	-	4.08	-	0.01	-	**4.09**
Depreciation expense	-	(18.69)	(100.04)	(1.98)	(6.23)	(13.20)	**(140.14)**
Depreciation Eliminated on disposal of assets	-	0.04	20.38	4.46	0.46	8.33	**33.67**
Foreign Currency Translation	(0.31)	(2.64)	(1.43)	(0.03)	(0.19)	(0.29)	**(4.89)**
Balance as at 31st March 2021	**130.00**	**432.64**	**637.07**	**7.03**	**32.97**	**45.32**	**1,285.03**

Notes:

(₹ in crores)

a) Assets given under lease included in Note 4 above are as under:

	As at 31st March 2021	As at 31st March 2020
Carrying Amounts		
• Freehold Land	**17.00**	13.79
• Buildings	**22.84**	22.29
TOTAL	**39.84**	**36.08**

	Freehold Land	Buildings	Total
Gross Carrying Amount			
Balance as at 1st April 2019	**13.79**	**28.20**	**41.99**
Additions	-	3.12	**3.12**
Balance as at 31st March 2020	**13.79**	**31.32**	**45.11**
Additions	3.21	1.71	**4.92**
Balance as at 31st March 2021	**17.00**	**33.03**	**50.03**
Accumulated Depreciation and Impairment			
Balance as at 1st April 2019	-	**(6.93)**	**(6.93)**
Depreciation expense	-	(2.10)	**(2.10)**
Balance as at 31st March 2020	-	**(9.03)**	**(9.03)**
Depreciation expense	-	(1.16)	**(1.16)**
Balance as at 31st March 2021	-	**(10.19)**	**(10.19)**
Net Carrying Amount			
Balance as at 1st April 2019	**13.79**	**21.27**	**35.06**
Additions	-	3.12	**3.12**
Depreciation expense	-	(2.10)	**(2.10)**
Balance as at 31st March 2020	**13.79**	**22.29**	**36.08**
Additions	3.21	1.71	**4.92**
Depreciation expense	-	(1.16)	**(1.16)**
Balance as at 31st March 2021	**17.00**	**22.84**	**39.84**

b) Buildings include shares of co-operative societies of ₹ **0.01** crores (₹ 0.01 crores as at 31st March 2020)

Notes forming part of the consolidated financial statements

(₹ in crores)

5 Right of Use Assets

	As at 31st March 2021	As at 31st March 2020
Carrying Amounts		
• Leasehold Land	**88.39**	67.34
• Leasehold Buildings	**69.14**	79.25
• Plant and Machinery	**0.28**	0.41
TOTAL	**157.81**	**147.00**

	Leasehold Land	Leasehold Buildings	Plant and Machinery	TOTAL
Gross Carrying Amount				
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 54)	**66.25**	**82.36**	**0.55**	**149.16**
Additions	3.53	24.79	-	**28.32**
Foreign Currency Translation	1.34	(0.50)	-	**0.84**
Balance as at 31st March 2020	**71.12**	**106.65**	**0.55**	**178.32**
Additions	26.08	26.29	-	**52.37**
Acquisition under Business Combination (refer Note 52B)	-	5.02	-	**5.02**
Disposals/ Adjustments	(0.09)	(7.75)	-	**(7.84)**
Foreign Currency Translation	(1.62)	(0.59)	0.01	**(2.20)**
Balance as at 31st March 2021	**95.49**	**129.62**	**0.56**	**225.67**
Accumulated Depreciation and Impairment				
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 54)	-	-	-	-
Depreciation expense	(3.66)	(27.63)	(0.14)	**(31.43)**
Foreign Currency Translation	(0.12)	0.23	-	**0.11**
Balance as at 31st March 2020	**(3.78)**	**(27.40)**	**(0.14)**	**(31.32)**
Disposals/ Adjustments	-	0.21	-	**0.21**
Acquisition under Business Combination (refer Note 52B)	-	(2.03)	-	**(2.03)**
Depreciation expense	(3.46)	(31.51)	(0.14)	**(35.11)**
Foreign Currency Translation	0.14	0.25	-	**0.39**
Balance as at 31st March 2021	**(7.10)**	**(60.48)**	**(0.28)**	**(67.86)**
Net Carrying Amount				
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 54)	**66.25**	**82.36**	**0.55**	**149.16**
Additions	3.53	24.79	-	**28.32**
Depreciation expense	(3.66)	(27.63)	(0.14)	**(31.43)**
Foreign Currency Translation	1.22	(0.27)	-	**0.95**
Balance as at 31st March 2020	**67.34**	**79.25**	**0.41**	**147.00**
Additions	26.08	26.29	-	**52.37**
Acquisition under Business Combination (refer Note 52B)	-	2.99	-	**2.99**
Disposals/ Adjustments	(0.09)	(7.54)	-	**(7.63)**
Depreciation expense	(3.46)	(31.51)	(0.14)	**(35.11)**
Foreign Currency Translation	(1.48)	(0.34)	0.01	**(1.81)**
Balance as at 31st March 2021	**88.39**	**69.14**	**0.28**	**157.81**

(₹ in crores)

6 Goodwill and Other Intangible Assets

	As at 31st March 2021	As at 31st March 2020
Carrying Amounts		
• Goodwill on Consolidation	**1,182.63**	81.78
• Goodwill (acquired separately)	**101.32**	102.25
Total Goodwill (A)	**1,283.95**	184.03
Other Intangible Assets		
• Trademark	**1,395.83**	240.59
• Computer So ware	**20.03**	15.24
• Copyrights	**4.48**	4.48
• Technical Knowhow Fees	**32.79**	38.34
• Commercial Knowhow Fees	**36.38**	34.03
• Non Compete Fees	**0.80**	1.05
• Distribution Network	**200.82**	-
Total Other Intangible Assets (B)	**1,691.13**	333.73
Total Intangible Assets (A+B)	**2,975.08**	517.76

(₹ in crores)

	Goodwill	Trade-mark	Computer Software	Copy-rights	Technical Knowhow Fees	Commercial Knowhow Fees	Non Compete Fees	Distributor Relation-ships	TOTAL
Gross Carrying Amount									
Balance as at 1st April 2019	**184.99**	**250.87**	**57.68**	**4.72**	**75.28**	**59.97**	**5.41**	**-**	**638.92**
Additions	-	-	4.39	-	-	-	-	-	**4.39**
Disposals/ Adjustments	-	(0.24)	0.23	(0.24)	(0.76)	-	(0.02)	-	**(1.03)**
Foreign Currency Translation	(0.96)	0.91	(0.10)	-	0.06	-	0.03	-	**(0.06)**
Balance as at 31st March 2020	**184.03**	**251.54**	**62.20**	**4.48**	**74.58**	**59.97**	**5.42**	**-**	**642.22**
Additions	-	0.45	9.44	-	-	-	-	-	**9.89**
Acquisition under Business Combination (refer Note 52B)	1,100.10	1,158.72	-	-	0.82	-	-	215.00	**2,474.64**
Disposals/ Adjustments	-	(0.45)	-	-	-	-	-	-	**(0.45)**
Foreign Currency Translation	(0.19)	(1.13)	(0.09)	-	(0.23)	-	-	-	**(1.64)**
Balance as at 31st March 2021	**1,283.94**	**1,409.13**	**71.55**	**4.48**	**75.17**	**59.97**	**5.42**	**215.00**	**3,124.66**
Accumulated Amortisation and Impairment									
Balance as at 1st April 2019	**-**	**(8.21)**	**(41.97)**	**-**	**(30.64)**	**(19.95)**	**(3.86)**	**-**	**(104.63)**
Eliminated on disposal of assets	-	-	(0.12)	-	0.68	-	0.02	-	**0.58**
Amortisation expense	-	(2.45)	(4.87)	-	(6.31)	(5.99)	(0.53)	-	**(20.15)**
Foreign Currency Translation	-	(0.29)	-	-	0.03	-	-	-	**(0.26)**
Balance as at 31st March 2020	**-**	**(10.95)**	**(46.96)**	**-**	**(36.24)**	**(25.94)**	**(4.37)**	**-**	**(124.46)**
Acquisition under Business Combination (refer Note 52B)	-	-	-	-	(0.02)	-	-	-	**(0.02)**
Amortisation expense	-	(2.44)	(4.61)	-	(3.93)	-	(0.25)	(14.18)	**(25.41)**
Foreign Currency Translation	-	0.10	0.05	-	(2.19)	2.35	-	-	**0.31**
Balance as at 31st March 2021	**-**	**(13.29)**	**(51.52)**	**-**	**(42.38)**	**(23.59)**	**(4.62)**	**(14.18)**	**(149.58)**
Net Carrying Amount									
Balance as at 1st April 2019	**184.99**	**242.66**	**15.71**	**4.72**	**44.64**	**40.02**	**1.55**	**-**	**534.29**
Additions	-	-	4.39	-	-	-	-	-	**4.39**
Disposals/ Adjustments	-	(0.24)	0.23	(0.24)	(0.76)	-	(0.02)	-	**(1.03)**
Amortisation expense	-	(2.45)	(4.87)	-	(6.31)	(5.99)	(0.53)	-	**(20.15)**
Amortisation Eliminated on disposal of assets	-	-	(0.12)	-	0.68	-	0.02	-	**0.58**
Foreign Currency Translation	(0.96)	0.62	(0.10)	-	0.09	-	0.03	-	**(0.32)**
Balance as at 31st March 2020	**184.03**	**240.59**	**15.24**	**4.48**	**38.34**	**34.03**	**1.05**	**-**	**517.76**
Additions	-	0.45	9.44	-	-	-	-	-	**9.89**
Acquisition under Business Combination (refer Note 52B)	1,100.10	1,158.72	-	-	0.80	-	-	215.00	**2,474.62**
Disposals/ Adjustments	-	(0.45)	-	-	-	-	-	-	**(0.45)**
Amortisation expense	-	(2.44)	(4.61)	-	(3.93)	-	(0.25)	(14.18)	**(25.41)**
Foreign Currency Translation	(0.19)	(1.03)	(0.04)	-	(2.42)	2.35	-	-	**(1.33)**
Balance as at 31st March 2021	**1,283.94**	**1,395.84**	**20.03**	**4.48**	**32.79**	**36.38**	**0.80**	**200.82**	**2,975.08**

The Group has estimated the useful life for some of its Copyrights & Trademark as inde nite on the basis of renewal of legal rights and the management's intention to keep it perpetually.

(₹ in crores)

	As at 31st March 2021	As at 31st March 2020
Goodwill on Consolidation		
• Cipy Polyurethanes Pvt Ltd (CIPY)	**57.62**	57.62
• Pidilite Bamco Ltd (Bamco)	**22.94**	22.27
• Bhimad Commercial Co Pvt Ltd (Bhimad)	**0.01**	0.01
• Madhumala Traders Pvt Ltd (Madhumala)	**0.01**	0.01
• Pidilite Industries Egypt SAE (PIE)	**1.95**	1.87
• Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (refer Note 52B)	**59.21**	-
• Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Pvt Ltd) (refer Note 52B)	**1,040.89**	-
Total (A)	**1,182.63**	81.78
Goodwill acquired separately*		
• Pidilite Industries Limited	**86.11**	86.11
• Nitin Enterprises (Nitin)	**0.23**	0.23
• Building Envelope Systems India Ltd (BESI)	**0.55**	0.55
• Nina Percept Private Limited (Nina Percept)	**5.13**	5.13
• ICA Pidilite Private Limited (ICA)	**2.08**	2.08
• Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda (Pulvitec)	**6.71**	7.63
• Pidilite USA Inc (PUSA)	**0.51**	0.52
Total (B)	**101.32**	102.25
Total Goodwill (A+B)	**1,283.95**	184.03

*Goodwill acquired in business combination is allocated, at acquisition date, to the cash-generating units that are expected to bene t from that business combination.

