

Let us not pray  
to be sheltered from  
dangers but to be  
fearless when  
facing them.

Rabindranath Tagore



It is easy enough to be pleasant,  
when life flows along like a song;

But the man worth while  
is the one who will smile  
when everything goes dead wrong

*Ella Wheeler Wilcox*



We are all trying to cope with challenging circumstances for some time now. Many of us and our loved ones have been physically and mentally impacted. Despair and anxiety are normal when faced with such adversity.

Over generations, philosophers and poets have pondered over such situations and given wise advice on how to face such circumstances with patience, fortitude and courage. Messages given by some of the well-respected poets through their poems are captured in this Report.

These messages are intended to make us better prepared to face these difficult circumstances. With determination we can overcome these challenges and build a better future for all of us.

*M. B. Parekh*

I am  
Master  
of my  
fate  
I am  
Captain  
of my  
soul

*I am master of my fate. I am captain of my soul*

## *Invictus*

Out of the night that covers me,  
Black as the pit from pole to pole,  
I thank whatever gods may be  
For my unconquerable soul

In the fell clutch of circumstance  
I have not winced nor cried aloud.  
Under the bludgeonings of chance  
My head is bloody, but unbowed.

It matters not how strait the gate,  
How charged with punishments the scroll,  
I am the master of my fate,  
I am the captain of my soul.

*William Ernest Henley*

एक निर्मल स्रोत से तृष्णा बुझाना कब मना है?  
हे अँधेरी रात पर दीपक जलाना कब मना है?

किसी उजड़े हुए को फिर बसाना कब मना है?  
हे अँधेरी रात पर दीपक जलाना कब मना है?

हरिवंश राय बच्चन

कब मना है?  
कब मना है?

*Kab mana hai: Who could stop you*

Who could stop you from  
quenched thirst in a crystal-clear brook?  
Who could stop you from  
lighting a lamp in night's darkest nook?

All is perhaps razed to ground,  
who stops you from building anew?  
Who could stop you from  
lighting a lamp in night's darkest nook?

**Harivansh Rai Bachchan**



*Achal: Unmoved*



खड़ा हिमालय बता रहा है  
डरो न आंधी पानी में।  
खड़े रहो तुम अविचल होकर  
सब संकट तूफानी में।

अचल रहा जो अपने पथ पर  
लाख मुसीबत आने में,  
मिली सफलता जग में उस को  
जीने में मर जाने में।

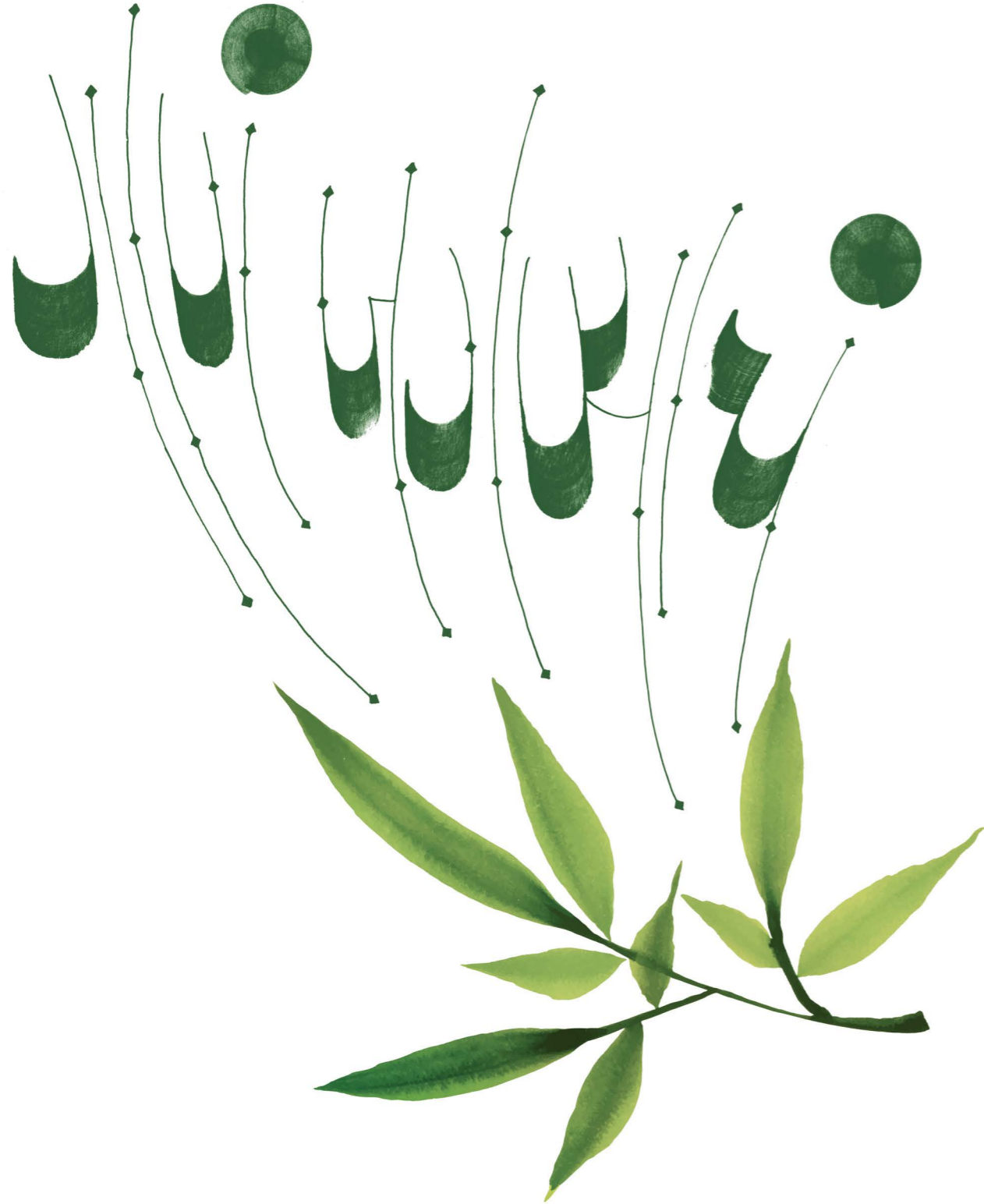
सोहनलाल द्विवेदी

Standing tall, the Himalayas tell you  
not to fear floods and gales.  
Firm you stay, ever unmoved by the  
fury of barrages and hails.

Steadily he who is walking on his way,  
in midst of million woes,  
In life, in death, o doubtless, towards  
triumph truly he goes.

**Sohanlal Divedi**





*Gana Jaganyaacha: A song of living*

मरण येणार म्हणून कोणी जगायचं थांबतं का?  
जीव जडून प्रेम कोणी करायचं थांबतं का?

कशासाठी भयाने  
ग्रासून जायचं?  
फुलायच्या प्रत्येक क्षणी  
नासून जायचं?

सुकून जाणार म्हणून फूल फुलायचं थांबतं का?  
मरण येणार म्हणून कोणी जगायचं थांबतं का?  
जीव जडून प्रेम कोणी करायचं थांबतं का?

**मंगेश पाडगावकर**



**A song of living**

Because death will come some day  
Should we stop living now?  
Should we stop loving with all our heart  
Oh pray, do tell me how?

Why surround ourselves with fears  
And dampen every smile with tears?

Because it will shrivel some day  
Should the flower stop blooming now?  
Because death will come some day  
Should we stop living now?

Should we stop loving with all our heart  
Oh pray, do tell me how?

**Mangesh Padgaonkar**



*table of contents*

**09**

Company Information

**10**

Marketing Initiatives

**16**

Key Performance Indicators

**20**

Management Discussion & Analysis

**28**

10 Years' Financial Performance

**32**

Directors' Report

**42**

Social & Community Service Initiatives

**58**

Annexures to Directors' Report

**71**

Business Responsibility Report

**78**

Auditor's Report

**84**

Standalone Financial Statements

**146**

Corporate Governance Report & Compliance Certificates

**157**

Information for Shareholders

**160**

Consolidated Financial Statements

*company information*

**BOARD OF DIRECTORS**

**M B Parekh**  
Executive Chairman

**N K Parekh**  
Vice Chairman

**Bharat Puri**  
Managing Director

**A B Parekh**  
Whole Time Director

**A N Parekh**  
Whole Time Director

**Debabrata Gupta**  
Whole Time Director

**B S Mehta**  
Director

**Sanjeev Aga**  
Director

**Uday Khanna**  
Director

**Meera Shankar**  
Director

**Vinod Dasari**  
Director

**Piyush Pandey**  
Director

**Rajeev Vasudeva**  
Director  
(w.e.f 10.09.2020)

**CORPORATE OFFICE**  
Ramkrishna Mandir Road  
Off Mathuradas Vasanji Road  
Andheri (E), Mumbai 400 059

**REGISTERED OFFICE**  
Regent Chambers  
7<sup>th</sup> Floor, Jamnalal Bajaj Marg  
208, Nariman Point  
Mumbai 400 021

**REGISTRAR & TRANSFER AGENT**  
TSR Darashaw Consultants  
Private Limited  
C 101, 1<sup>st</sup> Floor, 247 Park,  
L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083

**COMPANY SECRETARY**  
Puneet Bansal

**CHIEF FINANCIAL OFFICER**  
Pradip Kumar Menon

**INTERNAL AUDITORS**  
Mahajan & Aibara

**AUDITORS**  
Deloitte Haskins & Sells LLP

**SOLICITORS & ADVOCATES**  
Wadia Ghandy & Co

**BANKERS**  
Indian Overseas Bank  
Corporation Bank  
ICICI Bank  
HDFC Bank  
Citibank N A  
Standard Chartered Bank PLC.

# marketing initiatives

New campaigns were rolled out for Dr. Fixit, Fevikwik and Fevicol that carried on the task of developing the categories and creating new segments. In these challenging times of pandemic, our digital marketing initiatives, in the form of videos and posts on social media, forged deeper emotional connect with both consumers and end-users. These digital and TV campaigns won many prestigious awards for Fevicol, Fevikwik and Ro across many categories.

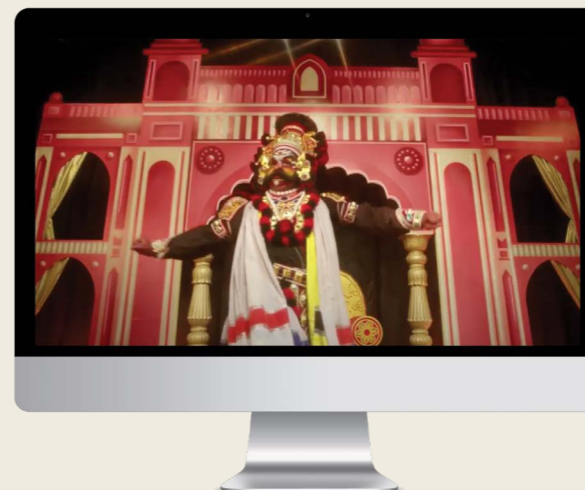
## advertising & communication



A new television campaign featuring Mr. Amitabh Bachchan was aired to communicate the importance of using **Dr. Fixit URP on Roof** while constructing a new home.



Another television campaign was aired in Karnataka and Kerala to communicate the advantages of **Dr. Fixit Roofseal Topcoat** with 'nano bre' formulation, over ordinary paints.



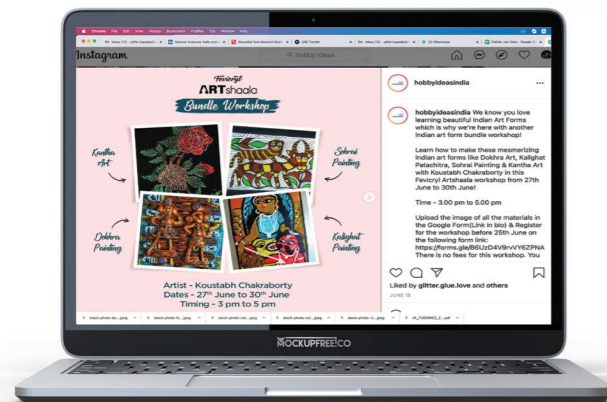
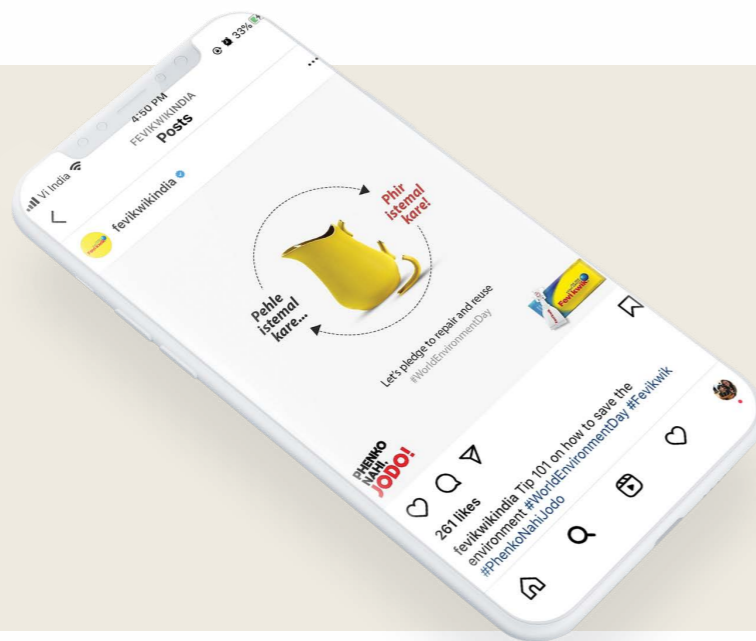
**Fevicol** launched a 360° campaign 'Yakshagana' in the markets of Karnataka and Hyderabad. The campaign, based on a local art form of North Karnataka, is a humorous take on how using local glue is not the same as using Fevicol.

digital communication & initiatives



Fevicol continued its efforts of building brand love with younger consumers by engaging through topical and quirky digital content, throughout the year, on social media. Also, Fevicol used its digital content to educate masses on Covid appropriate behaviour & social distancing in a typical Fevicol way. These creatives were shared widely by people on social media and whatsapp.