Goodwill, Copyrights and Trademark

Goodwill, copyrights and trademark in the books of the Group pertains mainly to Consumer and Bazaar business (majorly consists of Consumer and Bazaar business of Parent). At the end of each reporting period, the Group reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has su ered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cash ows from Consumer and Bazaar business. Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill, copyrights and trademark in the books as on 31st March 2021. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark is required to be recognised.

Projected cashflows from Consumer and Bazaar business (relates to Parent which represents significant portion of goodwill)

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash ow projections based on nancial budgets approved by the management for next year, estimates prepared for the next 4 years therea er and a discount rate of **11.7%** per annum (12.0% per annum as at 31st March 2020).

Cash ow projections during the budget period are based on the same expected gross margins and raw materials price in ation throughout the budget period. The cash ows beyond that ve-year period have been extrapolated using a steady **7%** per annum (8% per annum as at 31st March 2020) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:	
Budgeted sales growth	Sales growth is assumed at **10.8%** (CAGR) (17.5% as at 31st March 2020) in line with current year projections. The values assigned to the assumption re ect past experience and current market scenario considering COVID-19 impact and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next ve years is reasonably achievable.
Raw materials price inflation	Forecast for Material cost growth CAGR higher by **0.2%** (0.2% as at 31st March 2020) vs. sales growth, considering impact of commodity cost in ation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other xed costs are in line with the current year's growth.

Notes forming part of the consolidated nancial statements

7 Investments accounted for using equity method

	As at 31st March 2021		As at 31st March 2020	
	Qty	₹ in crores	Qty	₹ in crores
Carrying amount determined using the Equity method of accounting				
A] Investment in Associates (fully paid up)				
i] Investment in Equity Instruments (Quoted)				
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18
Add: Share in accumulated Pro ts/Reserves		**26.93**		24.12
		28.11		25.30
ii] Investments in Preference Shares (Unquoted) [refer Note 56 (a) (i)]				
• Compulsory Convertible Cumulative Preference Shares of Aapkapainter Solutions Pvt Ltd	**4,062**	**5.00**		-
Add: Share in accumulated Pro ts/Reserves		**(0.64)**		-
		4.36		-
Total [A]		**32.47**		25.30
B] Investment in Joint Venture (fully paid up) (Unquoted)				
• Equity Shares of AED 1000 each of Plus Call Technical Services LLC	**57**	**0.21**	57	0.21
Add: Share in accumulated Pro ts/Reserves		**1.56**		1.56
		1.77		1.77
Less : Impairment in value of Investments		**(1.77)**		(1.77)
Total [B]		-		-
TOTAL [(A)+(B)]		**32.47**		25.30
• Aggregate carrying value of quoted investments		**28.11**		25.30
• Aggregate market value of quoted investments		**86.44**		31.15
• Aggregate carrying value of unquoted investments		**4.36**		-
• Aggregate amount of Impairment in value of investments		**1.77**		1.77

8 Investments - Non-Current

	As at 31st March 2021		As at 31st March 2020	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Equity Instruments (fully paid up) (at FVTPL) (Unquoted)				
Equity Shares of ₹ 10 each of Pal Peugeot Ltd	**1,21,300**	**0.12**	1,21,300	0.12
Less: Impairment in value of Investment		**(0.12)**		(0.12)
Total [A]		-		-
B] Investments in Preference Shares (at FVTPL) (Quoted)				
Non-Cumulative Perpetual Preference shares of Kotak Mahindra Bank Ltd	**3,00,00,000**	**15.20**	3,00,00,000	15.20
Total [B]		**15.20**		15.20
C] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
Units of Bharat Bond ETFs	**2,50,000**	**27.85**	2,50,000	25.55
Total [C]		**27.85**		25.55
D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)				
Units of Fireside Ventures Investment Fund II	**50,000**	**3.49**	50,000	4.13
Total [D]		**3.49**		4.13
E] Investment in Promissory Note (at FVTPL) (Unquoted)				
Convertible Promissory Note of Clare Inc	**1**	**3.68**	1	3.77
Total [E]		**3.68**		3.77
F] Investments in Preference Shares (at FVTPL) (Unquoted) [refer Note 56 (a)]				
Compulsory Convertible Cumulative Preference Shares of Homevista Décor & Furnishings Pvt Ltd	**17,52,734**	**49.00**	17,52,734	49.00
Compulsory Convertible Cumulative Preference Shares of Homevista Interior Désigns E.Commerce Pvt Ltd	**9,32,488**	**19.15**	-	-
Compulsory Convertible Cumulative Preference Shares of Trendsutra PlatformServices Pvt Ltd	**1,47,80,200**	**71.48**	1,47,80,200	71.48
Compulsory Convertible Cumulative Preference Shares of Aapkapainter Solutions Pvt Ltd	-	-	1,625	2.00
Total [F]		**139.63**		122.48

	As at 31st March 2021		As at 31st March 2020	
	Qty	₹ in crores	Qty	₹ in crores
G] Investment in Promissory Note (at amortised cost) (Unquoted)				
Convertible Promissory Note of Optmed Inc**	1	5.51	1	5.65
Less : Impairment in value of Investments		(4.96)		(1.41)
Total [G]		0.55		4.24
H] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	2,00,00,000	25.09	2,00,00,000	23.12
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	2,00,00,000	24.02	2,00,00,000	22.06
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	2,00,00,000	24.57	2,00,00,000	22.57
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	2,00,00,000	24.17	2,00,00,000	22.21
• Units of IDFC FTP Series 149 (1424 days) - Direct Plan Growth	1,50,00,000	18.75	1,50,00,000	17.26
• Units of IDFC Money Manager Fund	9,191	0.04	9,191	0.04
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	-	-	1,00,00,000	11.81
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	-	-	2,00,00,000	23.55
• Units of DSP BlackRock FMP S223-39M - Direct Growth	-	-	1,50,00,000	17.76
• Units of DSP BlackRock FMP S224-39M - Direct Growth	-	-	1,50,00,000	17.67
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	-	-	1,00,00,000	11.81
• Units of IDFC FTP Series 140 Direct Plan - Growth (1145 days)	-	-	1,50,00,000	17.73
• Units of Kotak FMP Series 219 - Direct Growth	-	-	1,50,00,000	17.77
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	-	-	50,00,000	5.91
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	-	-	1,00,00,000	11.83
• Units of SBI FMP Series C33 1216 days - Direct Growth	-	-	2,00,00,000	22.69
Total [H]		116.64		265.79
Total [A+B+C+D+E+F+G+H]		307.04		441.16
• Aggregate carrying value of quoted investments		43.05		40.75
• Aggregate market value of quoted investments		43.05		40.75
• Aggregate carrying value of unquoted investments		263.99		400.41
• Aggregate amount of Impairment in value of investments		5.08		1.53

The Group invested in convertible promissory note of Optimed Inc., the conversion of which is subject to various covenants and an option to convert at the sole discretion of the Group upon certain future event. Management has considered and valued this investment as a 'debt instrument' and believes that the valuation of the option can be done only after the occurrence of the specific future event. During the year, Group has recognised impairment amounting to ₹ **3.62 crores (₹ Nil for the year ended 31st March 2020) (refer Note 41).

9 Investments - Current

	As at 31st March 2021		As at 31st March 2020	
	Qty	₹ in crores	Qty	₹ in crores
A] Investments in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
• Tax-free bonds of Housing and Urban Development Corporation Ltd	-	-	2,00,000	21.27
• Tax-free bonds of National Housing Bank	-	-	10,000	5.59
• Tax-free bonds of Indian Railway Finance Corporation 12 Feb 22	-	-	70,000	7.57
• Tax-free bonds of Indian Railway Finance Corporation 11 Jan 26	-	-	1,000	10.40
Total [A]		-		44.83
B] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	1,00,00,000	12.58	-	-
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	2,00,00,000	25.07	-	-
• Units of DSP BlackRock FMP S223-39M - Direct Growth	1,50,00,000	18.95	-	-
• Units of DSP BlackRock FMP S224-39M - Direct Growth	1,50,00,000	18.81	-	-
• Units of SBI FMP Series C33 (1216 days) - Direct Growth	2,00,00,000	24.73	-	-
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	1,00,00,000	12.64	-	-
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	1,00,00,000	12.56	-	-
• Units of IDFC FTP Series 140 Direct Plan - Growth (1145 days)	1,50,00,000	18.88	-	-
• Units of Kotak FMP Series 219 - Direct Growth	1,50,00,000	18.86	-	-
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	50,00,000	6.28	-	-
• Units of ICICI Prudential Overnight Fund - Direct Growth	1,01,804	3.10	-	-
• Units of ICICI Prudential Equity Arbritage Fund - Growth	3,56,760	1.00	-	-
• Units of HDFC Liquid Fund - Growth	1,856	0.75	-	-
• Units of IDFC Arbitrage Fund - Growth	3,74,231	1.00	-	-
• Units of L&T Ultra Short Term Fund - Growth	1,42,467	0.50	-	-
• Units of SBI Liquid Fund - Growth	2,331	0.75		
• Units of HDFC Overnight Fund - Direct Growth	-	-	6,79,896	201.88
• Units of SBI Overnight Fund - Direct Plan Growth	-	-	6,46,655	210.40
• Units of Aditya Birla Sun Life Overnight Fund - Direct Growth	-	-	9,22,816	99.70
• Units of ICICI Overnight Fund - Direct Growth	-	-	1,51,16,609	162.92
Total [B]		176.46		674.90
C] Other Investments				
Deposits (at amortised cost)				
• IL & FS Financial Services Limited		1.55		1.55
• Infrastructure Leasing & Financial Services Limited		7.25		7.25
		8.80		8.80
Less : Impairment in value of Investments		(8.80)		(8.80)
Total [C]		-		-
TOTAL [A+B+C]		176.46		719.73
• Aggregate carrying value of quoted investments		-		44.83
• Aggregate market value of quoted investments		-		44.83
• Aggregate carrying value of unquoted investments		176.46		674.90
• Aggregate amount of Impairment in value of investments		8.80		8.80

(₹ in crores)

10 Trade Receivables

	As at 31st March 2021	As at 31st March 2020
• Secured, Considered good	**114.31**	105.20
• Unsecured, Considered good	**1,206.71**	983.30
• Unsecured, Considered doubtful	**88.53**	77.52
• Unsecured which have Signi cant Increase in Credit Risk	-	-
• Unsecured, Credit Impaired	-	-
	1,409.55	1,166.02
Less: Allowance for expected credit loss	**(88.53)**	(77.52)
TOTAL	**1,321.02**	1,088.50

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables days and the rates vary with the business of Parent and each Subsidiary.

Trade receivables includes receivables from Companies/ rms where directors are directors/members/partners (refer Note 47).

Movement in expected credit loss allowance

	For the year ended 31st March 2021	For the year ended 31st March 2020
Balance at the beginning of the year	**77.52**	68.44
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**11.01**	9.08
Balance at the end of the year	**88.53**	77.52

A formal credit policy has been framed and credit facilities are given to dealers within framework of credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivable are identi ed based on criteria mentioned in policy and provided for credit loss allowance.

11 Loans - Non-Current

	As at 31st March 2021	As at 31st March 2020
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**4.85**	4.09
Loans to Joint Venture*	**4.82**	4.97
	-	-
Less: Impairment in value of loan	**(4.82)**	(4.97)
TOTAL	**4.85**	4.09

* Loans given for business purpose.

12 Loans - Current

	As at 31st March 2021	As at 31st March 2020
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**16.89**	17.38
TOTAL	**16.89**	17.38

*Loans given for business purpose.

Notes forming part of the consolidated nancial statements

(₹ in crores)

13 Other Financial Assets - Non-Current

	As at 31st March 2021	As at 31st March 2020
Security Deposit	**17.69**	19.52
Fixed Deposits with Banks with original maturity of more than 12 months	**9.45**	3.29
Retention Money Receivable	**23.82**	19.99
Other Receivables		
Unsecured, Considered good	**0.10**	0.05
Considered doubtful	**1.74**	1.74
	1.84	1.79
Less: Allowance for doubtful balances	**(1.74)**	(1.74)
	0.10	0.05
TOTAL	**51.06**	42.85

14 Other Financial Assets - Current

	As at 31st March 2021	As at 31st March 2020
Security Deposit		
Unsecured, Considered good	**9.13**	8.51
Considered doubtful	**0.44**	0.55
	9.57	9.06
Less: Allowance for doubtful balances	**(0.44)**	(0.55)
	9.13	8.51
Derivative assets towards foreign exchange forward contracts	**0.18**	1.81
Retention Money Receivable		
Unsecured, Considered good	**16.17**	17.58
Considered doubtful	**5.25**	1.51
	21.42	19.09
Less: Allowance for doubtful balances	**(5.25)**	(1.51)
	16.17	17.58
Uncerti ed Revenue from Works Contract	**56.05**	70.60
Other Receivables*	**3.73**	4.68
TOTAL	**85.26**	103.18

* Includes Windmill income and Insurance claim receivable

15 Cash and Cash Equivalents

	As at 31st March 2021	As at 31st March 2020
Cash and Cash Equivalents		
Cash on Hand	**2.25**	0.39
Cheques on Hand	**55.50**	0.85
Balance with banks		
In Current Account	**178.07**	169.22
In EEFC Account	**19.71**	12.89
In Fixed Deposit Accounts with original maturity of 3 months or less	**187.12**	508.88
TOTAL	**442.65**	692.23
Cash and Cash Equivalents (as above)	**442.65**	692.23
Cash Credits and Bank Overdra s (refer Note 25)	**(115.45)**	(85.86)
Cash and Cash equivalents (as per Statement of Cash Flows)	**327.20**	606.37

(₹ in crores)

16 Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2021	As at 31st March 2020
Balance with banks		
In Escrow Account	**0.04**	0.14
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**2.84**	-
In Fixed Deposit Accounts with original maturity of more than 3 months but upto 12 months (refer Note a)	**3.37**	7.62
Earmarked Account		
Dividend Payment Bank Account	**2.56**	3.26
TOTAL	**8.81**	11.02
a. Includes Fixed Deposit under lien	-	0.99

17 Inventories (at lower of cost and net realisable value)

	As at 31st March 2021	As at 31st March 2020
Raw Material and Packing Material	**598.38**	420.44
Work-in-Progress	**94.98**	78.75
Finished Goods	**375.70**	312.62
Stock-in-Trade (acquired for trading)	**156.29**	111.30
Stores and Spares	**8.80**	6.36
TOTAL	**1,234.15**	929.47
Included above Goods-in-Transit		
Raw Material and Packing Material	**52.55**	41.79
Work-in-Progress	**3.50**	1.87
Finished Goods	**49.42**	41.15
Stock-in-Trade (acquired for trading)	**16.64**	8.69
TOTAL	**122.11**	93.50

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **3,376.67** crores (₹ 3,402.50 crores for the year ended 31st March 2020).

b. The cost of inventories recognised as an expense includes ₹ **0.43** crores in respect of write-downs of inventory to net realisable value (₹ 0.37 crores for the year ended 31st March 2020).

c. The mode of valuation of inventories has been stated in Note 2.14.

18 Income Tax Assets (net) - Non-Current

	As at 31st March 2021	As at 31st March 2020
Advance Payment of Taxes (net of provisions)	**97.12**	109.53
TOTAL	**97.12**	109.53

Notes forming part of the consolidated nancial statements

(₹ in crores)

19 Current Tax Assets (net)

	As at 31st March 2021	As at 31st March 2020
Advance Payment of Taxes (net of provisions)	**3.13**	1.93
TOTAL	**3.13**	1.93

20 Other Non-Current Assets

	As at 31st March 2021	As at 31st March 2020
Unsecured, Considered good		
Capital Advances	**64.65**	47.50
Prepaid Expenses	**0.16**	0.27
Balance with Government Authorities*	**29.32**	25.01
TOTAL	**94.13**	72.78

* Includes amounts paid under protest against Sales Tax claims disputed by the Company (shown under contingent liabilities), Excise Duty rebates, GST receivable, etc.

21 Other Current Assets

	As at 31st March 2021	As at 31st March 2020
Export Benefits receivable		
Unsecured, Considered good	**8.79**	11.14
Considered doubtful	-	-
	8.79	11.14
Less: Allowance for doubtful balances	-	-
	8.79	11.14
Balance with Government Authorities*		
Unsecured, Considered good	**141.35**	126.88
Considered doubtful	**0.09**	0.08
	141.44	126.96
Less: Allowance for doubtful balances	**(0.09)**	(0.08)
	141.35	126.88
Advances to Vendors		
Unsecured, Considered good	**62.73**	45.16
Considered doubtful	**0.01**	0.01
	62.74	45.17
Less: Allowance for doubtful balances	**(0.01)**	(0.01)
	62.73	45.16
Prepaid Expenses	**14.13**	14.33
TOTAL	**227.00**	197.51

* Includes input tax credit, VAT, Service Tax/ GST receivable,etc.

Notes forming part of the consolidated nancial statements

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	Number of Shares	₹ in crores
Balance as at 1st April 2019	50,79,78,280	50.80
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	1,45,500	0.01
Balance as at 31st March 2020	50,81,23,780	50.81
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	29,600	0.01
Balance as at 31st March 2021	**50,81,53,380**	**50.82**

b. Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The nal dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company a er distribution of all preferential amounts, in the proportion of their shareholding.

The Board of Directors at its meeting held on 12th May 2021 declared a nal dividend of ₹ 8.50 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2020, the Company had paid Final Dividend of ₹

(₹ in crores)

23 Other Equity

	As at 31st March 2021	As at 31st March 2020
Capital Reserve	**0.34**	0.34
Securities Premium	**26.04**	23.21
Capital Redemption Reserve	**0.50**	0.50
Cash Subsidy Reserve	**0.95**	0.95
Legal Reserve	**0.26**	0.25
State Investment Reserve	**0.15**	0.15
Share Options Outstanding Account	**25.42**	10.89
Foreign Currency Translation Reserve	**18.32**	28.83
General Reserve	**1,335.38**	1,335.38
Retained Earnings	**4,134.78**	3,004.30
TOTAL	**5,542.14**	4,404.80

23.1 Capital Reserve

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning and end of the year	0.34	0.34

Capital Reserve represents excess of net assets acquired in past amalgamation. It is not available for the distribution to shareholders as dividend.

23.2 Securities Premium

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	**23.21**	10.01
Add : Premium on Shares issued against ESOP	**2.83**	13.20
Closing Balance	26.04	23.21

Security Premium Account is created when shares are issued at premium. The Group may issue fully paid-up bonus shares to its members out of the Securities Premium Account, and Group can use this reserve for buy-back of shares.

23.3 Capital Redemption Reserve

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning and end of the year	0.50	0.50

The Group has recognised Capital Redemption Reserve on buy-back of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to the nominal amount of equity shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the consolidated financial statements

(₹ in crores)

23.4 Cash Subsidy Reserve

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning and end of the year	0.95	0.95

Cash Subsidy Reserve represents subsidies received from state governments. It is not available for the distribution to shareholders as dividend.

23.5 Legal Reserve

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	**0.25**	0.24
Add : Additions during the year	**0.01**	0.01
Closing Balance	0.26	0.25

According to Thai Civil and Commercial Code, the Company is required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the Company pays out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

23.6 State Investment Reserve

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning and end of the year	0.15	0.15

State Investment Reserve represents subsidies received by Hybrid Coatings from state government for capital investment. It is not available for the distribution to shareholders as dividend.

23.7 Share Options Outstanding Account

	As at 31st March 2021	As at 31st March 2020
Employees Stock Options Outstanding		
Balance at the beginning of the year	**16.95**	29.38
Add : Options granted during the year	**42.59**	1.72
Less : Transferred to Securities Premium on Options exercised during the year	**(2.83)**	(13.20)
Less : Lapsed during the year	**(0.06)**	(0.95)
Closing Balance (A)	**56.65**	16.95
Deferred Employees Stock Options Cost		
Balance at the beginning of the year	**(6.06)**	(19.73)
Less: Options granted during the year	**(42.59)**	(1.72)
Add: Amortised and exercised during the year	**17.40**	14.84
Add: Lapsed during the year	**0.02**	0.55
Closing Balance (B)	**(31.23)**	(6.06)
Closing Balance (A+B)	25.42	10.89

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 49.

(₹ in crores)

23.8 Foreign Currency Translation Reserve	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	**28.83**	14.36
Add/ (Less) : Exchange difference arising on translatory foreign operations	**(10.51)**	14.47
Closing Balance	**18.32**	**28.83**

Foreign Currency Translation Reserve arises as a result of translating the financial statement items from the functional currency into the Group's presentational currency i.e. Indian Rupee.

23.9 General Reserve	As at 31st March 2021	As at 31st March 2020
Balance at the beginning and end of the year	**1,335.38**	**1,335.38**

General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

23.10 Retained Earnings	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	**3,004.30**	2,725.71
Add : Profit for the year	**1,131.21**	1,116.42
Less : Payment of Final Dividend	**(0.02)**	(330.19)
Payment of Interim Dividend	-	(355.61)
Tax on Dividend paid	-	(140.97)
Other Comprehensive Income for the year, net of income tax	**(0.71)**	(11.06)
Closing Balance	**4,134.78**	**3,004.30**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering requirements of the Companies Act, 2013.

24 Borrowings - Non-Current

	As at 31st March 2021	As at 31st March 2020
Secured - Term Loan from Bank (refer Note i)	**7.85**	18.60
Unsecured - Term Loan from Bank (refer Note ii)	**4.54**	6.53
TOTAL	**12.39**	**25.13**

i) Secured term loan for international subsidiaries at 5.25% p.a (9% - 11.97% as at 31st March 2020) is secured by hypothecation of plant and machineries, land and building.

ii) Unsecured term loan from bank for an international subsidiary carries an interest rate of AWPLR - 0.50% p.a., 4.00% p.a (AWPLR - 0.50% p.a. as at 31st March 2020). The maturity date for international subsidiaries varies from July 2022 to October 2024 which is repayable in monthly/ quarterly installments.

Notes forming part of the consolidated financial statements

(₹ in crores)

25 Borrowings - Current

	As at 31st March 2021	As at 31st March 2020
Secured - at amortised cost		
1) Loans repayable on demand from banks		
i) Working Capital Demand Loan	**25.13**	39.63
ii) Bank Overdraft	**81.53**	50.34
2) Amount due on Factoring	**1.65**	7.32
Unsecured - at amortised cost		
Loans repayable on demand from banks		
i) Working Capital Demand Loan	**59.28**	11.18
ii) Bank Overdraft	**33.92**	35.52
TOTAL	**201.51**	**143.99**

Secured

1) i) Secured working capital demand loan for domestic subsidiaries carries interest rate of 8.0% p.a. (8.5% p.a as at 31st March 2020) and for international subsidiaries at 5.48% to 9.92%, (11.50% - 12.43%, LIBOR + 2.7% p.a. as at 31st March 2020). The group working capital demand loan is secured by receivables, inventories, outstanding monies and other assets.

ii) Secured bank overdraft for domestic subsidiaries carries interest rate of 8.20% p.a. (8.9% p.a. as at 31st March 2020) and for international subsidiaries at T- Bill rate + 1.5% (AWPLR + 0.35% p.a. as at 31st March 2020). It is secured by way of charge to receivables and inventory.

2) Secured amount due on factoring for domestic subsidiaries carries interest rate (including factoring cost) of 13.00% p.a. (11.00% to 11.75% p.a. as at 31st March 2020). It is secured by a charge against certain trade receivables.

Unsecured

1) i) Unsecured working capital demand loan carries interest rate of 4.5% p.a. and for international subsidiaries at 3.3% (9.50% p.a. as at 31st March 2020).

ii) Unsecured bank overdraft for international subsidiaries carries interest rate of EIBOR + 1.5% p.a. and AWPLR + 0.35% p.a (EIBOR+ 1.55% p.a. as at 31st March 2020).