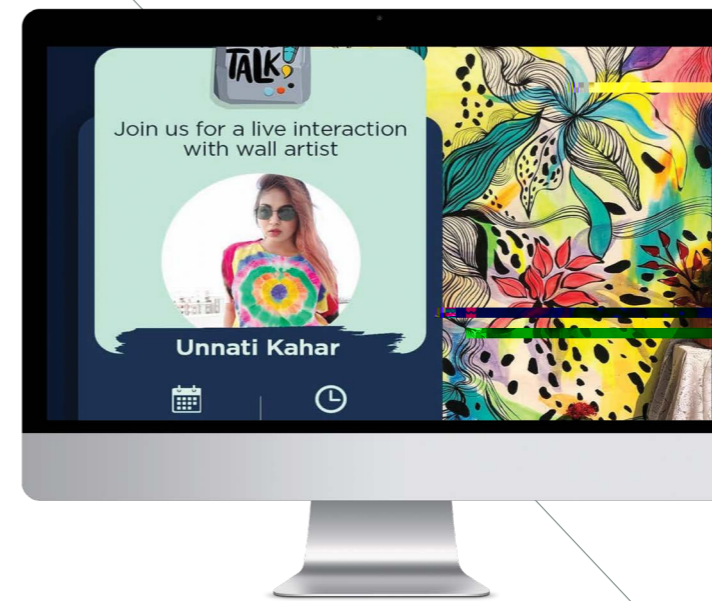
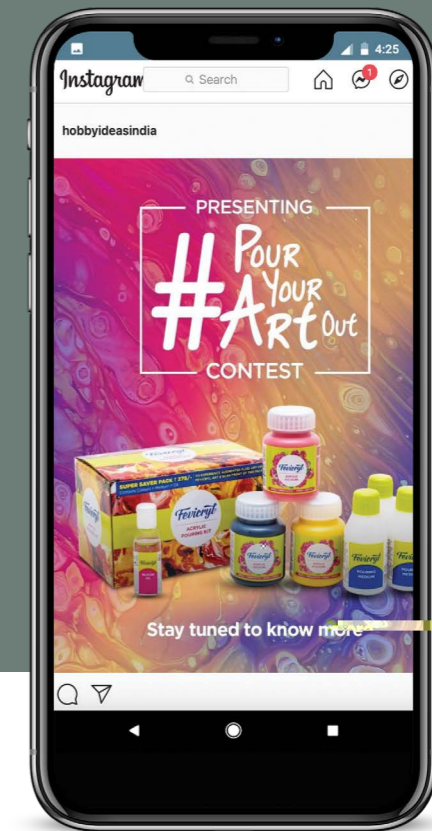
Fevikwik through its quirky-rhyming social media posts and an Instagram meme campaign created awareness around the theme 'Phenko Nahin, Jodo'. It also conducted a unique online contest called 'Fevikwik Stars' celebrating people who tend to break things and then repair them. Families were asked to share their stories about repairing objects and nominate family members to be 'Fevikwik Stars'.



Fevicryl 'Art Shaala' online classrooms for art hobbyists and professionals, with differentiated content, were organised through its social media assets. With over 20 masterclasses for advanced hobbyists and 37 open workshops for new hobbyists, these workshops led to the increase of Instagram page followers by 65%.

new initiatives

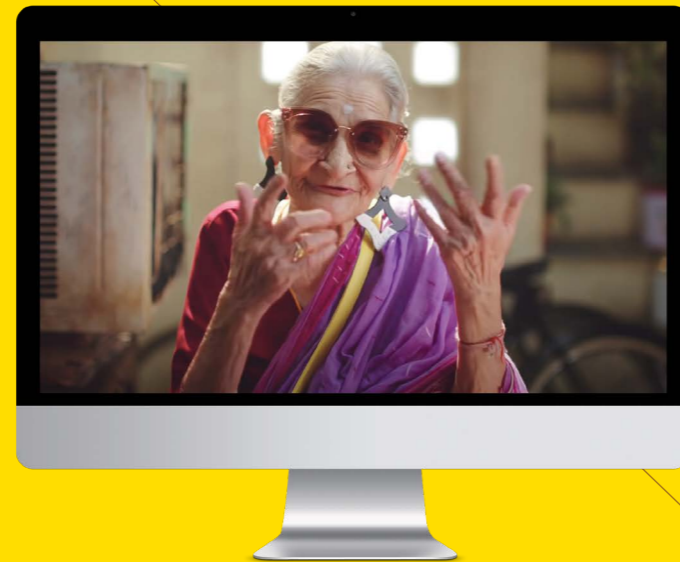
Fevicryl planned a series of topical digital campaigns like #ArtFromHome, #MaskItWithStyle, #PourYourArtOut, #RangBharoTyoharoMein for consumers and budding hobbyists. Each of these campaigns was supported by digital media, influencer marketing, and contests. With this series of topical initiatives, the brand garnered a 10% engagement rate on its social media handles.



Fevicryl #MyHappyWall campaign was launched in Cochin and Tamil Nadu to motivate the consumers to paint their walls using the Fevicryl Colours and bring cheer to their homes. This Integrated Marketing Campaign was promoted through print, social media, website, trade contest, on-ground activation, and influencer marketing. In addition, two unique digital assets were created - **DIY e-Book** - a step-by-step guide providing hobbyists with DIY tutorials on wall art and **Wall Talk** - a 3-minute talk show inviting Hobbyists to share their wall art.



The year 2020-21 was an exceptional year for Pidilite, as many of its brands won multiple awards across various categories.



**Fevikwik 'Phenko Nahin, Jodo'** campaign won various awards at the most coveted marketing awards The EFFIE

- 1. Two Gold at the EFFIE**, including the *Best Use of TV category*
- 2. Two Silver at the EFFIE** in *Other Products and Regional category*
- 3. One Bronze EFFIE** in *Disruptive Differentiators Award category*

At the Kyoorius Awards 2020, Pidilite won a total of 23 awards.

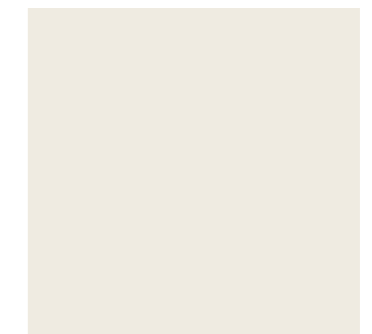
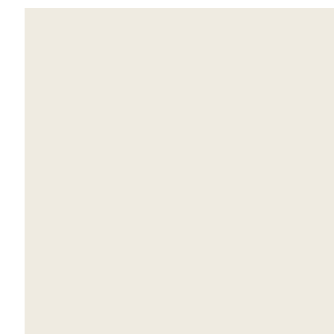
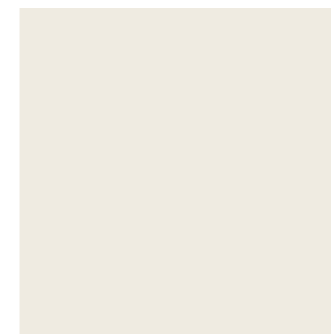
Some of notable ones were:

- 1. Fevicol Sofa Campaign**  
4 Blue Elephants and 6 Baby Elephants
- 2. Roff Television Campaign**  
1 Blue Elephant and 3 Baby Elephants

**Buzzing Content Award**  
Fevicol won the **best social media content** in FMCG & retail category.

At exchange4media **Indian Content Marketing Awards**, #MyFevicolAd won the **best content marketing social media and best crowdsourced award**.

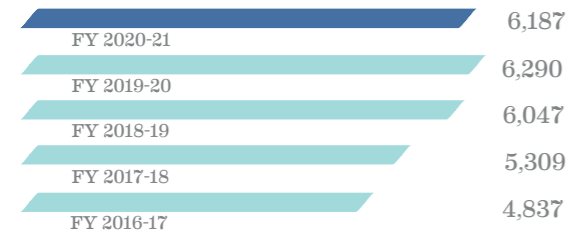
**At Golden Globe Tigers Award**, Fevicol won the **Campaign of the Year for #MyFevicolAd** and the award for **Social Media Marketing category**.



key performance indicators  
(standalone)

PROFIT & LOSS METRICS

Net Sales (₹ in crores)  
**6,187** | (1.6)% ↓



EBITDA (₹ in crores)  
**1,550** | 4.3% ↑



Profit After Tax (excluding exceptional items) (₹ in crores)  
**1,082** | (6.8)% ↓

Earnings Per Share (EPS) (excluding exceptional items) (₹)  
**21.3** | (6.8)% ↓

Book Value Per Share (₹)  
**109.4** | 24.5% ↑

Dividend Per Share (DPS) (₹)  
**8.50** | 21.4% ↑

BALANCE SHEET METRICS

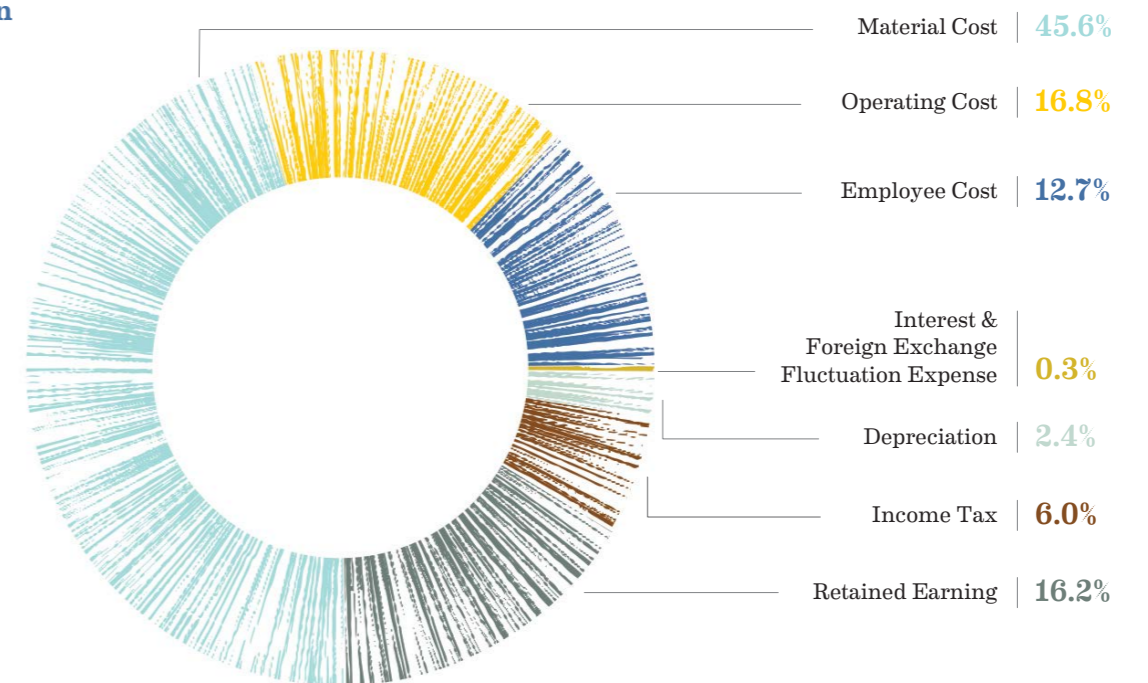
Net Current Assets (₹ in crores)  
**542** | (70.7)% ↓