(₹ in crores)

26 Trade Payables

	As at 31st March 2021	As at 31st March 2020
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	**86.03**	23.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	**920.71**	597.88
TOTAL	**1,006.74**	**621.01**

27 Other Financial Liabilities - Non-Current

	As at 31st March 2021	As at 31st March 2020
Retention money payable	**13.33**	6.79
Employees related liabilities	**0.30**	0.47
TOTAL	**13.63**	**7.26**

(₹ in crores)

28 Other Financial Liabilities - Current

	As at 31st March 2021	As at 31st March 2020
Unclaimed Dividend	**2.56**	3.25
BTA payable (refer Note 45 a)	**3.22**	3.12
Liability for purchase of investment [refer note 45 (b) and 52B)]	**306.22**	-
Payable on purchase of assets	**2.40**	7.39
Trade/ Security Deposit received	**134.05**	123.93
Liabilities for expenses	**527.35**	392.84
Gross obligation towards acquisition (refer Note 45 b)	**-**	81.23
Derivative liabilities towards foreign exchange forward contracts	**0.66**	0.42
Current portion of non-current borrowings (refer Note 24)	**8.71**	7.10
Retention money payable	**22.15**	17.14
Employees related liabilities	**26.72**	32.32
TOTAL	**1,034.04**	668.74

29 Provisions - Non-Current

	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits		
Gratuity (net) (refer Note 51)	**5.23**	4.21
Compensated Absences	**42.73**	38.97
Anniversary Awards	**1.25**	0.82
Premature Death Pension Scheme	**1.82**	1.55
Total Disability Pension Scheme	**0.37**	0.32
Other Retirement Bene ts	**5.91**	5.29
Others (refer Note 55)	**0.67**	0.79
TOTAL	**57.98**	51.95

30 Provisions - Current

	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits		
Gratuity (net) (refer Note 51)	**3.66**	2.50
Compensated Absences	**15.26**	12.26
Anniversary Awards	**0.21**	0.16
Premature Death Pension Scheme	**0.01**	0.01
Total Disability Pension Scheme	**0.06**	0.05
Other Retirement Bene ts	**2.74**	1.85
Provision for warranty expenses (refer Note 55)	**3.02**	4.76
TOTAL	**24.96**	21.59

Notes forming part of the consolidated nancial statements

(₹ in crores)

31 Other Current Liabilities

	As at 31st March 2021	As at 31st March 2020
Statutory remi ances	**84.51**	79.40
Advance from customers	**28.29**	41.10
Other liabilities	**1.93**	1.84
TOTAL	**114.73**	122.34

32 Current Tax Liabilities (net)

	As at 31st March 2021	As at 31st March 2020
Provision for Tax (net of Advance Tax)	**25.02**	8.67
TOTAL	**25.02**	8.67

33 Revenue from Operations

	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from Operations*		
Sale of Products	**7,073.23**	6,985.44
Sale of Services	**177.69**	268.72
TOTAL (A)	**7,250.92**	7,254.16
Other Operating Revenue		
Scrap Sales	**12.49**	12.18
Export Incentives	**9.33**	19.11
GST Refund	**16.48**	3.40
Others	**3.49**	5.62
TOTAL (B)	**41.79**	40.31
TOTAL (A+B)	**7,292.71**	7,294.47

*The Group disaggregated revenues from contracts with customers by customer type and by geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash ows are a ected by industry, market and other economic factors. For geographywise and customerwise breakup of revenue, refer Note 48.

Further, the Group derives its revenue from the transfer of goods at a point in time for its major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108 'Operating Segment'.

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended 31st March 2021	For the year ended 31st March 2020
Contracted Price	**7,964.46**	7,941.25
Reduction towards variable consideration components*	**(713.54)**	(687.09)
Revenue Recognised	**7,250.92**	7,254.16

*The reduction towards variable consideration includes discounts, rebates, incentives, promotional couponing and schemes.

(₹ in crores)

34 Other Income

	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on:		
Bank Deposit (at amortised cost)	**6.49**	3.34
Overdue Trade Receivables	**0.40**	0.05
Tax Free Bonds (at FVTPL)	**8.29**	3.26
Others	**1.66**	5.81
Dividend on:		
Investments in Mutual Funds and Others (at FVTPL)	**1.13**	11.59
Other Non-Operating Income:		
Windmill Income	**1.35**	3.21
Insurance claim received	**7.47**	0.46
Liabilities no longer required wri en back	**0.32**	1.59
Rental Income from Leases	**2.18**	1.38
Net gain arising on nancial assets designated as at FVTPL	**40.26**	109.79
Pro t on Sale of Assets (net)	-	2.67
Miscellaneous Income	**9.85**	6.28
TOTAL	**79.40**	149.43

35 Cost of Materials Consumed

	For the year ended 31st March 2021	For the year ended 31st March 2020
Inventory at the beginning of the year	**420.44**	404.72
Add : Purchases	**3,195.01**	3,013.43
Add : Acquisition under Business Combination (refer Note 52B)	**2.56**	-
	3,618.01	3,418.15
Less : Inventory at the end of the year	**600.19**	420.44
TOTAL	**3,017.82**	2,997.71

36 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	For the year ended 31st March 2021	For the year ended 31st March 2020
Inventories at the end of the year		
Stock-in-Trade	**156.29**	111.30
Work-in-Progress	**94.98**	78.75
Finished Goods	**375.70**	312.62
Total (A)	**626.97**	502.67
Acquisition under Business Combinations (refer Note 52B)		
Stock-in-Trade	**3.48**	-
Finished Goods	**2.50**	-
Total (B)	**5.98**	-
Inventories at the beginning of the year		
Stock-in-Trade	**111.30**	118.63
Work-in-Progress	**78.75**	84.02
Finished Goods	**312.62**	321.24
Total (C)	**502.67**	523.89
TOTAL (C+B-A)	**(118.32)**	21.22

Notes forming part of the consolidated nancial statements

(₹ in crores)

37 Employee Benefits Expense

	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	**884.38**	833.74
Contribution to Provident and Other Funds (refer Note 51)	**55.28**	50.83
Share-based Payments to Employees (refer Note 49)	**17.24**	14.44
Sta Welfare Expenses	**23.96**	28.21
TOTAL	**980.86**	927.22

38 Finance Costs

	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense on:		
Borrowings	**15.53**	9.38
Lease Liability (refer Note 54)	**7.91**	8.21
Unwinding of Liabilities (refer Note 45)	**6.29**	8.26
Dealer Deposits & others	**7.50**	7.75
TOTAL	**37.23**	33.60

39 Depreciation, Amortisation and Impairment Expense

	For the year ended 31st March 2021	For the year ended 31st March 2020
Depreciation on Property, Plant and Equipment (refer Note 4)	**140.14**	118.46
Depreciation on Right of Use of Assets (refer Note 5 and Note 54)	**35.11**	31.31
Amortisation of Other Intangible Assets (refer Note 6)	**25.41**	20.15
TOTAL	**200.66**	169.92

(₹ in crores)

40 Other Expenses

		For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of Stores and Spares		**33.63**	37.58
Clearing, Forwarding and Octroi Duty		**331.31**	297.45
Power and Fuel		**55.51**	63.07
Contract Labour		**96.11**	75.47
Water Charges		**13.15**	4.12
Rent (refer Note 54)		**21.67**	20.35
Rates and Taxes		**4.76**	4.80
Insurance		**12.91**	10.58
License Fees		**1.07**	1.12
Repairs:			
Buildings	**10.54**		9.63
Machinery	**18.88**		21.27
Others	**5.29**		9.32
		34.71	40.22
Directors' Fees		**1.05**	0.44
Advertisement and Publicity		**159.76**	284.64
Legal, Professional and Consultancy Fees		**52.49**	57.27
Communication Expenses		**8.42**	9.84
Printing and Stationery		**4.30**	7.25
Travelling and Conveyance Expenses		**62.43**	122.13
Bad Debts		**7.08**	3.88
Provision for Doubtful Debts		**11.01**	8.45
Processing and Packing Charges		**81.89**	76.80
Sales Commission		**12.99**	10.34
Payments to Auditor (refer Note a)		**3.02**	2.57
Donations		**5.18**	0.17
Corporate Social Responsibility Expenses		**29.55**	27.12
Loss on Fixed Assets Sold / Discarded (net)		**5.73**	-
Net Loss on Foreign Currency Transactions and Translation		**2.37**	4.13
Miscellaneous Expenses		**202.46**	218.94
TOTAL		**1,254.56**	1,388.73
a. Details of Payments to Auditors of Parent and Subsidiaries (net of taxes)			
a) Auditor		**2.20**	2.01
b) Tax Matters		**0.38**	0.21
c) Other Services		**0.42**	0.33
d) Reimbursement of Expenses		**0.02**	0.02
TOTAL		**3.02**	2.57

41 Exceptional Items

	For the year ended 31st March 2021	For the year ended 31st March 2020
Impairment in value of Asset held for Sale [refer Note 56(g)]	-	55.19
Provision for Diminution/ Impairment in value of Investment[refer Note 8G)]	**3.62**	-
TOTAL	**3.62**	55.19

42 a) Associates and Joint Ventures

A. (i) Details of Associate

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group	
			As at 31st March 2021	As at 31st March 2020
Vinyl Chemicals (India) Ltd	Trading in chemicals	India	**40.64%**	40.64%

(₹ in crores)

(ii) Financial information in respect of Associate

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Group's share of profit	**4.62**	3.03
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	**4.62**	3.03

(iii) Reconciliation with carrying amount of investment

	As at 31st March 2021	As at 31st March 2020
Net assets excluding dividend adjustment	**66.25**	59.31
Share in accumulated Profits/Reserves (%)	**40.64**	40.64
Share in accumulated Profits/Reserves	**26.93**	24.12
Investment in Equity Share Capital	**1.18**	1.18
Total Investment	**28.11**	25.30

B. (i) Details of Associate

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group	
			As at 31st March 2021	As at 31st March 2020
Aapkapainter Solutions Private Limited	Painting and Waterproofing Solutions	India	**28.89%**	-

(₹ in crores)

(ii) Financial information in respect of Associate

	For the year ended 31st March 2021	For the year ended 31st March 2020
Group's share of loss	**(0.64)**	-
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	**(0.64)**	-

(₹ in crores)

(iii) Reconciliation with carrying amount of investment

	As at 31st March 2021	As at 31st March 2020
Net assets excluding dividend adjustment	**3.38**	-
Share in accumulated Pro ts/Reserves (%)	**28.89**	-
Share in accumulated Pro ts/Reserves	**(0.64)**	-
Investment in Equity Share Capital	**5.00**	-
Total Investment	**4.36**	-

C. (i) Details of Joint Venture

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group	
			As at 31st March 2021	As at 31st March 2020
Plus Call Technical Services LLC (refer Note 7B)	Flooring, tiling, painting, concrete work and related contracting activities	United Arab Emirates	**40.00%**	40.00%

(₹ in crores)

(ii) Financial information in respect of Joint Venture

	For the year ended 31st March 2021	For the year ended 31st March 2020
Group's share of pro t/ (loss)	-	-
Group's share of Other Comprehensive Income	-	-
Group's share of Total Comprehensive Income	-	-