Reserves (₹ in crores)  
**5,510** | 24.8% ↑

Return on Average Net Worth (%)  
**21.6** | (525 bps) ↓

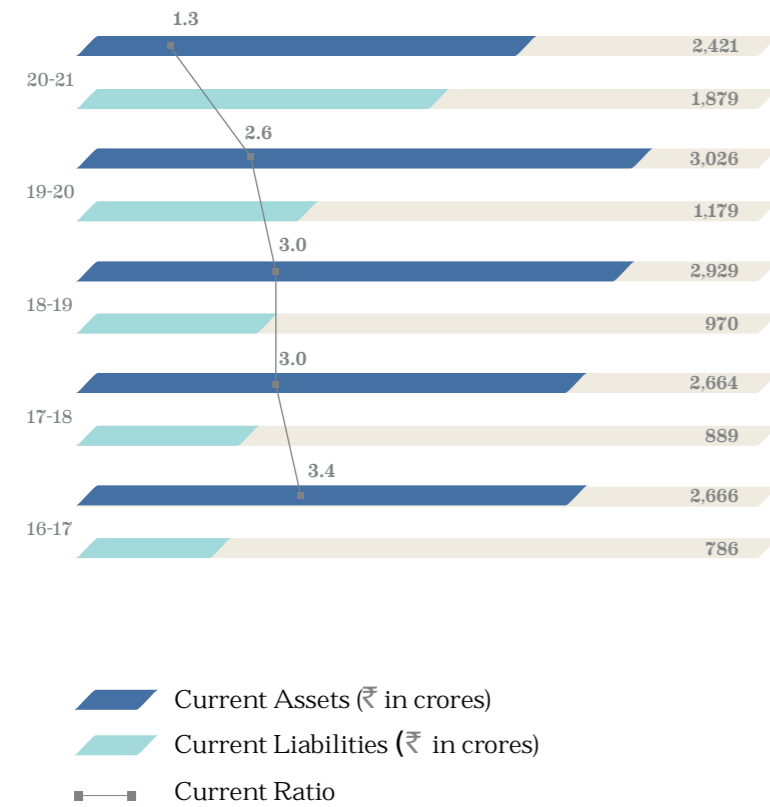
Return on Average Capital Employed (%)  
**28.8** | (534 bps) ↓

Distribution of Revenue 2020-21

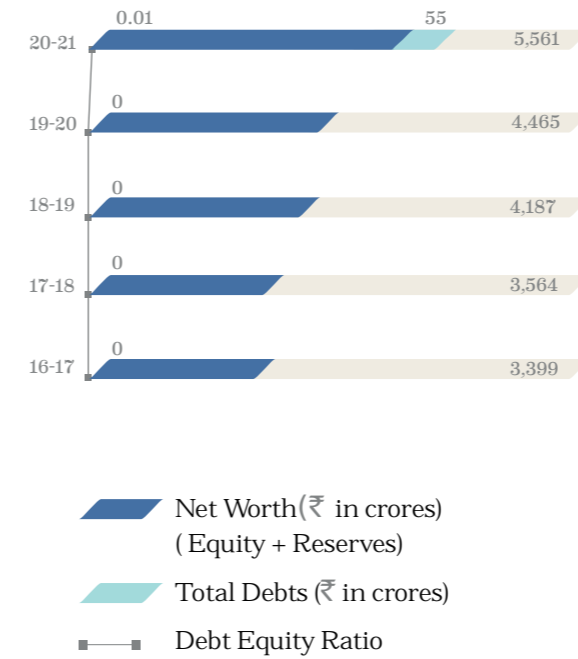


## key performance indicators (standalone)

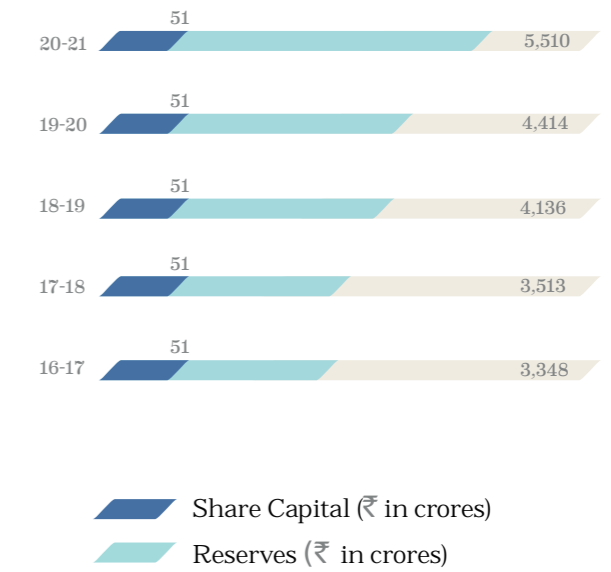
### Current Ratio



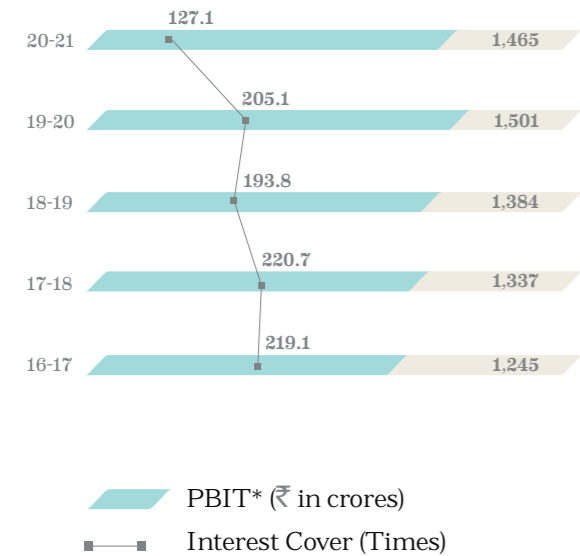
### Debt Equity Ratio



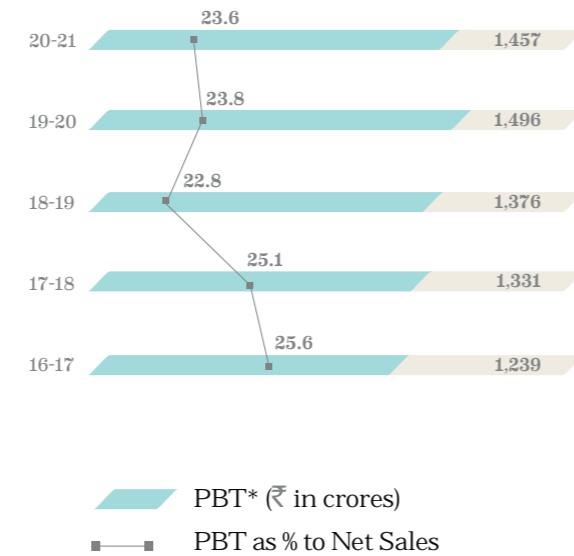
### Value Addition to Business through Reserves



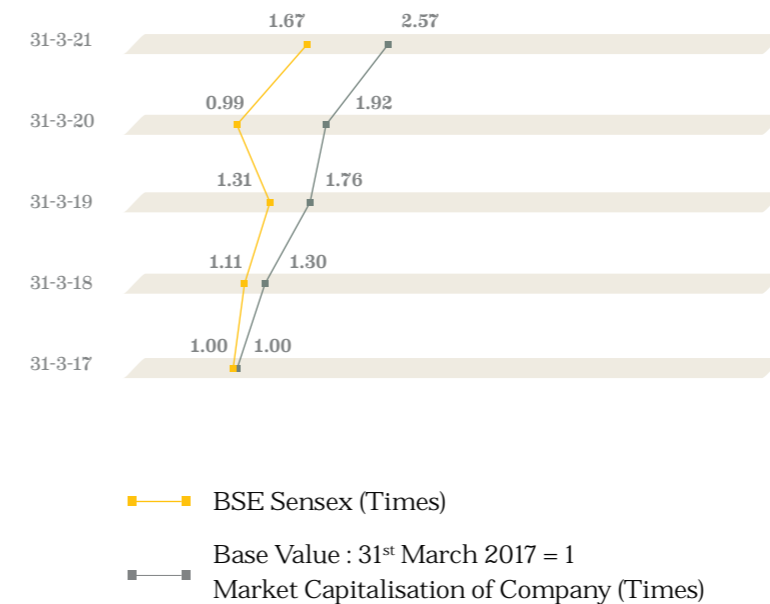
### PBIT & Interest Cover



### PBT & PBT as % to Net Sales



### Growth in Market Capitalisation of Company and BSE sensx since 31<sup>st</sup> March 2017



\*PBIT excludes exceptional items.

\* PBT excludes exceptional items.

## management discussion and analysis

### FINANCIAL REVIEW

#### Consolidated Financials

Consolidated Net Sales reported at growth (Excluding Pidilite Adhesives Pvt Ltd (PAPL) declined by 2.4%)

“EBITDA” (Earnings Before Interest, Taxes, Depreciation, Exceptional items and foreign exchange difference) before non-operating income, grew by

**6.5%**

(Excluding PAPL grew by 2.7%)

Profit Before Tax and Exceptional Items (PBT) grew at (Excluding PAPL declined by 3.8%)

Profit After Tax (PAT) grew at (Excluding PAPL declined by 3.6%)

On a constant currency basis, the overseas subsidiaries reported sales growth of

**8.2%**

EBITDA grew by

**196.4%**

due to higher sales and better gross margins

Domestic subsidiaries sales grew by

**7.6%**

(Excluding PAPL declined by 18.8%)

EBITDA grew by

**3.8%**

(Excluding PAPL declined by 101.5%) on account of lower sales and hence higher absorption of fixed cost.

#### Standalone Financials

Company's annual performance was impacted by continued lockdowns due to the pandemic in the month of April 2020 and partially in May 2020. Therefore, annual net sales show a decline compared to previous year.

For the year, sales volume and mix declined by 2.6% and EBITDA, excluding non-operating income improved by

**4.3%**

Profit Before Tax and exceptional items (PBT) declined by 2.6%

Profit After Tax (PAT) declined by 1.8%

### NEW ACQUISITION

**Araldite®**

During the year the Company acquired 100% shares of Huntsman Advanced Materials Solutions Private Limited. This company has since been renamed as Pidilite Adhesives Private Limited (PAPL).

PAPL is in the business of selling Adhesives, Sealants and other products under well-known brands such as Araldite, Araldite Karpenter and Araseal in India. PAPL has a nation-wide distribution network and a strong presence in retail trade. In the calendar year 2019, business revenue was approximately ₹ 400 crores. In addition to the Indian sub-continent business, the acquisition includes a Trademark licence for Middle East, Africa and Asian countries.

Araldite will add to the very strong portfolio of Pidilite's adhesive and sealant brands. This acquisition is likely to create a significant shareholder value through strong revenue and cost synergies.

PAPL reported sales of ₹ 168 crores and EBITDA of ₹ 60 crores from 4<sup>th</sup> November 2020 till 31<sup>st</sup> March 2021.

**PERFORMANCE BY INDUSTRY SEGMENT (STANDALONE)**

The Company operates under two major business segments i.e. Branded Consumer & Bazaar and Business to Business.

Products, such as Adhesives, Sealants, Art & Cra Materials and Others, Construction and Paint Chemicals are covered under Branded Consumer & Bazaar segment. These products are widely used by carpenters, painters, plumbers, mechanics, households, students, o ces etc.

Business to Business segment covers products, such as Industrial Adhesives, Industrial Resins,

Construction Chemicals (Projects), Organic Pigments, Pigment Preparations, etc. and caters to various industries like packaging, joineries, textiles, paints, printing inks, paper, leather, etc.

In both the above business segments, there are a few medium to large companies with national presence and a large number of small companies which are active regionally. Multinational companies are also present in many of the product categories in which the Company operates.

**BUSINESS SEGMENT/ PRODUCT CATEGORY %**

**5.7%**  
INDUSTRIAL ADHESIVES

**7.1%**  
ART & CRAFT MATERIALS ETC.

**19.9%**  
CONSTRUCTION & PAINT CHEMICALS

**54.2%**  
ADHESIVES & SELANTS

**6.4%**  
INDUSTRIAL RESINS, CONSTRUCTION CHEMICALS (PROJECTS) ETC.

**5.9%**  
PIGMENT & PREPARATIONS

**0.8%**  
OTHERS

**81.2%**  
CONSUMER & BAZAAR PRODUCTS SEGMENT

**18.0%**  
BUSINESS TO BUSINESS PRODUCTS SEGMENT

**0.8%**  
OTHERS

Standalone results - % of Total Sales from FY 2020-21

**CONSUMER & BAZAAR**

Branded Consumer & Bazaar segment contributed

**81.2%**  
of the sales of the Company and declined by 0.3% with volume and mix declining by 0.2%

Adhesives & Sealants category includes adhesives, sealants and tapes. This category contributed

**54.2%**  
of the sales of the Company and grew by

**1.2%**  
Construction and Paint Chemicals contributed

**19.9%**  
of the sales of the Company and grew by

**1.7%**  
Art & Cra Materials etc. contributed

**7.1%**  
of the sales of the Company and declined by 14.1%

**BUSINESS TO BUSINESS**

Business to Business segment contributed

**18.0%**  
of the sales of the Company and declined by 5.5% with volume and mix declining by 7.0%

Industrial Adhesives includes adhesives used in packaging, footwear, cigare e, automotive industry and joinery. This category contributed

**5.7%**  
of the sales of the Company and declined by 8.1%

Industrial Resins, Construction Chemicals (Projects) etc. contributed

**6.4%**  
of the sales of the Company and declined by 3.1%

Pigments and Preparations contributed

**5.9%**  
of the sales of the Company and declined by 5.5%

**OTHERS**

The 'Others' segment largely comprises of manufacture and sale of Speciality Acetates, raw materials etc.