42 b) Non-Controlling Interest

	As at 31st March 2021	As at 31st March 2020
Balance at the beginning of the year	**215.65**	207.15
Share of Pro t/ (Loss) for the year	**(5.08)**	5.63
Share of Other Comprehensive Income for the year	**0.36**	0.12
Non-Controlling Interests arising on the acquisition of:		
Pidilite East Africa Ltd	-	2.11
Pidilite Litokol Pvt Ltd	-	0.40
Nina Lanka Construction Technologies (Private) Limited	-	0.18
Nina Percept (Bangladesh) Pvt Ltd	-	0.10
Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (Refer Note 52B)	**10.91**	-
Additional Non-Controlling interests arising on increase in capital of:		
Pidilite Lanka (Pvt) Ltd	-	0.35
Pidilite East Africa Ltd	**1.75**	-
Pidilite Litokol Pvt Ltd	**9.52**	-
Pidilite Grupo Puma Manufacturing Ltd	**11.71**	-
Pidilite C-Techos Walling Ltd	**0.40**	-
Change in Group Interest:		
Nina Percept Pvt Ltd	**(4.49)**	-
Pidilite Lanka (Pvt) Ltd	**(0.69)**	-
Dividend paid to Non-Controlling interests		
Bamco Supply and Services Ltd	-	(0.39)
TOTAL	**240.04**	**215.65**

Non-wholly owned subsidiaries of the Group that have material non-controlling interests :

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	
		As at 31st March 2021	As at 31st March 2020
Nina Percept Pvt Ltd	India	**25%**	28%
ICA Pidilite Pvt Ltd	India	**50%**	50%
Cipy Polyurethanes Pvt Ltd [refer Note 45 (b)]	India	**30%**	30%
Building Envelope Systems India Pvt Ltd	India	**40%**	40%
Bamco Supply and Services Ltd	Thailand	**49%**	49%
Pidilite Lanka (Pvt) Ltd	Srilanka	**24%**	24%
Pidilite East Africa Ltd	Kenya	**45%**	45%
Pidilite Grupo Puma Manufacturing Ltd	India	**50%**	-
Pidilite Litokol Pvt Ltd	India	**40%**	40%
Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (Refer Note 52B)	India	**70%**	-

(₹ in crores)

Name of subsidiaries	Profit/ (Loss) allocated to non-controlling interests		Other Comprehensive Income		Accumulated non-controlling interest	
	For the year ended 31st March 2021	For the year ended 31st March 2020	For the year ended 31st March 2021	For the year ended 31st March 2020	As at 31st March 2021	As at 31st March 2020
Nina Percept Pvt Ltd	**(7.08)**	0.86	**0.10**	0.03	**30.56**	42.03
ICA Pidilite Pvt Ltd	**1.86**	0.77	**(0.03)**	0.07	**123.92**	122.09
Cipy Polyurethanes Pvt Ltd [refer Note 45 (b)]	**0.09**	3.35	**(0.05)**	(0.11)	**28.03**	27.99
Building Envelope Systems India Pvt Ltd	**0.03**	0.84	-	0.01	**9.54**	9.51
Bamco Supply and Services Ltd	**0.07**	0.37	**0.06**	(0.17)	**3.72**	3.59
Pidilite Lanka (Pvt) Ltd	**0.37**	(0.29)	**0.22**	0.05	**7.50**	7.60
Pidilite East Africa Ltd	**(0.75)**	-	**0.06**	-	**1.06**	-
Pidilite Grupo Puma Mfg Ltd	**(0.64)**	-	-	-	**11.07**	-
Pidilite Litokol Pvt Ltd	**(0.02)**	-	-	-	**9.50**	-
Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (Refer Note 52B)	**1.03**	-	-	-	**11.94**	-
Individually immaterial subsidiaries with non-controlling interests	**(0.04)**	(0.27)	-	0.24	**3.20**	2.84
TOTAL	**(5.08)**	**5.63**	**0.36**	**0.12**	**240.04**	**215.65**

(₹ in crores)

43 Contingent Liabilities and Commitments

		As at 31st March 2021	As at 31st March 2020
A)	**Contingent liabilities not provided for:**		
1.	Claims against the Group not acknowledged as debts comprises of:		
a)	Income Tax demand against the Group not provided for and relating to issues of deduction and allowances in respect of which the Group is in appeal	**60.05**	59.96
b)	Excise Duty and Service Tax claims disputed by the Group relating to issues of classi cations	**49.69**	51.12
c)	Sales Tax (VAT, LBT, Entry Tax and GST) claims disputed by the Group relating to issues of declaration forms and classi cations	**158.23**	167.08
d)	Other Ma ers (relating to disputed Electricity Duty, Gram Panchayat Tax, open access charges, etc.)	**19.73**	6.64
2.	Guarantees given by Banks in favour of Government and others *	**53.16**	57.60
	* Guarantees given are for business purpose.		
B)	**Commitments:**		
a)	Estimated amount of contracts, net of advances, remaining to be executed on Property, Plant and Equipment, investments and not provided for	**180.42**	206.10
b)	For other commitments, refer Note 50 (E) (ii) Financial instruments, Note 45 and Note 54 Leases.		

44 Research & Development Expenditure

	For the year ended 31st March 2021	For the year ended 31st March 2020
Capital expenditure included in Property, Plant and Equipment	**3.69**	2.52
Revenue expenditure charged to Consolidated Statement of Pro t and Loss	**68.62**	70.20
TOTAL	**72.31**	**72.72**

45 (a) During the nancial year 2015-16, pursuant to a Business Transfer Agreement (BTA) entered into by Nina Percept Pvt Ltd with Nina Concrete Systems Private Limited (NCSPL), the Group acquired the waterproo ng Business (the "Business"), including all its assumed assets and assumed liabilities, of NCSPL, a private limited company based in India (the "Seller"), as a going concern and on a slump sale basis for a lump-sum consideration, with e ect from 17th April 2015.

The terms and conditions of the BTA included a total purchase consideration of ₹ 82.02 crores, out of which ₹ 78.81 crores was se led by the Company to the Seller as of 31st March 2021. A balance amount of ₹ 3.22 crores including Holdback Amount is payable by the Company to the Seller a er se lement of the unrealised Net Working Capital.

An amount of the identi ed Net Working Capital, i.e. Receivables, Inventories, Retention Monies receivables, etc which was not fully realised by 15th

Notes forming part of the consolidated nancial statements

49 Employee Stock Option Scheme

a) Details of Employee Share Options

In the Annual General Meeting of the Company held on 24th July 2012, the shareholders approved the issue of 50,76,486 equity shares under the Scheme titled "Employee Stock Option Scheme 2012" (ESOS 2012). The Board approved Employees Stock Option Scheme covering 3,00,000 Stock options, in terms of the regulations of the Securities and Exchange Board of India.

The ESOS 2012 allows the issue of options to Eligible employees of the Company. Each option comprises one underlying equity share. The exercise price of each option shall be ₹ 1/- per equity share. The options vest in the manner as speci ed in ESOS 2012. Options may be exercised within 5 years from the date of vesting.

ESOP 2016 covering grant of 45,00,000 options (including 2,50,000 Options to be granted to Eligible Employees/ Directors of the subsidiary Companies) was approved by the shareholders through Postal Ballot on 2nd April 2016. Each option comprises one underlying equity share. The exercise price shall be ₹ 1/- per option or such other higher price as may be xed by the Board or Commi ee. Options to be granted under the Plan shall vest not earlier than one year but not later than a maximum of six years from the date of grant of such options. In the case of Eligible Employee who has not completed 3 years of employment as on date of the grant of Options then the Options which are due for vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the Employee concerned or as may be approved by the Nomination and Remuneration Commi ee. Vested Options will have to be exercised within 3 years from the date of respective vesting.

The following share based payment arrangements were in existence during the current & prior years:

	Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value at grant date (₹)
1	Granted on 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15
2	Granted on 11th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
		4,150	11.04.2018	11.04.2020	1.00	976.94
3	Granted on 30th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
		1,33,200	30.10.2018	30.10.2020	1.00	931.19
		1,500	30.10.2018	30.10.2019	1.00	924.50
		1,500	30.10.2018	30.10.2020	1.00	924.50
		2,000	30.10.2018	30.10.2021	1.00	924.50
4	Granted on 23rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1,112.48
		3,000	23.01.2019	23.01.2023	1.00	1,112.48
		4,000	23.01.2019	23.01.2024	1.00	1,112.48
		1,500	23.01.2019	29.01.2021	1.00	1,127.85
		1,500	23.01.2019	29.01.2022	1.00	1,127.85
		1,500	23.01.2019	01.02.2021	1.00	1,127.85
		1,500	23.01.2019	01.02.2022	1.00	1,127.85
5	Granted on 13th May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
6	Granted on 29th January 2020-ESOP 2016	4,000	29.01.2020	31.01.2021	1.00	1,449.90
		500	29.01.2020	31.01.2021	1.00	1,444.56
		500	29.01.2020	31.01.2021	1.00	1,444.56
		2,500	29.01.2020	18.11.2022	1.00	1,433.92
		2,500	29.01.2020	18.11.2023	1.00	1,433.92
7	Granted on 5th					

c) **Movements in Share Options during the year**

	During the year ended 31st March 2021		During the year ended 31st March 2020	
	Options (No.s)	**Weighted average exercise price per option**	**Options (No.s)**	**Weighted average exercise price per option**
Option outstanding at the beginning of the year				
- ESOP 2016	**1,70,850**	**₹ 1**	3,15,750	₹ 1
Granted during the year				
- ESOP 2016*	**2,78,990**	**₹ 1**	12,500	₹ 1
Vested during the year - ESOP 2016**	**1,39,300**	**₹ 1**	1,55,850	₹ 1
Exercised during the year - ESOP 2016***	**29,600**	**₹ 1**	1,45,500	₹ 1
Lapsed during the year****				
- ESOP 2016 (granted on 8th November 2017)	-	**₹ 1**	2,400	₹ 1
- ESOP 2016 (granted on 30th October 2018)	**700**	**₹ 1**	9,500	₹ 1
Options outstanding at the end of the year				
- ESOP 2016	**4,19,540**	**₹ 1**	1,70,850	₹ 1
Options available for grant				
- ESOS 2012	**34,200**	**₹ 1**	34,200	₹ 1
- ESOP 2016	**38,35,210**	**₹ 1**	41,13,500	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 1,820.83**		₹ 1,331.62
Range of exercise price for options outstanding at the end of the year		**₹ 1**		₹ 1

* Includes NIL options (Previous year 1,000) granted to Eligible Employees of the Subsidiary Companies

** Includes 400 options (Previous year 1,100) vested by Eligible Employees of the Subsidiary Companies

*** Includes 1,100 options (Previous year 400) exercised by Eligible Employees of the Subsidiary Companies

**** Lapsed due to termination of employment with the Company

50 Financial Instruments

(A) Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Group consists of equity and borrowings of the Group.

(B) Categories of Financial Instruments

(₹ in crores)

	As at 31st March 2021	As at 31st March 2020
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds, Preference Shares, Debentures and Bonds	**479.27**	1,152.88
Derivative assets towards foreign exchange forward contracts	**0.18**	1.81
Investments in Promissory Notes	**3.68**	3.77
Measured at amortised cost		
Investments in Deposits & Promissory Notes	**0.55**	4.24
Trade Receivables	**1,321.02**	1,088.50
Cash and Cash Equivalents	**442.65**	692.23
Other Bank balances	**8.81**	11.02
Loans	**21.74**	21.47
Other Financial Assets	**136.14**	144.22
Total Financial Assets	**2,414.04**	3,120.14
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards foreign exchange forward contracts	**0.66**	0.42
Measured at amortised cost		
Borrowings	**222.61**	176.22
Trade Payables	**1,006.74**	621.01
Lease Liabilities	**108.39**	111.47
Gross obligation towards acquisition	-	81.23
Other Financial liabilities	**1,038.30**	587.25
Total Financial Liabilities	**2,376.70**	1,577.60

(C) Financial risk management objectives

The Group's Treasury functions provide services to the business, co-ordinates access to domestic and international nancial markets, monitors and manages the nancial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate uctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts. Compliance with policies and exposure limits is a part of Internal Financial Controls. The Group does not enter into or trade in nancial instruments, including derivative nancial instruments, for speculative purposes.

(D) Market risk

The Group's activities expose it primarily to the nancial risk of changes in foreign currency exchange rates (see Note E below). The Group enters into foreign exchange forward contracts to manage its exposure to foreign currency risk of net imports.