# The year under review witnessed significant progress in people practices, policies and processes, enabling the Company on its journey of 'Growing to Greatness'.

In the last year, as the world dealt with the onslaught of COVID-19, India too was impacted badly. Our efforts throughout the year have been to focus on Employee Health and well-being, as well as supporting the business. A Covid taskforce was set up comprising of managers from HR and other functions who have been monitoring the external situation on an ongoing basis and designing appropriate response to take care of safety and protection of our employees. Training our Workforce to adopt the right kind of behaviour that ensure personal safety and security was conducted, Safety kits were distributed, safety kit allowances for all field personal was provided and regular sanitization drives were conducted on our premises.

To uphold the spirit of our employees, Pidilite's Happy and Healthy (HAH) movement went fully digital in light of most employees moving to work from home leveraging Workplace, our internal social networking

tool and having online events. The entire HAH effort was expanded by the launch of HAH Cares, an initiative that focused on providing our employees access to Doctor-on-Call 24x7, 1 to 1 Counselling service for mental and emotional wellbeing, various fitness classes for maintaining health in lockdown. We also continued to encourage employee participation in our events resulting in participation levels of over 65% of our employees.

The Company was rated by Great Place to Work Institute as one among the top 30 manufacturing sector companies in our very first year of participation. Our Sustainable Engagement Survey also witnessed an improvement in our eNPS score with us being close to the top quartile benchmark scores.

In our long term effort to deepen the understanding of our employees about Pilglobin (branding for our Culture program), we launched a series of initiatives

including the articulation of learnings from our formative years in a booklet and launch of a unique group learning program. We launched this campaign by a catchy internal communication campaign building up to our Founder's Day, where we staged an online play titled "Humari Neev", narrating a collection of our own stories from the past that embody the living of our values by our employees. On this occasion, employees who have consistently demonstrated living our values were awarded.

We bolstered our learning and development efforts by bringing in online Learning Management System and we are now covering all employees of the Company and its subsidiaries. Our signature programs 'ASCENT' for first time managers and 'CAPSTONE' for middle management were held, to continue with our commitment to learn as we work.

The total number of employees as on 31<sup>st</sup> March 2021 is 6,376.

## Current Year Outlook

India has been impacted substantially by the second wave of the Covid 19 pandemic. There remains an uncertainty around the duration of the pandemic and the resultant impact on consumer sentiment and demand.

Input Inflation may continue during the current year as well. The Company is taking necessary steps to mitigate the impact of inflation through appropriate pricing and cost control measures.

The uncertain demand scenario coupled with significant inflation in input costs will call for active management of the rapidly evolving situation while maintaining employee and business ecosystem safety and security. While the rollout of the vaccination

programme is encouraging, it is evident that this will take considerable time before business sentiment is positively impacted. The Company has put in place a number of measures that impact both the delivery as well as the development agenda so as to remain resilient during these times. Our strategy is continuously evolving to address these challenges as well as adapt to market conditions.

While major subsidiaries in India are taking initiatives to improve margins and achieve consistent sales growth in their respective businesses, the impact of the pandemic on economic growth does pose a short term risk to these plans.

The Company's major international subsidiaries are in Bangladesh, Sri Lanka, USA, Brazil, Thailand, Egypt and Dubai. Various initiatives are being taken

to increase sales and market share in each of the significant geographies. The business environment in these countries remains subdued as they all face the ongoing impact of the pandemic and consequent impact on business.

## Outlook on Opportunities, Threats, Risks and Concerns

The Indian economy provides a large opportunity to the Company to market its differentiated products. The home improvement area offers significant opportunities for growth given the growth in affordable housing, new construction as well as renovation. Continued economic growth offers significant opportunities in both the home improvement as well as the industrial sector.

Thus, slower growth of the Indian economy and stress in sectors, such as construction, could impact the performance of the Company.

Overseas subsidiaries, by virtue of their relatively smaller size, remain vulnerable to the political and economic uncertainties of their respective countries.

Business disruptions as a result of the COVID-19 pandemic may impact the performance of the Company and its subsidiaries.

## MISCELLANEOUS

The Company's Net Worth (Equity capital + Reserves) has grown from

**₹ 3,399 crores**

as on 31<sup>st</sup> March 2017 to

**₹ 5,561 crores**

as on 31<sup>st</sup> March 2021, giving a Compounded Annual Growth Rate (CAGR) of 13.10%.

The market capitalisation of the Company on 31<sup>st</sup> March 2021 was

**₹ 91,973 crores**

and has grown at a CAGR of 30.48% since the IPO in 1993.

## OTHER MATTERS

The following matters are elaborated in the Directors' Report

- **Risks and concerns**
- **Internal control systems and their adequacy**

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ.

## economic value added (EVA)

### COMPUTATION OF EVA

<b>EVA</b>	=	Net Operating Profit After Tax (NOPAT) - Weighted average cost of capital employed.
<b>NOPAT</b>	=	Net profit after tax + post tax interest cost at actual.
<b>Weighted average cost of capital employed</b>	=	(Cost of equity x average shareholder funds) + (cost of debt x average debt).
<b>Cost of equity</b>	=	Risk-free return equivalent to yield on long term Government of India (GOI) securities (taken @ 6.00%) + market risk premium (assumed @ 7.50%) x beta variant for the Company (taken at 0.76), where the beta is a relative measure of risk associated with the Company's shares as against the stock market as a whole.
<b>Cost of debt</b>	=	Effective interest applicable to Pidilite based on an appropriate mix of short, medium and long term debt, net of taxes.

Item	2016-17	2017-18	2018-19	2019-20	2020-21
1. Risk Free Return on Long Term GOI Securities	6.5%	7.2%	7.3%	7.5%	6.0%
2. Cost of Equity	9.2%	11.4%	13.1%	12.0%	11.7%
3. Cost of Debt (Post Tax)	0.0%	0.0%	0.0%	0.0%	3.4%
4. Effective Weighted Average Cost of Capital	9.2%	11.4%	13.1%	12.0%	11.6%
Economic Value Added (₹ in crores)					
5. Average Debt	1	0	0	0	55
6. Average Equity (Shareholder Funds)	3,025	3,482	3,875	4,326	5,013
7. Average Capital Employed (Debt + Equity)	3,026	3,482	3,875	4,326	5,068
8. Profit After Tax (as per P&L Statement)	868 #S	955 \$	979 \$	1,161#S	1,082#S
9. Interest (as per P&L Statement, net of Income Tax)	4	4	5	10	13
10. Net Operating Profit After Tax (NOPAT)	872	959	984	1,171	1,095
11. Weighted Average Cost of Capital (4x7)	278	397	509	521	588
12. Economic Value Added (10-11)	594	563	475	650	506
13. EVA as a % of Average Capital Employed (12 ÷ 7)	19.6%	16.2%	12.3%	15.0%	10.0%

# Profit After Tax excludes exceptional items.

\$ Profit is after tax but before Other Comprehensive Income.

# 10 years' financial performance

(₹ in crores)

Highlights	I GAAP				IND AS						CAGR %
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
<b>Operating Results</b>											
Sales and Other Income	3,017	3,615	4,169	4,724	5,134	5,409	5,627	6,285***	6,484	6,290	8.5%
Manufacturing & Other Expenses	2,483	2,939	3,448	3,918	3,942	4,070	4,197	4,796	4,847	4,667	7.3%
Operating Profit	534	676	721	806	1,192	1,339	1,430	1,490	1,637	1,623	13.1%
Interest (Net)	21	8	10	10	6	6	6	7	13	17	(2.4)%
Depreciation	48	53	69	108	88	90	91	100	126	147	13.3%
Profit from Ordinary Activities	465	615	642	688	1,098	1,243	1,333	1,383	1,498	1,459	13.5%
Exceptional Item	13	(6)	6	18	27	94	-	-	59	~	-
Foreign Exchange Difference - Expense/(Income)	8	1	5	2	1	4	2	6	2	2	(14.2)%
Profit-Before Tax	444	620	631	668	1,070	1,145	1,331	1,376	1,437	1,457	14.1%
Current Tax	105	156	160	156	299	363	403	438	369	375	15.2%
Deferred Tax	4	3	2	11	24	8	19	11	(33)	~	(33.1)%
Profit-After Tax for the year	335	461	469	501	747	774	909	927	1,102	1,081	13.9%
Add: Prior Year's Tax Provision written back	-	-	-	-	-	-	46	53	-	-	-
Profit-After Tax	335	461	469	501	747	774	955	979	1,102	1,081	13.9%
Dividend on Equity Shares	112*	156*	162*	179*	404****	31****	293****	364****	827****	-	-
<b>Retained Earning</b>	<b>223</b>	<b>305</b>	<b>307</b>	<b>322</b>	<b>343</b>	<b>743</b>	<b>662</b>	<b>615</b>	<b>275</b>	<b>1,081</b>	<b>19.2%</b>
<b>Financial Position</b>											
Capital-Equity	51	51	51	51	51	51	51	51	51	51	0.0%
Reserve (Less Revaluation Reserve & Misc. Expenditure)	1,327	1,682	1,988	2,298	2,599	3,348	3,513	4,136	4,414	5,510	17.1%
Net Worth	1,378	1,733	2,039	2,349	2,650	3,399	3,564	4,187	4,465	5,561	16.8%
Borrowings	264	60	8	6	1	-	-	-	-	55	(16.0)%
Deferred Tax Liability (Net)	45	48	51	55	75	84	103	113	76	76	5.9%
<b>Funds Employed</b>	<b>1,687</b>	<b>1,841</b>	<b>2,098</b>	<b>2,410</b>	<b>2,726</b>	<b>3,483</b>	<b>3,667</b>	<b>4,300</b>	<b>4,541</b>	<b>5,692</b>	<b>14.5%</b>
<b>Fixed Assets**</b>											
Gross Block	1,343	1,469	1,637	2,005	1,775	1,856	1,975	2,110	2,538	2,862	8.8%
Depreciation	476	527	594	716	707	790	871	930	1,041	1,158	10.4%
Net Block	867	942	1,043	1,288	1,068	1,066	1,104	1,180	1,497	1,704	7.8%
Investments in - Subsidiaries	240#	261#	323#	349#	431#	426#	612#	673#	797#	3,148#	33.1%
- Others	93	286	251	352***	672	1,367	1,174	1,517	1,026	334	15.3%
Net Other Assets	487	352	481	421***	555	624	777	930	1,220	506	0.4%
<b>Total Assets</b>	<b>1,687</b>	<b>1,841</b>	<b>2,098</b>	<b>2,410</b>	<b>2,726</b>	<b>3,483</b>	<b>3,667</b>	<b>4,300</b>	<b>4,541</b>	<b>5,692</b>	<b>14.5%</b>

The Company transitioned into Ind AS from 1<sup>st</sup> April 2015

\* Includes Tax on Dividend

\*\* Including Capital Work-In-Progress and excluding Revalued Assets and Depreciation thereon

# After deducting provision for diminution

~ Less than ₹ 1 crore

\*\*\* Previous years' figures regrouped

\*\*\*\* Paid dividend (including tax) as per IND AS

§ Profit is after tax but before Other Comprehensive Income

(₹ in crores)

Highlights	I GAAP				IND AS						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
<b>Funds Flow</b>											
<b>Sources</b>											
Internal Generation	400<	511<	546	638	886	967	1,066	1,091	1,259	1,235	
Increase in Capital & Reserve on conversion of FCCB	15	50	-	-	-	-	-	-	-	-	
Increase in Equity Share Capital	-	-	-	-	~	~	~	~	~	~	
Increase in Loans	-	-	8	-	-	-	-	-	-	55	
Decrease in Investment- Others	73	-	35	-	-	-	283	-	102	736	
Decrease in Working Capital	-	141	-	23***	329	-	-	-	-	406	
<b>Total</b>	<b>488</b>	<b>702</b>	<b>589</b>	<b>661***</b>	<b>1,215</b>	<b>967</b>	<b>1,349</b>	<b>1,091</b>	<b>1,361</b>	<b>2,432</b>	
<b>Applications</b>											
Repayment of Loans	23	204	60	2	5	1	-	-	-	-	
Capital Expenditure (Net) >	141	128	169	353	134	88	125	159	393	322	
Investments in - Subsidiaries	19	26	62	26	82	90	151	61	146	2,110	
- Others	-	188	-	101***	590	695	-	255	-	-	
Buyback of Equity Shares	-	-	-	-	-	-	500	-	-	-	
Dividend	112*	156*	162*	179*	404****	31****	293****	364****	827****	-	
Increase in Working Capital	193	-	136	-	-	62	280	252	(5)	-	
<b>Total</b>	<b>488</b>	<b>702</b>	<b>589</b>	<b>661***</b>	<b>1,215</b>	<b>967</b>	<b>1,349</b>	<b>1,091</b>	<b>1,361</b>	<b>2,432</b>	
<b>Ratios</b>											
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	27.6	29.3	25.2	23.7	31.0	28.7	27.4	25.3	26.8	21.6@	
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)##	31.2	36.2	33.7	31.6	44.0	41.1	37.4	34.7	34.2	28.8	
Long-term Debt/Cash Flow	0.6	0.1	-	-	-	-	-	-	-	-	
Gross Gearing % (Debt as a percentage of Debt plus Equity)	16.1	3.4	0.4	0.2	-	-	-	-	-	1.0	
Current Ratio	1.8	1.6	1.8	1.7	2.5	3.4	3.0	3.0	2.6	1.3	
Assets Turnover (times) (Sales divided by Total Assets)	1.8	1.9	2.0	1.9	1.8	1.5	1.5	1.4	1.4	1.1	
Debtors Turnover (Sales divided by Debtors)	9.7	10.2	10.0	9.6	9.5	9.1	8.4	8.3	8.0	6.9	
Inventory Turnover (Cost of Goods Sold divided by Inventories)	4.2	4.3	4.5	4.7	4.4	4.3	4.3	4.5	4.0	3.3	
Operating Profit Margin (%) ##	19.2	20.5	18.7	18.4	25.3	27.7	26.9	24.6	26.0	26.2	
Net Profit Margin (%) ##	16.3	18.5	16.5	15.7	23.3	25.6	25.1	22.8	23.8	23.6	