(E) Foreign currency risk management

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Foreign Currency Exposure (in FC)		Foreign Currency Exposure (₹ in crores)	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	**24,72,137.16**	7,99,474.10	**21.28**	6.65
USD	**1,38,65843.08**	1,81,84,244.20	**139.57**	137.14
AUD	**-**	38,745.00	**-**	0.18
GBP	**(9,350.00)**	-	**(0.09)**	-
SGD	**21,052.00**	-	**0.11**	-
Amounts (payable)/ advance in foreign currency on account of the following:				
AED	**2,09,539.00**	2,36,491.04	**0.42**	0.49
AUD	**1,820.00**	1,820.00	**0.01**	0.01
BDT	**-**	50,000.00	**-**	0.00
CHF	**(51,054.78)**	(5,212.31)	**(0.40)**	(0.04)
EUR	**8,28,706.20**	17,44,843.41	**7.13**	14.51
GBP	**(9,69,635.82)**	(1,65,553.39)	**(9.79)**	(1.54)
JPY	**(1,00,47,800.00)**	(75,78,800.00)	**(0.67)**	(0.53)
SGD	**(1,54,359.69)**	1,628.00	**(0.84)**	0.01
USD	**(2,21,04,483.46)**	(1,04,46,059.69)	**(162.51)**	(78.80)
THB	**4,82,285.26**	5,36,113.88	**0.11**	0.12
ZAR	**64,255.58**	64,255.58	**0.03**	0.03

* BDT exposure is ₹ **NIL** as at 31st March 2021 (₹ 44,400 as at 31st March 2020).

(i) Foreign currency sensitivity analysis

The Group is mainly exposed to the USD, EUR and JPY. The following table demonstrates the sensitivity to a 2% increase or decrease in the USD, EUR and JPY against INR with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 2% represents management assessment of reasonably possible changes in foreign exchange rates.

(₹ in crores)

	USD impact	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Impact on profit or loss for the year (a)	**(1.21)**	1.17

(₹ in crores)

	EUR impact	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Impact on profit or loss for the year (b)	**0.57**	0.42

(₹ in crores)

	JPY impact	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Impact on profit or loss for the year (c)	**(0.01)**	(0.01)

(a) This is mainly a ributable to the exposure of outstanding USD receivables and payables at the end of the reporting period.

(b) This is mainly a ributable to the exposure of outstanding EUR receivables and payables at the end of the reporting period.

(c) This is mainly a ributable to the exposure of outstanding JPY payables at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not re ect the exposure during the year.

(ii) Foreign exchange forward contracts

It is the policy of the Group to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD, EUR, GBP and AUD. The Group enters in to contracts with terms upto 90 days. The Group's philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

Regulatory Requirements: The Group will alter its hedge strategy in relation to the prevailing regulatory framework and guidelines that may be issued by RBI, FEDAI or ISDA or other regulatory bodies from time to time.

Mode of taking Cover: Based on the outstanding details of import payable and exports receivable (in weekly baskets) the net trade import exposure is arrived at (i.e. Imports – Exports = Net trade exposures). The Net trade import exposure arrived at is ne ed o with the outstanding forward cover as on date and with the surplus foreign currency balance available in EEFC A/Cs. Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and se lement of these contracts on maturity are by actual delivery of the hedged currency for se ling the underline hedged trade transaction.

The following table details the foreign exchange forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Average exchange rates (₹)		Foreign Currency (Amount)	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
USD - Buy	**74.45**	72.27	**1,49,40,376.00**	62,48,647.15
EUR - Buy	**-**	80.43	**-**	77,48,100.00

(₹ in crores)

Outstanding contracts	Nominal Amounts		Fair value assets/ (liabilities)	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
USD - Buy	**110.34**	45.58	**(0.48)**	1.77
EUR - Buy	**-**	64.82	**-**	(0.44)
TOTAL			**(0.48)**	1.33

The line-items in the balance sheet that include the above hedging instruments are "Other nancial assets" of ₹ **0.18** crores (₹ 1.81 crores as at 31st March 2020) and "Other nancial liabilities" ₹ **0.66** crores (₹ 0.42 crores as at 31st March 2020) (refer Note 14 and 28 respectively).

The aggregate amount of gain under foreign exchange forward contracts recognised in the Consolidated Statement of Pro t and Loss is ₹ **2.30** crores (loss of ₹ 1.33 crores as at 31st March 2020).

(F) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in nancial loss to the Group. Credit risk arises primarily from nancial assets such as trade receivables, investment in mutual funds, derivative nancial instruments, other balances with banks, loans and other receivables.

The Group has adopted a policy of only dealing with counterparties that have su ciently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative nancial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised nancial institutions with high credit ratings assigned by the international credit rating agencies.

(G) Liquidity risk management

Liquidity risk is the risk that the Group will encounter di culty in raising funds to meet commitments associated with nancial instruments that are se led by delivering cash or another nancial asset. Liquidity risk may result from an inability to sell a nancial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of nancial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is su cient cash to meet all its normal operating commitments in a timely and cost-e ective manner.

(i) Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its derivative and non-derivative nancial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash ows of nancial liabilities based on the earliest date on which the group will be liable to pay.

The tables include both interest and principal cash ows. To the extent that interest ows are oating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in crores)

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
As at 31st March 2021					
Non-interest bearing					
- Trade Payables	1,006.74	-	-	1,006.74	**1,006.74**
- Other Financial Liabilities	890.62	13.63	-	904.25	**904.25**
	1,897.36	13.63	-	1,910.99	**1,910.99**
- Lease Liabilities (undiscounted)	34.95	65.20	48.47	148.62	**108.39**
Fixed interest rate instruments					
- Trade/ Security Deposit received	134.05	-	-	134.05	**134.05**
Variable interest rate instruments					
- Borrowings	201.51	12.39	-	213.90	**213.90**
- Current Maturity of Term Loan	8.71	-	-	8.71	**8.71**
Derivative liabilities towards foreign exchange forward contracts	0.66	-	-	0.66	**0.66**
As at 31st March 2020					
Non-interest bearing					
- Trade Payables	621.01	-	-	621.01	621.01
- Other Financial Liabilities	456.06	7.26	-	463.32	463.32
	1,077.07	7.26	-	1,084.33	1,084.33
- Lease Liabilities (undiscounted)	35.13	66.89	48.93	150.95	111.47
Fixed interest rate instruments					
- Trade/ Security Deposit received	123.93	-	-	123.93	123.93
Variable interest rate instruments					
- Borrowings	143.99	25.13	-	169.12	169.12
- Current Maturity of Term Loan	7.10	-	-	7.10	7.10
Derivative liabilities towards foreign exchange forward contracts	0.42	-	-	0.42	0.42
Gross obligation towards acquisition	-	81.23	-	81.23	81.23

(H) Fair value measurements

This note provides information about how the Group determines fair values of various nancial assets and nancial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's nancial assets and nancial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these nancial assets and nancial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Financial Assets/ Financial Liabilities	Fair value		Fair value hierarchy	Valuation Technique(s) and key input(s)
		As at 31st March 2021	As at 31st March 2020		
1	Investment in Mutual/Alternate Investment Funds, Preference Shares, Debentures and Bonds	**Various listed funds - aggregate fair value of ₹ 343.13 crores**	Various listed funds - aggregate fair value of ₹ 1,034.49 crores	Level 1	Quoted bid prices in active market
2	Derivative assets & liabilities towards foreign currency forward contracts	**Assets - ₹ 0.18 crores and liabilities - ₹ 0.66 crores**	Assets - ₹ 1.81 crores and liabilities - ₹ 0.42 crores	Level 2	Mark to market values acquired from banks, with whom the Group contracts.
3	Gross obligation towards acquisition	**Liabilities - ₹ NIL**	Liabilities - ₹ 81.23 crores	Level 2	Fair values of options using black scholes valuation model based on Independent valuer's report
4	Investment in Preference Shares	**Aggregate fair value of ₹ 139.13 crores**	Aggregate fair value of ₹ 122.48 crores	Level 3	Fair value is derived considering recent financial rounds of investment
5	Investment in Promissory Notes	**Aggregate fair value of ₹ 3.68 crores**	Aggregate fair value of ₹ 3.77 crores	Level 3	Fair value is derived considering recent financial rounds of investment

(ii) Financial instruments measured at amortised cost

The carrying amount of nancial assets and nancial liabilities measured at amortised cost in the nancial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be signi cantly di erent from the values that would eventually be received or se led.

Notes forming part of the consolidated nancial statements

51 Employee Benefits

The Group has classified various employee benefits as under:

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State De ned Contribution Plans

- Employers' Contribution to Employees' State Insurance
- Employers' Contribution to Employees' Pension Scheme 1995
- Labour Welfare Fund

(d) National Pension Scheme

The Provident Fund and the State De ned Contribution Plans are operated by the Regional Provident Fund Commissioner, the Superannuation Fund is administered by the LIC of India and National Pension Fund is administered by Pension Fund Regulatory and Development Authority (PFRDA), as applicable, for all eligible employees. Under the schemes, the Group is required to contribute a speci ed percentage of payroll cost to the retirement bene t schemes to fund the bene ts. These funds are recognised by the Income Tax Authorities.

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss:

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(₹ in crores)

			31st March 2021		31st March 2020	
			Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(iv)	**Expenses recognised in the Consolidated Statement of Profit and Loss**					
	1	Current Service Cost	**9.20**	**0.59**	7.65	0.54
	2	Past Service Cost	**-**	**(0.01)**	-	-
	3	Interest cost on bene t obligation (net)	**(0.37)**	**0.27**	(0.17)	0.23
	4	**Total Expenses recognised in the Consolidated Statement of Profit and Loss**	**8.83**	**0.85**	7.48	0.77
(v)	**Remeasurement Effects recognised in Other Comprehensive Income for the year**					
	1	**Actuarial (Gains)/Loss arising from changes in:**				
		- demographic assumption	**(0.06)**	**(0.03)**	0.16	(0.04)
		- nancial assumption	**1.23**	**0.14**	0.01	0.18
		- experience adjustment	**(0.78)**	**(0.58)**	14.07	0.21
	2	Return on plan asset	**1.07**	**-**	0.04	-
	3	**Recognised in Other Comprehensive Income**	**1.46**	**(0.47)**	14.28	0.35
(vi)	**Actual return on plan assets**		**4.78**	**-**	5.26	-
(vii)	**Sensitivity Analysis**					
	De ned Bene t Obligation					
	Discount Rate					
	a	Discount Rate - 100 basis points	**114.04**	**5.09**	98.66	4.86
	b	Discount Rate + 100 basis points	**100.34**	**4.34**	87.06	4.30
	Salary Increase Rate					
	a	Rate - 100 basis points	**100.25**	**4.34**	86.98	4.30
	b	Rate + 100 basis points	**114.04**	**5.07**	98.64	4.85

Note on Sensitivity Analysis

1. Sensitivity analysis for each signi cant actuarial assumptions of the Group which are discount rate and salary assumptions as of the end of the reporting period, showing how the de ned bene t obligation would have been a ected by changes is called out in the table above.
2. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.
3. There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

		31st March 2021 Gratuity Funded	31st March 2021 Gratuity Unfunded	31st March 2020 Gratuity Funded	31st March 2020 Gratuity Unfunded
(viii)	**Expected Future Cashflows**				
	Year 1	**18.07**	**0.62**	14.61	0.73
	Year 2	**10.67**	**0.70**	8.52	0.57
	Year 3	**9.46**	**0.56**	9.07	0.61
	Year 4	**8.77**	**0.55**	8.11	0.49
	Year 5	**8.84**	**0.48**	7.24	0.45
	Year 6 to 10	**44.11**	**2.21**	37.76	1.79
(ix)	**Average Expected Future Working Life (yrs)**	**12.82**	**6.11**	14.76	6.06