The Company transitioned into Ind AS from 1<sup>st</sup> April 2015

> Includes Cost of Brands, Patents Trademarks and Businesses Acquired

\*\* Excluding Deferred Tax Liability (Net)

< Includes security premium received on FCCB conversion

## PAT, PBT and PBIT are excluding exceptional items

~ Less than ₹ 1 crore

\*\*\* Previous years' figures regrouped

\* Includes Tax on Dividend

@ As compared to FY 2019-20, FY 2020-21 RONW is lower by 19.6% mainly due to 15.9% growth in average net worth against 6.8% decline in PAT

\*\*\*\* Paid dividend (including tax) as per IND AS





அகத்  
திருள்  
நெங்  
கவுடம்

*Agathirul Neengavum: Dispel the darkness within*

சோர்வு கொள்ளாதே மனமே - உன்  
ஆர்வமெல்லாம் ஒருநாள் பூரணமாகும்!

காரிருள் சூழ்ந்த நீளிரவின் பின்  
காலை மலர்தல் கண்டனை அன்றோ?  
தாரணி உயிர்க்கும் தாமரை சிலிர்க்கும்  
அளிகுலம் களிக்கும் அருணனும் உதிப்பான்!  
(சோர்வு கொள்ளாதே)

அகத்திருள் நீங்கவும் அருளொளி ஓங்கவும்  
அன்பு தழைக்கவும் துன்பங்கள் தீர்க்கவும்  
அம்பிகை பாலன் வள்ளி மணாளன்  
அன்புடன் வருவான் இன்னருள் புரிவான்.  
(சோர்வு கொள்ளாதே)

கல்கி

Don't be disheartened, oh mind!  
Your ardour will one day find its fulfilment.

Haven't you seen the dawn break  
after the long, black-shrouded night?

The earth springs to life,  
the lotus quivers as it blooms,  
the bees rejoice,  
the sun rises.

Muruga, the son of Ambikai,  
will shower his grace  
to dispel the darkness within,  
radiate blessings, nourish love  
and dismiss suffering.

*Kalki*

To  
The Members

Your Directors take pleasure in presenting the Fifty-Second Annual Report together with Audited Financial Statements for the year ended 31<sup>st</sup> March 2021.

**Financial Results (Standalone)**

	₹ in crores	
	2020-21	2019-20
Sales	6,186.67	6,290.43
Operating Profit	1,623.30	1,637.28
Finance Costs	(16.99)	(13.40)
Depreciation, Amortisation and Impairment Expense	(147.10)	(125.79)
Net Foreign Exchange Loss	(2.13)	(1.86)
Profit Before Exceptional Items and Tax	1,457.08	1,496.23
Exceptional Items	(0.45)	(59.28)
Profit Before Tax	1,456.63	1,436.95
Current Year's Tax	(375.05)	(368.65)
Profit After Current Year's Tax	1,081.58	1,068.30
Deferred Tax	(0.12)	33.32
Profit After Tax	1,081.46	1,101.62
Profit Brought Forward	3,042.74	2,779.09
Other Comprehensive Income Included in Retained Earnings (Net of tax)	(0.71)	(11.20)
Profit Available for Appropriation	4,123.49	3,869.50
<b>Appropriations</b>		
Dividend Paid	-	(330.18) #
Interim Dividend Paid	-	(355.61)
Tax on Dividend	-	(140.97)
Total	-	(826.76)
Closing Balance of Retained Earnings	4,123.49	3,042.74

# Pertaining to dividend for FY 2018-19

The dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company [www.pidilite.com](http://www.pidilite.com).

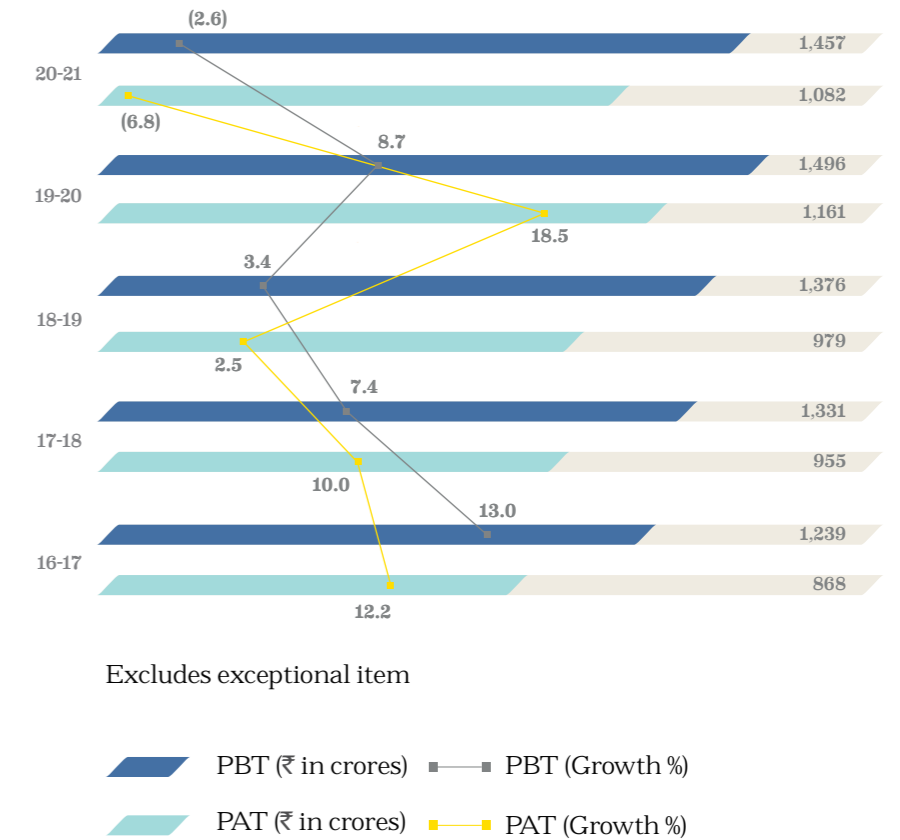
**Financial Performance**

Comments on Financial Performance are included in Management Discussion and Analysis section.

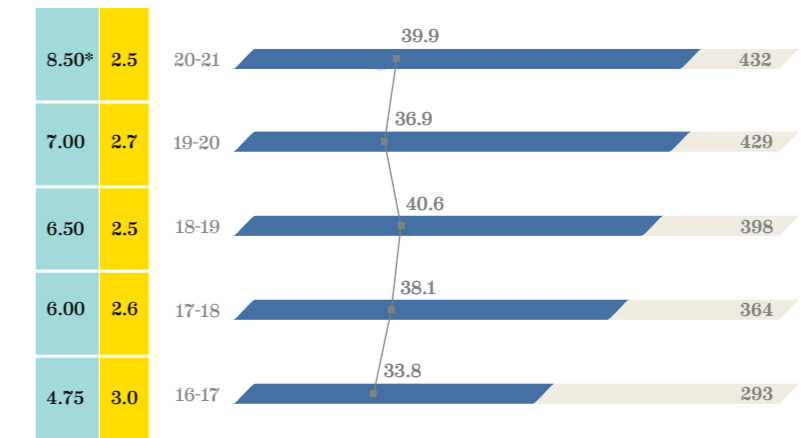
**Dividend**

Your Directors recommend a dividend of ₹ 8.50 per equity share of ₹ 1/- each (previous year interim dividend considered as final dividend of ₹ 7/- per equity share of ₹ 1/- each), out of the current year's profit, on ₹ 50.82 crores equity capital amounting to ₹ 431.93 crores (previous year ₹ 355.61 crores on equity capital of ₹ 50.81 crores). The dividend payout amount has grown at a CAGR of 15.40% during the last 5 years.

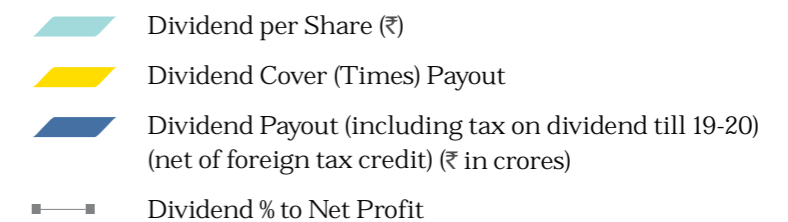
**PBT, PAT & GROWTH (YOY)**



**EQUITY DIVIDEND PAYOUT & % OF STANDALONE NET PROFIT (EXCLUDING EXCEPTIONAL ITEMS)**



\* Proposed dividend for 20-21



### Transfer to Reserves

The Company does not propose to transfer amounts to the general reserve.

### Term Finance

The Company has no outstanding term loans (previous year NIL).

### Capital Expenditure

The total capital expenditure during the year was ₹ 336.69 crores (previous year ₹ 369.03 crores) primarily spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology.

### Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 during the financial year 2020-21 (previous year NIL).

### Subsidiaries

#### Investment in Subsidiaries

During the year, investment of ₹ 2,333.82 crores (previous year ₹ 146.18 crores) was made in subsidiaries. Of this, ₹ 2,323.04 crores (including contingent consideration) was invested in domestic subsidiaries and ₹ 10.78 crores in overseas subsidiaries.

The investments in domestic subsidiaries were in Madhumala Ventures Pvt Ltd (₹ 10.51 crores), Nina Percept Pvt Ltd (₹ 4.82 crores), Pidilite Litokol Pvt Ltd (₹ 14.28 crores), Pidilite Grupo Puma Manufacturing Ltd (₹ 11.71 crores), Pidilite C-Techos Walling Ltd (₹ 0.60 crores) and in the newly acquired subsidiaries Tenax Pidilite India Pvt Ltd (formerly known as Tenax India Stone Products Pvt Ltd) (₹ 84.66 crores) and Pidilite Adhesives Pvt Ltd (formerly known as Huntsman Advanced Materials Solutions Pvt. Ltd.) (₹ 2,196.46 crores).

The investments in overseas subsidiaries were in Pidilite Middle East Ltd (₹ 10.33 Crores) and Pidilite Chemical PLC (₹ 0.45 crores).

### During the year

- The Company acquired 100% share capital of Huntsman Advanced Materials Solutions Pvt. Ltd. for cash consideration of ₹ 2,196.46 crores. The acquisition process was completed on 3<sup>rd</sup> November 2020. The name of the said subsidiary has been changed to Pidilite Adhesives Pvt. Ltd. with effect from 13<sup>th</sup> January 2021.
- The Company acquired the balance 30% stake in its subsidiary namely Cipy Poly Urethanes Pvt. Ltd. (CIPY), by purchasing 28,249 equity shares from certain other shareholders of CIPY, for a cash consideration of ₹ 60.49 crores (excluding certain contingent payment). The acquisition process was completed on 22<sup>nd</sup> April 2021. Consequent to this, CIPY became a wholly owned subsidiary of the Company.
- The Company has completed the acquisition of the business of wholly owned entity M/s. Nitin Enterprise, (a partnership firm having two partners, both of which are wholly owned subsidiaries of the Company).

### Performance of Major Domestic and Overseas Subsidiaries

(₹ in crores)

Name of Subsidiary	Sales 2020-21	Sales 2019-20	% Growth	EBITDA 2020-21	EBITDA 2019-20	% Growth
Nina Percept Pvt Ltd	176.63	267.76	(34.0%)	(26.93)	11.50	(333.9%)
ICA Pidilite Pvt Ltd	178.21	185.83	(4.1%)	25.19	24.13	4.5%
CIPY Poly Urethanes Pvt Ltd	89.68	121.38	(26.1%)	1.63	15.38	(89.4%)
Pidilite Adhesives Pvt Ltd*	168.32	-	-	60.32	-	-
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	111.10	124.50	(10.8%)	17.09	19.19	(11.0%)
Pidilite Lanka (Pvt) Ltd	45.43	41.34	9.9%	6.95	2.90	139.7%
Pidilite USA Inc	140.70	119.14	18.1%	18.53	(0.45)	4,262.8%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	103.84	70.14	48.0%	23.29	1.58	1,378.7%
Pidilite Industries Egypt SAE includes PIL Trading (Egypt) Company	36.73	37.93	(3.2%)	(1.00)	(0.08)	(1,133.9%)
Pidilite Bamco Ltd includes Bamco Supply and Services Ltd (Thailand)	65.41	63.37	3.2%	9.18	5.38	70.8%
Pidilite MEA Chemicals LLC (UAE)	109.81	114.69	(4.3%)	(3.12)	(4.33)	28.0%

Overseas subsidiaries figures are at constant currency.