52A Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

	Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group	
			As at 31st March 2021	As at 31st March 2020
a.	Fevicol Company Ltd (Fevicol)	India	**100.00%**	100.00%
b.	Bhimad Commercial Company Pvt Ltd (Bhimad)	India	**100.00%**	100.00%
c.	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala)	India	**100.00%**	100.00%
d.	Pagel Concrete Technologies Pvt Ltd (PCTPL)	India	**80.00%**	80.00%
e.	Nitin Enterprises (Nitin) (refer Note 56 (e))	India	**100.00%**	100.00%
f.	Building Envelope Systems India Ltd (BESI)	India	**60.00%**	60.00%
g.	Nina Percept Private Limited	India	**74.58%**	71.53%
h.	Hybrid Coatings (Hybrid)	India	**60.00%**	60.00%
i.	Pidilite International Pte Ltd (PIPL)	Singapore	**100.00%**	100.00%
j.	Pidilite Middle East Ltd (PMEL)	United Arab Emirates	**100.00%**	100.00%
k.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	Brazil	**100.00%**	100.00%
l.	Pidilite USA Inc (PUSA)	USA	**100.00%**	100.00%
m.	Pidilite MEA Chemicals LLC (Jupiter)*	United Arab Emirates	**49.00%**	49.00%
n.	PT Pidilite Indonesia (PTPI)	Indonesia	**100.00%**	100.00%
o.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	Bangladesh	**100.00%**	100.00%
p.	Pidilite Innovation Centre Pte Ltd (PICPL)	Singapore	**100.00%**	100.00%
q.	Pidilite Industries Egypt SAE (PIE)	Egypt	**100.00%**	100.00%
r.	Pidilite Bamco Ltd (Bamco)	Thailand	**100.00%**	100.00%
s.	Pidilite Chemical PLC (PCPLC)	Ethiopia	**100.00%**	100.00%
t.	PIL Trading (Egypt) Company (PTC)	Egypt	**100.00%**	100.00%
u.	Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	China	**100.00%**	100.00%
v.	Bamco Supply and Services Ltd (BSSL)*	Thailand	**49.00%**	49.00%
w.	ICA Pidilite Pvt Ltd (ICA)*	India	**50.00%**	50.00%
x.	Cipy Polyurethanes Pvt Ltd (refer Note 45 (b))	India	**70.00%**	70.00%
y.	Pidilite Lanka (Pvt) Ltd (PLPL)	Sri Lanka	**76.00%**	76.00%
z.	Nebula East Africa Pvt Ltd (Nebula)	Kenya	**100.00%**	100.00%
aa.	Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)**	Sri Lanka	**72.70%**	72.70%
ab.	Pidilite Ventures LLC	USA	**100.00%**	100.00%
ac.	Pidilite East Africa Limited	Kenya	**55.00%**	55.00%
ad.	Pidilite Grupo Puma Pvt Ltd (PGPPL)* (w.e.f. 16th September 2019)	India	**50.00%**	50.00%
ae.	Pidilite C-Techos Pvt Ltd (w.e.f. 18th September, 2019)	India	**60.00%**	60.00%
af.	Pidilite Litokol Pvt Ltd (w.e.f. 7th October 2019) [refer Note 56(c)]	India	**60.00%**	60.00%
ag.	Pidilite Grupo Puma Manufacturing Ltd (PGPML)* (w.e.f. 13th January 2020) [refer Note 56(d)]	India	**50.00%**	50.00%
ah.	Nina Percept (Bangladesh) Pvt Ltd*** (w.e.f. 29th January 2020) [refer Note 56(b)]	Bangladesh	**71.81%**	71.81%
ai.	Pidilite C-Techos Walling Ltd (w.e.f. 5th March 2020) [refer Note 56(f)]	India	**60.00%**	60.00%
aj.	Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (w.e.f. 28th May 2020) (Refer note 52B)	India	**70.00%**	-
ak.	Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Pvt Ltd) (w.e.f. 4th November 2020) (Refer note 52B)	India	**100.00%**	-

* Pidilite MEA Chemicals LLC, BSSL, PGPPL, PGPML and ICA are subsidiaries of the Group even though the Group has 49%, 49%, 50%, 50% and 50% ownership interest and voting rights in the subsidiaries respectively. However, based on the relevant facts and circumstances, control and management of these entities lie with the Group. The Group has the power to direct the relevant activities of these entities and therefore controls these entities.

** Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka) is a 100% subsidiary of Nina Percept Private Limited and Pidilite Lanka (Pvt) Ltd

*** Nina Percept (Bangladesh) Pvt Ltd (Nina Bangladesh) is a 100% subsidiary of Nina Percept Private Limited and Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB).

52B Business Combination

1 Subsidiaries acquired

Financial Year	Name of subsidiary acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred (₹ in crores)
During 2020-21	Tenax Pidilite India Pvt Ltd (formerly known as Tenax India Stone Products Pvt Ltd)	Sales and distribution of adhesives, coating, surface treatment chemicals and abrasives for the marble, granite and stone industry	28th May 2020	70%	**84.66**
During 2020-21	Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Private Limited)	manufactures and sells Adhesives, Sealants and other products under well-known brands such as Araldite, Araldite Karpenter and Araseal	3rd November 2020	100%	**2,196.46**

(₹ in crores)

2 Consideration transferred

	2020-21 Tenax Pidilite India Pvt Ltd	2020-21 Pidilite Adhesives Pvt Ltd
Cash	68.72	1,988.15
Contingent consideration (i)	15.94	208.31
Total (A)	**84.66**	**2,196.46**

(i) a As per the agreements, in case of Tenax Pidilite India Pvt Ltd, contingent consideration of ₹ **15.94** crores would be payable based upon achievement of working capital requirement and settlement of old receivable and inventory balances. The fair value of the total consideration is based on a valuation report obtained from an independent valuer.

b As per the agreements, in case of Pidilite Adhesives Pvt Ltd, contingent consideration of ₹ **208.31** crores would be payable based upon achievement of an earnout within 18 months if the business achieves sales revenue in-line with 2019. The fair value of the total consideration is based on a valuation report obtained from an independent valuer.

3 Identifiable assets acquired and liabilities assumed and goodwill arising on date of acquisition

(₹ in crores)

	2020-21 Tenax Pidilite India Pvt Ltd	2020-21 Pidilite Adhesives Pvt Ltd
Property, Plant and Equipment	-	4.08
Right of use assets	-	2.99
Intangible Assets		
• Trade Mark	4.60	1,121.83
• Technical Knowhow Fees	0.57	-
• Intellectual Property	-	30.31
• Distributor Relationships	-	215.00
Income Tax Asset (Net)	-	3.37
Other Financial Assets - Non-Current	1.86	-
Inventories	1.40	6.55
Trade Receivables	6.60	38.84
Cash and Cash Equivalents	7.20	82.32
Other bank balances	0.09	-
Other Financial Assets - Current	3.10	-
Current Tax Assets (net)	0.17	-
Other Current Assets	0.12	0.17
Total Assets Acquired (B)	**25.71**	**1,505.46**
Provisions - Non-Current	-	0.47
Deferred Tax Liability (net)	0.06	315.59
Lease Liability	-	3.02
Trade Payables	0.19	24.69
Other Current Liabilities	0.01	3.79
Provisions - Current	-	0.20
Current Tax Liabilities (net)	-	2.13
Total Liabilities taken over (C)	**0.26**	**349.89**
Net Assets Acquired (D) = (B)-(C)	**25.45**	**1,155.57**
Goodwill (E) = (A) - (D)	**59.21**	**1,040.89**

Note A Tenax Pidilite India Pvt Ltd

The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ **84.66** crores. This acquisition will help the Group's presence in the fast growing adhesives, coatings and surface treatment chemical market for the marble and stone industry.

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ **6.6** crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

The transaction cost of ₹ **1.5** crores has been expensed in the Consolidated Statement of Profit and Loss.

After acquisition, assets and liabilities are fair valued and certain intangible assets are identified and fair valued based on purchase price allocation report obtained from external valuer. Goodwill on acquisition was ₹ **59.21** crores. The Goodwill on acquisition can be attributable to Tenex Pidilite India Pvt Ltd skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately.

For the period 29th May to 31st March 2021, Tenax Pidilite India Pvt Ltd contributed revenue from operations of ₹ **18.08** crores and ₹ **3.45** crores to the Group's results. If the acquisition had occurred on 1st April 2020, consolidated revenue from operations would have been higher by ₹ **6.32** crores and consolidated profit would have been higher by ₹ **0.29** crores. In determining these amounts, it is assumed that the fair value adjustments, that arose on date of acquisition would have been same if the acquisition had occurred on 1st April 2020.

Note B Pidilite Adhesives Pvt Ltd

The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ **2,196.46** crores. This acquisition will add to the already very strong portfolio held by the Group of adhesive and sealant brands and complement it's retail portfolio.

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ **38.84** crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

The transaction cost of ₹ **8.7** crores has been expensed in the Consolidated Statement of Profit and Loss.

After acquisition, assets and liabilities are fair valued and certain intangible assets are identified and fair valued based on purchase price allocation report obtained from external valuer. Goodwill on acquisition was ₹ **1,040.89** crores. The Goodwill on acquisition can be attributable to Pidilite Adhesives Pvt Ltd skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately.

For the period 4th November to 31st March 2021, Pidilite Adhesives Private Limited contributed revenue from operations of ₹ **168.32** crores and ₹ **44.57** crores to the Group's results. If the acquisition had occurred on 1st April 2020, consolidated revenue from operations would have been higher by ₹ **124.59** crores and consolidated profit would have been higher by ₹ **26.90** crores. In determining these amounts, it is assumed that the fair value adjustments, that arose on date of acquisition would have been same if the acquisition had occurred on 1st April 2020.

The financial statements for the year ended 31st March 2021 include the impact of above acquisitions and accordingly are not comparable with previous year to that extent.

(₹ in crores)

53 Taxes

1. Deferred Tax

	As at 31st March 2021	As at 31st March 2020
Deferred Tax Assets (net)	**(16.59)**	(13.00)
Deferred Tax Liabilities (net)	**398.03**	82.29
TOTAL	**381.44**	**69.29**

a 2020-21

Deferred tax (Assets)/ Liabilities in relation to:

	Opening Balance	Acquisition under Business Combination (refer Note 52B)	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	38.92	0.21	8.47	-	(0.19)	**47.41**
Intangible Assets	84.65	4.40	(0.31)	-	(0.02)	**88.72**
DTL on Acquired Intangibles (refer Note 52B)	-	311.41	(1.50)	-	-	**309.91**
FVTPL nancial assets	4.28	-	2.54	-	-	**6.82**
Other Provisions	(7.58)	(0.06)	(0.43)	-	0.08	**(7.99)**
Allowance for Doubtful Debts	(16.87)	(0.07)	(3.22)	-	(0.02)	**(20.18)**
Provision for Employee Bene ts	(14.08)	(0.21)	(1.76)	(0.28)	-	**(16.33)**
Share issue and buy-back costs	1.48	-	(3.26)	-	-	**(1.78)**
Tax Losses	(21.51)	-	(4.05)	-	0.42	**(25.14)**
TOTAL	**69.29**	**315.68**	**(3.52)**	**(0.28)**	**0.27**	**381.44**

b 2019-20

Deferred tax (Assets) / Liabilities in relation to:

	Opening Balance	Acquisition under Business Combination (refer Note 52B)	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	67.78	-	(29.26)	-	0.40	**38.92**
Intangible Assets	83.38	-	1.20	-	0.07	**84.65**
FVTPL nancial assets	17.12	-	(12.84)	-	-	**4.28**
Other Provisions	(5.80)	-	(1.45)	-	(0.33)	**(7.58)**
Allowance for Doubtful Debts	(18.74)	-	2.06	-	(0.19)	**(16.87)**
Provision for Employee Bene ts	(16.72)	-	6.23	(3.58)	(0.01)	**(14.08)**
Share issue and buy-back costs	(0.40)	-	1.88	-	-	**1.48**
Tax Losses	(17.20)	-	(4.09)	-	(0.22)	**(21.51)**
TOTAL	**109.42**	**-**	**(36.27)**	**(3.58)**	**(0.28)**	**69.29**

(₹ in crores)

2. Income Taxes relating to Continuing Operations

a Income Tax recognised in Consolidated Statement of Profit and Loss

	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax		
In respect of the current year	**399.88**	384.00
In respect of prior years	-	(0.01)
TOTAL	**399.88**	383.99

54 Lease

In previous year on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 152.46 crores and a corresponding lease liability of ₹ 109.73 crores and balance on account of transfer from asset. The e ect of this adoption is insigni cant on the pro t before tax, pro t for the period and earnings per share. Ind AS 116 will result in an increase in cash in ows

Notes forming part of the consolidated nancial statements

h) In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. As a result, the operations of the Group were impacted in FY'21 with series of lockdowns announced by the government. Further disruptions in operations also happened in between during the year with unexpected closure of sites due to detection of Covid patients. The situation gradually normalised from Q3' FY'21 onward. However the Second wave of Covid again disrupted operations in certain part of the country in April 2021.

The Group has evaluated the impact of Covid 19 on the operations, order booking and revenue, cash ow, assets and liabilities and factored in the impact of it upto the date of approval of these nancial statements on the carrying value of its assets and liabilities.

Even though, it is very di cult to predict the duration of the disruption and severity of its impact, on the basis of evaluation of overall economic environment, outstanding order book, liquidity position, debt status, recoverability of receivables, the Group expects to recover the carrying amount of these assets and currently does not anticipate any further impairment of it. In assessing the recoverability, the Group has considered internal and external information upto the date of approval of these nancial statements and has concluded that there are no material impact on the operations and the nancial position of the Group.

Given the uncertainties, the impact of COVID-19 maybe di erent from that estimated as at the date of approval of these nancial statements, and the Group will continue to closely monitor the developments.

i) During the previous year, the Company had paid Interim Dividend of ₹ 7.00 per equity share of ₹ 1 each for the nancial year 2019-20.

j) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released dra rules for the Code on Social Security, 2020 on 13th November 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are noti ed and will give appropriate impact in its nancial statements in the period in which, the Code becomes e ective and the related rules to determine the nancial impact are published.

57 Events after reporting period

a) On 22nd April 2021, the Company's shareholding in its subsidiary namely M/s. Cipy Polyurethanes Pvt Ltd (CIPY), has increased from 70% to 100%, pursuant to the acquisition of the balance 28,249 equity shares from certain other shareholders, in accordance with the provisions of the shareholders agreement dated 5th January 2018. Consequent to this, CIPY is now a wholly owned subsidiary of the Company. The consideration of ₹ 60.49 crores (excluding certain contingent payment) has been paid in cash.

b) Proposed dividend of ₹ 8.50 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 12th May 2021. The proposed dividend is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

58 Approval of financial statements

The consolidated nancial statements are approved for issue by the Audit Commi ee and by the Board of Directors at their respective meetings held on 12th May 2021.

Information on Subsidiary Companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in Form AOC-1

(₹ in crores)

Name of the entity	Date of acquisition/ incorporation of subsidiary	Reporting period (FY)	Reporting Currency	Exchange Rates as at year end	Share Capital (includes Share application Money)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (except in case of subsidiaries)	Turnover	Profit/ (Loss) Before Taxation	Provision For Tax (including Deferred Tax)	Profit/ (Loss) After Taxation	Proposed Dividend	% of shareholding*
Pidilite International Pte Ltd	29.12.2004	31.03.2021	USD	73.52	198.96	1.17	200.33	0.20	-	-	(0.04)	-	(0.04)	-	100.00%
Pidilite Middle East Ltd	18.05.2005	31.03.2021	AED	19.92	191.58	(100.03)	91.61	0.05	-	-	(0.11)	-	(0.11)	-	100.00%
Pidilite MEA Chemicals (LLC)	28.06.2005	31.03.2021	AED	19.92	0.60	(159.44)	120.42	279.26	-	110.07	(10.37)	-	(10.37)	-	49.00%
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	29.12.2005	31.03.2021	Taka	0.86	30.46	50.78	122.88	41.64	-	110.66	9.26	4.07	5.20	-	100.00%
Pidilite Bamco Ltd	27.02.2006	31.03.2021	Baht	2.34	8.19	27.63	43.75	7.93	-	54.92	7.64	1.31	6.33	-	100.00%
PT Pidilite Indonesia	01.03.2006	31.03.2021	IDR	0.01	5.79	(3.80)	2.20	0.21	-	-	0.08	0.01	0.08	-	100.00%
Pidilite USA Inc	12.05.2006	31.03.2021	USD	73.52	108.66	1.99	130.22	19.57	0.55	140.70	14.66	1.97	12.69	-	100.00%
Pidilite Innovation Center Pte Ltd	20.12.2006	31.03.2021	SGD	54.36	5.41	1.87	10.91	3.63	-	3.04	1.98	0.05	1.93	-	100.00%
Pidilite Industries Egypt - SAE	18.10.2007	31.03.2021	EGP	4.65	45.51	(17.92)	50.71	23.12	-	32.33	(0.84)	0.20	(1.04)	-	100.00%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	10.05.2005	31.03.2021	BRL	12.76	94.85	(61.95)	64.83	31.93	-	102.70	18.30	6.12	12.18	-	100.00%
Bamco Supply and Services Limited	22.04.2008	31.03.2021	Baht	2.34	0.23	7.74	8.68	0.70	-	10.78	0.23	0.09	0.14	-	49.00%
PIL Trading (Egypt) LLC	27.07.2009	31.03.2021	EGP	4.65	2.53	(6.56)	5.22	9.25	-	6.90	(1.45)	-	(1.45)	-	100.00%
Pidilite Industries Trading (Shanghai) Co Ltd	22.11.2010	31.03.2021	RMB	11.17	1.07	0.21	1.32	0.04	-	1.03	0.28	-	0.28	-	100.00%
Pidilite Chemical PLC	10.12.2014	31.03.2021	Birr	1.76	3.15	(2.23)	3.28	2.36	-	-	(0.54)	-	(0.54)	-	100.00%
Pidlite Ventures LLC	08.08.2018	31.03.2021	USD	73.52	7.72	0.59	8.32	0.01	3.68	-	0.28		0.28	-	100.00%
Nebula East Africa Ltd	09.09.2015	31.03.2021	KES	0.67	0.33	0.30	1.49	0.85	-	1.89	0.11	0.05	0.05	-	100.00%
Pidilite Lanka (Pvt) Ltd	07.08.2015	31.03.2021	LKR	0.37	32.18	(1.31)	53.96	23.10	-	45.51	2.60	1.07	1.52	-	76.00%
Nina Lanka Construction Technologies (Pvt) Limited	20.02.2017	31.03.2021	LKR	0.37	0.58	(0.25)	0.73	0.40	-	0.38	(0.02)	-	(0.02)	-	72.70%
Pidilite East Africa Limited	12.02.2019	31.03.2021	KES	0.67	8.56	(2.10)	12.37	5.91	-	7.46	(2.30)	(0.63)	(1.67)	-	55.00%
Nina Percept (Bangladesh) Pvt Ltd	29.01.2020	31.03.2021	Taka	0.86	0.38	(0.02)	0.37	-	-	-	(0.02)	-	(0.02)	-	71.81%
Fevicol Company Limited	28.07.1979	31.03.2021	INR	-	0.27	1.96	2.23	-	0.04	-	-	-	-	-	100.00%
Madhumala Ventures Pvt. Ltd	01.06.1989	31.03.2021	INR	-	0.18	144.60	144.80	0.02	144.13	-	(0.74)	0.03	(0.76)	-	100.00%
Bhimad Commercial Company Pvt Ltd	01.06.1989	31.03.2021	INR	-	0.01	7.84	7.85	-	-	-	(0.80)	-	(0.80)	-	100.00%
Pagel Concrete Technologies Pvt Ltd	24.01.2007	31.03.2021	INR	-	0.10	(0.43)	-	0.33	-	-	-		-	-	80.00%
Building Envelope Systems India Ltd	07.09.2012	31.03.2021	INR	-	8.35	14.37	23.41	0.61	-	9.54	0.41	0.33	0.09	-	60.00%
Nina Percept Private Limited	30.03.2015	31.03.2021	INR	-	1.18	116.70	306.23	188.34	-	176.63	(36.53)	(8.67)	(27.86)	-	74.58%
ICA Pidilite Pvt Ltd	20.11.2015	31.03.2021	INR	-	7.31	240.52	302.24	54.42	-	178.01	5.05	1.33	3.72	-	50.00%
Cipy Polyurethanes Pvt Ltd	09.02.2018	31.03.2021	INR	-	0.94	93.13	131.31	37.23	-	89.31	0.52	0.22	0.30	-	70.00%
Pidilite C-Techos Pvt Ltd	18.09.2019	31.03.2021	INR	-	-	-	-	-	-	-	-	-	-	-	60.00%
Pidilite Grupo Puma Pvt Ltd	16.09.2019	31.03.2021	INR	-	0.91	21.18	25.23	3.14	-	-	(1.29)	-	(1.29)	-	100.00%
Pidilite C-Techos Walling Ltd	05.03.2020	31.03.2021	INR	-	1.01	(0.11)	0.96	0.07	-	-	(0.07)	-	(0.07)	-	60.00%
Pidilite Litokol Pvt Ltd	07.10.2019	31.03.2021	INR	-	1.88	22.82	25.08	0.38	-	-	(0.05)	-	(0.05)	-	60.00%
Pidilite Grupo Puma Manufacturing Ltd	13.01.2020	31.03.2021	INR	-	0.01	(0.04)	0.01	0.04	-	-	(0.04)	-	(0.04)	-	50.00%
Pidilite Adhesives Private Limited	03.11.2020	31.03.2021	INR	-	27.49	246.81	388.08	113.78	-	168.04	59.42	14.84	44.59	-	100.00%
Tenax Pidilite India Private Limited	28.05.2020	31.03.2021	INR	-	0.60	39.21	50.85	11.04	-	18.08	4.69	1.24	3.45	-	70.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2021.

Name of Subsidiaries which are yet to commence operations: Pidilite C-Techos Pvt Ltd and Pidilite Grupo Puma Pvt Ltd
Name of Subsidiaries which have been liquidated or sold during the year: Not Applicable

Notes forming part of the consolidated financial statements

Information on Associates

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies)

(₹ in crores)

	Name of Associate	Vinyl Chemicals (India) Ltd	Aapkapainter Solutions Private Limited
1	Latest audited Balance Sheet Date	31st March 2021	31st March 2021
2	Share of Associate held by the Company at the year end		
	• Number	74,51,540	4,062
	• Amount of Investment in Associate	1.18	5.00
	• Extent of Holding %	40.64%	28.89%
3	Description of how there is significant influence	Associate	Associate
4	Reason why Associate is not consolidated	refer Note 2.5	refer Note 2.5
5	Networth attributable to Shareholding as per latest audited Balance Sheet	27.67	3.43
6	Profit/ (Loss) for the year		
	(i) Considered in Consolidation	4.62	(0.64)
	(ii) Not Considered in Consolidation	6.73	(1.56)

Information on Joint Venture

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture)

(₹ in crores)

	Name of Joint Venture	Plus Call Technical Services LLC
1	Latest unaudited Balance Sheet Date	31st March 2021
2	Share of Joint Venture held by the Company at the year end	
	• Number	57
	• Amount of Investment in Joint Venture	0.21
	• Extent of Holding %	40.00%
3	Description of how there is significant influence	Not Applicable
4	Reason why Joint Venture is not consolidated	refer Note 2.5
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet	-
6	Profit/ (Loss) for the year	
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PUNEET BANSAL
Company Secretary

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

Place: Mumbai
Date: 12th May 2021