\* Figures are for the period from 4<sup>th</sup> November 2020 to 31<sup>st</sup> March 2021

Performance of domestic subsidiaries was impacted due to nationwide lock-down in the country. Performance improved during second half of the year with good sales achievement by ICA Pidilite and Pidilite Adhesives.

Performance of subsidiaries in Bangladesh, Middle East and Egypt was impacted due to lockdowns.

Pidilite Lanka continues to perform well despite challenging business environment and posted a significant increase in EBITDA margin owing to lower material costs and local manufacturing.

Pidilite USA sales and profit grew well due to higher demand of hobby & craft products during the pandemic and increased focus on e-commerce.

Pidilite Brazil reported good sales and profit growth due to operational improvements and higher economic growth due to fiscal stimulus.

The subsidiaries in Thailand reported marginal sales growth driven by project business. EBITDA improved due to softer input costs and controlled spends.

#### Consolidated Financial Statements

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as 'the Act'), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2020-21, together with the Auditor's Report, forms part of this Annual Report. A statement containing the salient features of the Company's subsidiaries, associate and joint venture company in the prescribed Form AOC- 1, are set out in Note No. 59 to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate Companies and joint venture, as approved by their respective Board of Directors except Pulvitec Do Brazil Industria e Comercio de Colas e Adesivos Ltda which has been approved by the local administrator and Plus Call Technical Services LLC, Dubai for which the financial statements has been approved by the management. The requisite applications have been filed with Ministry of Corporate Affairs for striking off the names of Pidilite C-Techos Pvt. Ltd. and Pidilite Grupo Puma Pvt. Ltd., in absence of any business, since their incorporation.

The accounts of the subsidiaries are also uploaded on the website of the Company, [www.pidilite.com](http://www.pidilite.com).

### Directors and Key Managerial Personnel

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has recommended to the Members the re-appointment of Shri Vinod Dasari as an Independent Director of the Company for a second consecutive term, commencing from the conclusion of 52<sup>nd</sup> AGM upto 31<sup>st</sup> August, 2025.

Shri Rajeev Vasudeva was appointed as an Additional Director (Independent) of the Company by the Board on the recommendation of Nomination and Remuneration Committee with effect from 10<sup>th</sup> September, 2020. Members' approval is sought for his appointment as an Independent Director of the Company for a period of 5 consecutive years i.e upto 9<sup>th</sup> September 2025.

In accordance with the Act and the Articles of Association of the Company, Shri A N Parekh and Shri Debabrata Gupta, Directors of the Company, retire by rotation and being eligible, offers themselves for re-appointment.

### Policy on Directors' Remuneration

The policy on Directors' remuneration is available on the website of the Company, [www.pidilite.com](http://www.pidilite.com). The remuneration paid to the Directors is as per the terms laid out in the said policy.

### Directors' Responsibility Statement

Your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2021 and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Annual Evaluation by the Board of its own performance, its Committees and individual Directors

The Board has put in place a mechanism for evaluation of its own performance and performance of its Committees and individual Directors. The evaluation of the Board, Committees, Directors and Chairman of the Board was conducted based on the evaluation parameters, such as Board composition and structure, effectiveness of the Board, participation at meetings, domain knowledge, awareness and observance of governance, etc. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

### Familiarisation Programme

The Company has put in place an induction and familiarisation programme for all its Directors including the Independent Directors.

The familiarisation programme for Independent Directors in terms of provisions of Regulation 46(2)(i) of the Listing Regulations is uploaded on the website of the Company.

### Number of Meetings of Board of Directors

Seven meetings of the Board of Directors of the Company were held during the financial year 2020-21. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

### Statement of Declaration on Independence given by Independent Directors

All the Independent Directors of the Company have given declarations that:

- a. they meet the criteria of independence as laid down under the Act and the Listing Regulations; and
- b. they have registered their names in the Independent Directors' Databank.

### Corporate Governance

The Company is committed to good corporate governance practices. The Report on Corporate Governance, as stipulated under Listing Regulations, forms an integral part of this Annual Report. The requisite certificate from M/s M. M. Sheth & Co., Practising Company Secretaries, is attached to the Report on Corporate Governance, which forms a part of this Annual Report.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a section forming part of this Annual Report. For the sake of brevity the items covered in this Report are not repeated in the Management Discussion and Analysis Report.

### Committees of the Board

The following are the statutory Committees constituted by the Board and they function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

### Corporate Social Responsibility (CSR) Report and Policy

The CSR Report as per Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto, is attached as **Annexure 1** to this Report. The details of CSR Initiatives forms part of Social & Community Service Initiatives section of this Annual Report. CSR Policy can be accessed on website of the Company [www.pidilite.com](http://www.pidilite.com).

### Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and

employees. The said policy has been communicated to the Directors and employees of the Company and is also posted on the website of the Company. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

### Policy relating to Prevention of Sexual Harassment

The Company has formulated a Prevention of Sexual Harassment Policy and has formed Internal Complaints Committees, as per statutory requirements. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

### Statutory Auditors

In accordance with the provisions of the Act, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No 117366W/W-100018) have been appointed as the Statutory Auditors of the Company, for a period of five years i.e. upto the conclusion of 54<sup>th</sup> AGM to be held for the adoption of accounts for the year ending 31<sup>st</sup> March 2023. Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

There is no qualification or adverse remark in Auditor's Report. There is no incident of fraud requiring reporting by the Auditors under Section 143(12) of the Act.

### Cost Auditor

The Company has maintained cost records as specified by Central Government u/s 148(1) of the Act. M/s. V J Talati & Co., Cost Accountants, were appointed as the Cost Auditor for the financial year 2020-21 to conduct the audit of the cost records of the Company and they have been reappointed as the Cost Auditor for the financial year 2021-22. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, at the ensuing AGM, the Board seeks ratification of the remuneration payable to the Cost Auditor for the financial year 2021-22.

### Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014, the Company has appointed M/s M. M. Sheth & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Report of the Secretarial Auditor is attached as **Annexure 2** to this Report. There is no qualification or adverse remark in their Report.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars under Section 134 of the Act, read with the Companies (Accounts) Rules, 2014 are attached as **Annexure 3** to this Report.

#### **Risk Management**

In compliance with Regulation 21 of the Listing Regulations, a Risk Management Committee has been constituted by the Board. The Risk Management Committee, also known as Risk Management Oversight Committee, is entrusted with roles and powers which includes (a) Review and approval of risk management plan (b) Review progress on the risk management plan (c) Propose methodology on risk classification and measurement.

The Company has laid out a risk management plan for identification and mitigation of risks. The Company has also constituted a Management Risk Committee which is chaired by the Managing Director and has Senior Leadership of the Company as its members. The Management Risk Committee identifies the key risks for the Company, develops and implements the risk mitigation plan, reviews and monitors the risks and corresponding mitigation plans on a regular basis and prioritises the risks, if required, depending upon the effect on the business/reputation.

The other details in this regard are provided in the Report on Corporate Governance, which forms a part of this Annual Report.

#### **Contracts and Arrangements with Related Parties**

All contracts/arrangements entered into by the Company during the financial year under review with related parties (as defined in the Act and Listing Regulations) were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract/arrangement/transaction with related parties which

could be considered as material in accordance with the Policy of the Company on Materiality of Related Party Transactions (RPT Policy) or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The RPT Policy, as approved by the Board, is available on the Company's website: [www.pidilite.com](http://www.pidilite.com).

Disclosure of related party transactions with the promoter(s)/promoter(s) group which individually hold 10% or more shareholding of the Company, as per the Indian Accounting Standards, are set out in Note No. 44 of the Standalone Financial Statements of the Company.

#### **Particulars of Loans, Guarantees or Investments**

Details of loans, guarantees or investments covered under the provisions of Section 186 of the Act are given in the Notes to the Financial Statements.

#### **Employees Stock Option Scheme**

The Employees Stock Option Scheme (Scheme) is in line with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The certificate of Auditors regarding implementation of the Scheme is available for inspection of Members in electronic mode.

The applicable disclosure, as stipulated under the SBEB Regulations, as on 31<sup>st</sup> March 2021 with regard to Scheme, is provided in **Annexure 4** to this Report.

#### **Extract of Annual Return**

Extract of Annual Return of the Company is available on the website of the Company viz. [www.pidilite.com](http://www.pidilite.com).

#### **Business Responsibility Report**

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front, forms an integral part of this Report.

#### **Internal Control Systems and their Adequacy**

The Company has adequate internal financial control procedures commensurate with its size and nature of business.

The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors approves the annual internal audit plan and periodically reviews the progress of audits as per approved audit plans along with critical internal audit findings presented by internal auditors, status of implementation of audit recommendations, if any, and adequacy of internal controls.

#### **Significant/Material Orders Passed by the Regulators**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

#### **Particulars of Employees and Related Disclosures**

Disclosure pertaining to remuneration as per Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 5** to this Report.

Details of employee remuneration as required under provisions of Section 197 of the Act, and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications, thereof) shall be made available to any shareholder, on request.

#### **General**

The Company has neither issued equity shares with differential rights nor any sweat equity shares.

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

#### **Appreciation**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation to the shareholders, dealers, distributors, consumers, banks and other financial institutions for their continued support.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
Date : 12<sup>th</sup> May 2021

**M B Parekh**  
Executive Chairman



*Jagatguru: Lord of Universe*

જે ગમે જગતગુરુ દેવ જગદીશને, તે તણો ખરખરો ફોક કરવો,  
આપણો ચિંતવ્યો અર્થ કઈ નવ સરે, ઊગરે એક ઉદ્ધેગ ધરવો.

હું કરું, હું કરું, એ જ અજ્ઞાનતા, શકટનો ભાર જ્યમ શ્વાન તાણે,  
સૃષ્ટિમંડાણ છે સર્વ એણી પેરે, જોગી જોગેશ્વરા કોક જાણે.

નીપજે નરથી તો કોઈ નવ રહે દુઃખી, શત્રુ મારીને સહુ મિત્ર રાખે,  
રાય ને રંક કોઈ દ્રષ્ટે આવે નહીં, ભવન પર ભવન પર છત્ર દાખે.

ઋતુ લતા પત્ર ફળ ફૂલ આપે યથા, માનવી મૂર્ખ મન વ્યર્થ શોચે,  
જેહના ભાગ્યમાં જે સમે જે લખ્યું, તેહને તે સમે તે જ પઠોચે.

નરસિંહ મહેતા

Lament not what He wished for thou,  
Lord of Universe, Preceptor of the Worlds.  
Things would not happen the way we wish,  
Quiet, be spared the anguish and hurts.

“I the doer, I the mover”, says silly man,  
like a dog walking under a wagon!  
Only the Yogi and the Sage know the truth:  
The worlds divers are founded finally in the One.

If Man has his say, no one would be pained,  
All would kill the foes and keep friends.  
No King nor Pauper would you find,  
All would stay in palaces grand.

Ivies do bloom, but only at due time.  
They then sprout flowers, fruits, foliage.  
Man, the fool, may rave and rage,  
But what is meant for whom, where and when,  
He surely gets that, there and then.

*Narasinh Maheta*

## Social & community service initiatives are undertaken directly by the Company and through various organisations such as

- Trivenikalyan Foundation (TKF)
- Gram Nirman Samaj (GNS)
- Shree Gramdaxinamurti - Manar
- Hanumant Hospital (managed by Shree Hanumant Seva Medicare Trust)
- Shree Mahuva Education Trust
- The Balvant Parekh Centre for General Semantics and Other Human Sciences
- Daxinamurti Vidhyarthi Mandir-Bhavnagar
- Shri N N Mehta Memorial Education Trust
- Lokbharti Gram Vidyapeeth Trust
- Shri Mahuva Gaurakshak Sabha
- Shri Balvant Parekh Science City (Science City) and
- Gram Seva Kendra Khadasli

As of now, most of these initiatives are centered in the villages of Gujarat. However, seeing the encouraging impact of these initiatives, the Company plans to conduct similar initiatives around its factories.

### AGRICULTURE & HORTICULTURE

The Company has been supporting the partner organisations for agriculture activities and horticulture crops through collaboration with subject-matter experts and relevant national institutions. During the year, the Company has assisted in the formation of 132 new Farmer Clubs (covering additional 2,057 farmers) in Bhavnagar and Amreli District (for Cotton, Groundnut, Onion and other relevant crops). With these additions, now there are 580 Farmer Clubs, covering over 15,000 farmers.

Data of 15,000 farmers (4,500 farmers added during the year) have been geo-tagged with area mapping on a digital portal. This helps in enhanced analysis for adoption of best practices, such as soil management, intercropping, drip irrigation, etc. Geo-tagging has facilitated provision of specific initiatives for farmers concerning improvement of yield and reduction in the cost of cultivation. About 69% of the farmers actively used these recommendations which resulted in a 10% decrease in the cost of cultivation for cotton and groundnut crops. The knowledge series of booklets on various crops and agricultural practices continues to benefit our Farmer Clubs.

The major breakthrough has been shifting of farmers from chemical fertilizer to bio-based fertilizer. While 6,100 farmers have significantly decreased usage of

chemical fertilizer by 35%, another 950 farmers have begun organic farming by widely using Jivamrut and Bijamrut.

We have continued the fruit and vegetable initiative and have developed 36 wadis (one-acre orchard) along with shade nets for replication of vegetable and fruit crops.

We have initiated three new centres for expansion of agriculture initiative at Maydhar and Sihor (Bhavnagar district) and Arnej (Gir Somnath District).



Horticulture wadi (orchard) at farmers place



De-topping of cotton crops

## FARMER PRODUCER ORGANISATION

The Company continues to support Farmer Producer Organisation (FPO) for various activities.

The FPO has continued collective procurement of various inputs, which is helping farmers fetch higher prices than the local market.

The total turnover of the FPO was ₹ 3.70 crore for the year 2020-21. The major part of margins has been transferred to over 3,000 farmers.

The FPO has, in collaboration with Government of Gujarat, through its Custom Hiring Center (CHC) in Mota Khutavda village, continued to support marginal farmers by providing agricultural equipments at nominal rental rates for use in their elds whenever needed.

For the next one year, FPO has an ambitious plan for input procurement and various value addition exercise of locally grown crops.



Procurement meeting with farmers by FPO



Meeting of the Farmer Producer Organisation



Cultivation of dragon fruits

## CENTRE FOR AGRICULTURE-HORTICULTURE DEVELOPMENT AT GRAM DAXINAMURTI, MANAR

Construction of this Centre was completed during the year providing various modern facilities, such as Farmer's Training Centre, Laboratory, Pilot Plant for post-harvest processing etc.

The Centre has developed and demonstrated agro-techniques for new and high value medicinal and aromatic crops to farmers. New introductions

include citronella & lemon grass, used as a powerful insect repellent & disinfectant; palmarosa & vetiver, used in perfumery & cosmetics; senna, a controlling laxative for constipation; shataveri, an essential apoptogenic herb, used in the treatment of antibacterial and anti-fungal infection & as galactagogue; kalmegh, an essential herb used for the treatment of various diseases; aloe vera, used for digestive health & skincare; madhunashni, a powerful anti-diabetic plant; French basil & tulsi, an immunomodulator; and spices like coriander, fennel (saunf), ajwain, dill and fenugreek.

Thousands of farmers in collaboration with Government departments from 35 adjoining villages have received training at our newly constructed farmer's training centre.

An integrated portable low cost Gobar Urja Recovery Unit (GURU) was established at the Centre in order to enable farmers to learn and adopt this technology. This unit is integrated with vermicomposting and vermiwash. The biogas unit helps to reduce the emission of methane thereby maintain the ecological balance.

The Centre has effectively demonstrated protected cultivation with micro-irrigation system for plant multiplication vis-a-vis prevention of pests and diseases. Another major step forward is the development of valuable fruit fly trap - a non-chemical approach to control mango fruit fly which is a major pest affecting mango productivity. It is being



An aerial view of Centre for Agriculture and Horticulture Development (Manar)



Farmer training centre (Manar)



R & D, QC Laboratory and Pilot Plant for post-harvest processing and value addition

developed through our R&D team and is available to farmers at their doorstep through women self-help groups (SHG) as an income generation activity.

An inter-cropping initiative has been expanded to cover more crops like coconut with turmeric, pomegranate with aloe vera, etc. A joint collaborative project on aromatic citronella crop with the Government covering approximately 100 acres has been completed successfully. This

will benefit the farmers of the region for a affordable availability of planting material.

A water resource conservation initiative at the Centre covered more than 75 acres with hundred percent drip irrigation system. The Farmer's Training Centre is capable of training more than 500 farmers at a time and supports many initiatives of Gujarat Government as well as of Central Government. It also carries out skill development and

live demonstration with the help of resource scientists from various parts of the country.

A state-of-the-art Research & Development Centre, Quality Control Lab as well as Pilot Plant for post-harvest processing and value addition have been provided at the Centre. Soil and water testing facilities are provided to the farmers along with recommendation for improving soil health and increasing productivity.



**SEAWEED  
CONSORTIUM -  
INDIAN CENTRE  
FOR CLIMATE AND  
SOCIETAL IMPACT  
RESEARCH  
(ICCSIR)**



*Seaweed development tank*

The Company has extended its support to ICCSIR, a non-profit organisation incorporated as per the provisions of Section 8 of the Companies Act, 2013. Under the umbrella of ICCSIR, a consortium has been formed by Excel Industries Ltd., the Company and Mamata group, with a united interest to build a technology for the production, processing and value addition of selected seaweeds, as seaweeds have the potential to reverse the greenhouse effect and restore atmosphere.

The focus of the consortium is to tap the potential of blue economy i.e. sustainable use of ocean resources. A model is being developed to train fishermen and SHG women in Mundra (Kutch district), for livelihood generation through seaweed cultivation and value addition at the coastal belt.



*Cattle treatment in villages*



*Cattle feed production unit*

**ANIMAL HUSBANDRY**

Initiative of identifying and replicating best practices among farmers was continued and significant increase in yield of milk was noticed, with farmers who adapted such improved practices.

In order to deal with restriction in travel during pandemic period, "on-call" animal health advisory service was provided to 850 farmers involving approximately 8,000 calves. A pilot calf feed unit was started at Kalsar to produce nutritious fodder at

reasonable cost. This fodder was produced with raw materials available in nearby villages. It is proposed to scale up the production based on the results of this pilot experiment.

Under the continuing project of "sexed semen", cumulatively 175 calves have been given sexed semen and the conception of female calf is observed in most of the cases. In addition, normal "Artificial Insemination" service has continued with the objective of improving the breed of animals through qualified workers.



**INITIATIVES FOR WOMEN**

The Company helped to form, nurture and develop 130 new self help groups (SHGs) - Mahila Mandals in Bhavnagar, Talaja and Amreli Districts. More than 1,500 additional women became members of these SHGs. With this, the total number of SHGs has reached 570 with 6,400 members. Three additional village organisations were created during the year to support the SHGs.



**TRAINING CENTRE FOR SHG WOMEN**

*Training centre for SHG women*

A new Training and Quality Assessment Centre became functional at Kalsar during the year. This Centre focusses on developing Technical, Financial and Managerial skills of women to enable them to start and operate a business. 60 such Training sessions were conducted during the year.



*New SHG units being constructed*

The Company has also collaborated in Public-Private Partnership with the Government of Gujarat, Rurban Mission for development of Infrastructure for SHGs to undertake livelihood generation activities in Kikariya and Mota Khutavda villages.



*Sanitizer unit run by SHG*

During the year, SHGs sponsored by us at Biladi village started making sanitizers and variety of aloe-vera products. Other new SHG units initiated by us started making khakhra, pickles, cotton mask at Khadasali, Manar and Bagdana villages.

A new Logistics Warehouse has been made operational in Mahuva to support and take care of the needs of SHG businesses. Procurement, logistics and marketing support was provided to various SHG businesses making different products.



*Felicitation of SHG women on Women's day*

An exhibition was organised for all SHGs located in Gujarat and in other States to showcase their products on the occasion of Women's Day on 8<sup>th</sup> March 2021. The SHG supported by us, Bapa Sita Ram Water Shed unit located at Biladi Village of Mahuva Taluka (Bhavnagar), won the Award as the "Best SHG" of Gujarat State. This SHG manufactures Sanitizers and aloe-vera products.

## WATER RESOURCE MANAGEMENT

The Company has continued its support for 15 watershed centres in Bhavnagar and Amreli districts to accomplish the task of creation of watershed structures and also continued its support for water management activities (check dams, ponds, etc.) with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of Government of Gujarat, in the PPP model. In 2020-21, 59 check dams, 22 ponds deepening and 220 farm ponds were completed.



Check dam

Cumulatively, 147 check dams, 76 pond deepening and 589 farm ponds have been completed till date with the assistance of the Company.

The Company has also initiated the development of 66 water structures (51 check dam and 15 ponds) for the coming year and additional water structures are under discussion with the Government for next year.



Development of farm pond at farmers land

During the year, 1,200 hectares of additional farmland were converted to micro irrigation and more than 110 additional wells, spanning over 40 villages, were recharged, for improving the quality of groundwater.

Cumulatively, it has translated into 4,000 hectares of micro irrigation on farmland and 1,117 well recharges in 100 villages.



Tree plantation drive

## TREE PLANTATION INITIATIVE

The Company has collaborated with State Forest Department and initiated a massive plantation drive with the help of local community. A total of 1.59 lakh trees were planted in the year 2020-21 through mobilization of Farmer Clubs, Schools and SHGs.

## SANITATION

The Company provided support for building 2,360 new toilets (taking total to over 15,700 till date) in Mahuva Taluka. It has continued to work closely with the Government and provides support to households to achieve the vision of open defecation-free status for the villages of Mahuva Taluka, Gujarat.



'Samman Patra' for tree plantation drive

**EDUCATION**



*Beautification of school*

The Company has supported rejuvenation and maintenance of 129 Government Schools in order to improve the infrastructure and provide pleasant learning environment to children.

Due to the Covid-19 pandemic, the normal working of WaGaLe (Wanchan-Ganan-Lekhan) was impacted. However, the initiative was partially continued with 700+ children.

The Company has continued its support to Shri N N Mehta Memorial Education Trust which provided scholarships amounting to ₹ 42.57 lakh to 302 deserving students for higher education. The increase

in number of students getting scholarship/prizes is an indication of improvement in the standard of education in the area.

The Company has continued its support to Shri Balvant Parekh Science City (a modern science museum) in Bhavnagar. The centre enables children to get familiar with various scientific subjects through interesting demonstration units. The centre also prepares students for various scholarship programmes and National Olympiad Competitions have also been undertaken. During the year, 90,915 students benefited through 14 online sessions conducted on various subjects.

**SKILL INITIATIVES**



*ITI training sessions*



*Masks provided to Covid warriors*

The Company has continued its collaboration with Directorate of Employment and Training (under Labour and Employment Department), Government of Gujarat for the seventh year, to strengthen the skill eco-system in the State. During the year, a total of 14,500 trainees from around 194 ITIs benefited through online classes for carpentry, plumbing, electrical and construction technician courses. Moreover, the Company supported 4 ITIs for plumbing and carpentry courses in Rajasthan.

The Company has been industry partner in 9 ITIs, under PPP (Public-Private Partnership) scheme of Government of Gujarat, where efforts are focussed on strengthening training delivery, both in scale and quality.

The Company has continued its support as an industry partner in Gujarat for World Skill Competition, 2021 in carpentry, joinery, plumbing & heating trades.

The Company has continued its collaboration with Kaushalya Vardhan Kendras (KVKs) for providing skill training mainly in 10 sectors covering 78 courses. During the year, more than 3,000 trainees availed online skill training.

1 lakh masks, which were produced in these ITIs and KVKs, were distributed to COVID warriors and other needy people.

## HEALTH INITIATIVE

The Company has continued its support to Hanumant Hospital, which was the first hospital in Bhavnagar District that started treatment of Covid-19 at Taluka level. More than 10,000 patients were screened for Covid symptoms and 986 critical Covid patients have been treated.

The Hospital ensured that all necessary equipment such as ventilators, oxygen concentrators, BiPAP monitors, etc. were made available in adequate numbers for corona patients.



Vaccination centre run by Hanumant Hospital

The Company supported free vaccination for approximately 4,000 beneficiaries at Hanumant Hospital as well as other locations in Mahuva.

The Company supported the Government Medical College (Bhavnagar) to bridge the gap in availability of certain medical equipment required to treat corona patients.

During the year, Hanumant Hospital treated over 43,698 outpatients, 8,952 indoor patients, performed over 3,167 surgeries and successfully handled 4,038 emergency cases. Four educational training programmes were conducted for medical fraternity.

Eight speciality medical camps were conducted (in-house as well as in surrounding villages) under the Doctor connect programme.

Hanumant Hospital is enrolled under Ayushman Bharat scheme of Government. Under this, the Hospital provided cashless treatment to 745 beneficiaries this year.

Hanumant Hospital is the only hospital in Bhavnagar District enrolled under Mukhyamantri Amrutum (MA) Yojana. A total of 4,384 patients have received cashless dialysis service under this scheme.

Hanumant Hospital conducted 193 free cataract surgeries with Intraocular lenses (IOL) in collaboration with Vision Foundation, Mumbai.

The Hospital is running many schemes which helped 7,552 beneficiaries by providing treatment through IPD & OPD during the year. Hospital is having Arogya fund scheme to help the economically weaker class of patients for treatment through donors of the scheme. This year 1,741 patients were provided help amounting to ₹ 8.62 lakh.



Aerial view of Hanumant Hospital



Sanjeevini Scheme certificate provided to Covid survivor

## B K PAREKH PARKINSON'S DISEASE & MOVEMENT DISORDER SOCIETY (BKPPDMDS)



Rehabilitation of people with Parkinson's

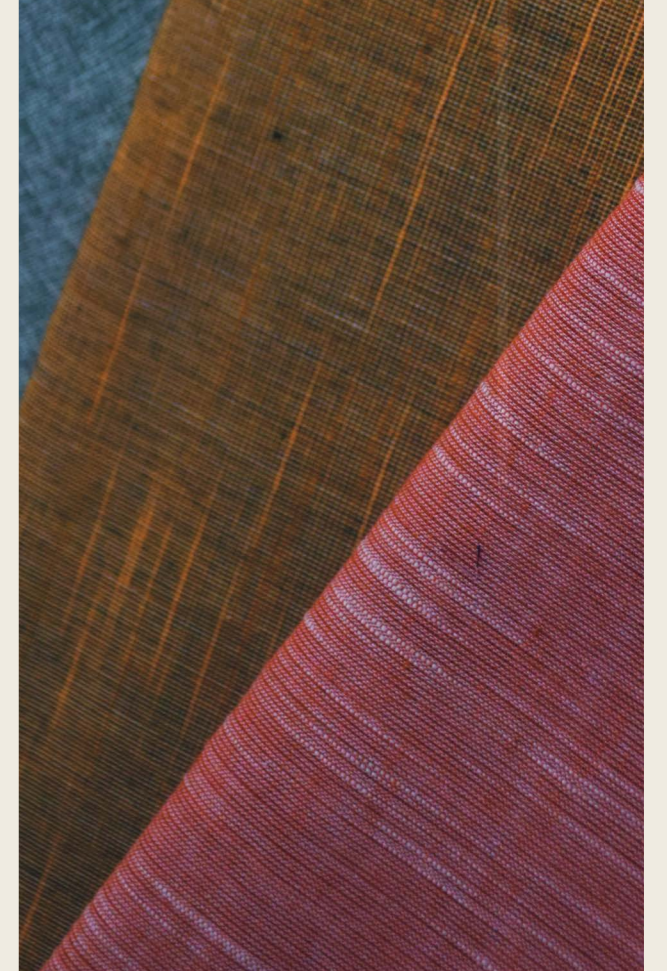
B. K. Parekh Parkinson's Disease and Movement Disorder Society works for rehabilitation of persons with Parkinson's disease to improve quality of their life. The Society operates 9 Centres in Gujarat State and 2 Centres in Pune. Due to Covid pandemic conditions during the year, these Centres have used online platforms for conducting various activities relating to physiotherapy, speech therapy, occupational therapy, psychological guidance, diet and nutrition guidance, yoga, etc. Also, webinars by expert doctors on various subjects were conducted with specialised programmes for caregivers.



*Women working on the Solar Charkha*

#### **KHADI INITIATIVE**

The Company continued its association with the Mahuva Khadi Bhandar. As a part of collaboration with Khadi and Village Industries Board, 5 more Khadi Bhandars of Mahuva, Samanvay, Savarkundla, Vanda and Surendranagar were provided funds for 100 solar charkhas and 25 solar looms during the year (cumulatively, 126 solar charkhas and 30 power looms till date). This will be used by spinners and weavers and provide self-employment opportunities.



#### **SWACHHTA INITIATIVE**

The Company has continued its collaboration with Swachh Bharat Mission (Urban), Government of Gujarat and Mahuva Nagarpalika for Cleanliness drive.

During the year 2020-21, the focus of the pilot initiative was twofold i.e. streamlining processes of Mahuva Nagarpalika related to regular cleaning of roads, allocation of dustbins, training of Safai Karamcharis, provision of fogging machines, repair and renovation of community toilets. The Company also worked on other challenges i.e. segregation of mixed waste, value addition of biodegradable and non-biodegradable waste and also recycling of the plastic waste.

To address the challenge of segregation at source, the Company has operationalised a unit that segregates 5 tonnes of solid mixed waste per day into biodegradable and non-biodegradable waste.

The biodegradable waste is then converted into compost with the help of bio-fertilisers. We have made more than 1,500 kgs of compost out of waste and this compost is being distributed to the farmers.



*Waste segregation unit at Nagarpalika*

#### **BALVANT PAREKH CENTRE FOR GENERAL SEMANTICS AND OTHER HUMAN SCIENCES, BARODA**

Although most of the academic and outreach programmes of the Centre were impacted due to the Covid pandemic, still during the year three issue of its international academic journal i.e. Anekaant: A Journal of Polysemic Thought, The Spring 2019-20 Special Issue titled "General Semantics and Indian Philosophical Thought: A Comparative Approach," the Autumn 2020-21 Special Issue titled "General Semantics and Media Ecology," and a General Issue, comprising essays on Indian and World literary and cultural studies were published. The journal continues to garner positive responses from readers.



## Annexure 1 to the Directors' Report

### ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

#### 1. Brief outline on CSR Policy of the Company

##### (a) Focus areas:

The Company supports various bodies in carrying out activities in the areas of rural development, education, health care, general semantics etc.

##### (b) CSR Objectives:

To attain its CSR objectives in a professional manner and integrated manner, the main objectives are:

- (1) To promote, carry out, support activities relating to: Education and Training including in Science and Technology, Humanities etc; Healthcare; Welfare of Children, Women, Senior Citizens, and Differently Abled Persons; Employment enhancing Vocational skills; Sanitation; Water management; Agriculture; Horticulture; promotion of Culture: Art & Cra ; Conservation of Natural Resources; Promotion and development of traditional Arts & Handicrafts; Employment Generation; Environment Sustainability; Science & Technology; Rural Development; Animal Welfare; welfare and development measures towards reducing inequalities faced by Socially and Economically Backward groups; and such activities may include establishing, supporting and / or granting aid to institutions engaged in any of the activities referred to above.
- (2) To conduct and support studies & research; publish and support literature, publications & promotion material; conduct and support discussions, lectures, workshops & seminars in any of the areas covered above.
- (3) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

#### 2. Composition of CSR Committee:

S. no.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri N. K. Parekh	Vice Chairman - Non-Executive Director	2	2
2	Shri Sanjeev Aga	Independent Director	2	2
3	Shri A. B. Parekh	Whole Time Director	2	2
4	Smt. Meera Shankar	Independent Director	2	2
5	Shri Debabrata Gupta	Whole Time Director	2	2

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

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

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

6. Average net profit of the Company as per Section 135(5): ₹ 1,293.76 Crores

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 25.88 Crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b+7c). ₹ 25.88 Crores

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2020-21 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
27.70 Crores	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year 2020-21:

Sr. No.	Name of the Project #	Item from the list of activities in the Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)*	Amount allocated for the project (₹ in Cr)	Amount spent in the current financial year (₹ in Cr)	Amount transferred to unspent CSR Account for the project as per Section 135 (6) (₹ in Cr)	Mode of implementation Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District						Name	CSR Registration No.
1	Agriculture & Horticulture	iv, x	No	Gujarat	Bhavnagar	3	9.72	9.72	-	No	Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
											Triveni Kalyan Foundation	CSR00000487
											Gram Daxinamurti	CSR00000995
											Lokbharti	CSR00001252
											Indian Centre for Climate and Societal Impacts Research	CSR00000447
2	Water collection and conservation	iv, x	No	Gujarat	Bhavnagar	3	1.80	1.80	-	No	Gram Daxinamurti	CSR00000995
											Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
											Lokbharti	CSR00001252
3	Healthcare	i, x	No	Gujarat	Bhavnagar	3	3.07	3.07	-	No	Hanumant Seva Medicare Trust	CSR00000914
											B. K. Parekh Parkinson's Disease & Movement Disorder Society	CSR00000507
4	Education	ii, x	No	Gujarat	Bhavnagar	3	7.86	7.86	-	No	Gram Daxinamurti	CSR00000995
											Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
											Lokbharti	CSR00001252
											Mahuva Education Trust	CSR00001131
											Triveni Kalyan Education Trust	CSR00000916
											Balwant Parekh Centre For General Semantics	CSR00001326
											Monghiben Balvihar Trust	CSR00001940

Sr. No.	Name of the Project #	Item from the list of activities in the Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)*	Amount allocated for the project (₹ in Cr)	Amount spent in the current financial year (₹ in Cr)	Amount transferred to unspent CSR Account for the project as per Section 135 (6) (₹ in Cr)	Mode of implementation Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District						Name	CSR Registration No.
5	Women Self Help Group	iii, x	No	Gujarat	Bhavnagar	3	1.15	1.15	-	No	Gram Nirman Samaj Gram Vikas Yojna Triveni Kalyan Foundation	CSR00001111 CSR00000487
6	Waste Management & Recycling of Plastics	iv, x	No	Gujarat	Bhavnagar	3	0.09	0.09	-	No	Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
7	Skill Development	ii, x	No	Gujarat	Bhavnagar	3	0.37	0.37	-	No	Gram Nirman Samaj Gram Vikas Yojna Triveni Kalyan Foundation	CSR00001111 CSR00000487
8	Animal Husbandry	iv, x	No	Gujarat	Bhavnagar	3	0.16	0.16	-	No	Gram Nirman Samaj Gram Vikas Yojna Shree Mahuva Gaurakshak Sabha	CSR00001111 CSR00001471
9	Cleanliness Initiative	iv, x	No	Gujarat	Bhavnagar	3	0.03	0.03	-	No	Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
10	Khadi and Handloom	v, x	No	Gujarat	Bhavnagar	3	0.41	0.41	-	No	Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
11	Science Centre	ii, x	No	Gujarat	Bhavnagar	3	0.25	0.25	-	No	Monghiben Balvihar Trust	CSR00001940
12	Sanitation	i, x	No	Gujarat	Bhavnagar	3	0.04	0.04	-	No	Gram Nirman Samaj Gram Vikas Yojna	CSR00001111
<b>Total</b>							<b>24.95</b>	<b>24.95</b>	<b>-</b>			

Notes:

a. # The details of the CSR Projects are given on the website of the Company at <https://www.pidlite.com/investors/corporate-governance/>

b. \* Extendable at the option of the Board.

c. The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies CSR Policy Rules, 2014 and shall initiate steps to conduct impact assessment of CSR Projects through an independent agency from the financial year 2021-22, for the applicable projects.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year 2020-21:

Sr. No.	Name of the Project	Item from the list of activities in the Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in Cr)	Mode of implementation Direct (Yes/No)	Mode of Implementation through implementing Agency		
				State	District			Name	CSR Registration No. *	
1	Disaster Management#	xii	No	Gujarat, Maharashtra, Assam	Bhavnagar, Raigad, Guwahati	0.94	No	Gram Nirman Samaj Gram Vikas Yojna Ncovid Centre, Mahad Shushrusha Citizens Co-op Hospital Ltd Allwin Life Care Shree Gohilwad Dasha Shrimali Vanik Mandal Midmark India Pvt. Ltd. Assam Aarogyya Nidhi (Test) District Disaster Mitigation Fund District Disaster Response Fund Nisarg Cyclone Family, Mahad Hastimal Manikchand	CSR00001111 - - - - - - - - - -	
2	Water collection and conservation	iv, x	No	Gujarat	Bhavnagar	0.08	No	Sociation for Action on Health, Education and Environment (SAHEE) Pure Technologies	- -	
3	Healthcare	i, x	No	Gujarat, Maharashtra	Vapi, Pune	0.68	No	Deenanath Mangeshkar Hospital PNR Society Cancer Patients Aid Association Rotary Charitable Trust Helping Hand Charitable Trust Lions Club of Vapi Udyog Nagar Charitable Trust Shri Janseva Mandal	CSR00001393 CSR00001320 CSR00000926 - - - -	
4	Education	ii, x	No	Gujarat, Maharashtra	Bhavnagar, Raigad	0.71	No	CII University Dakshinamurti Vidyarthi Bhavan Hirwal Education Trust Government Higher Secondary School, Vapi Manav Chhaydo Trust Vapi Shri Mahyavanshi Sikshan Pracharak Sangh Vapi Nagar Panchayat Education Trust	- - - - - - -	
5	Waste Management & Recycling of Plastics	iv, x	No	Gujarat	Bhavnagar	0.28	No	Trashcon Labs Pvt Ltd	-	
6	Skill Development	ii, x	No	Gujarat	Bhavnagar	0.06	No	Shilpa Sharma Consulting	-	
<b>Total</b>							<b>2.75</b>			

# Includes spends towards Covid-19 and Cyclone - Relief and Rehabilitation activities.

\* CSR Registration will be obtained within the prescribed timeline, wherever applicable as per CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to 1<sup>st</sup> April 2021.



## Annexure 2 to the Directors' Report

- (d) Amount spent in Administrative Overhead: **NIL**  
 (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 27.70 Crores**  
 (g) Excess amount for set o , if any: **NIL**

Sl. No	Particular	Amount (in ₹)
(i)	Two percent of average net pro t of the Company as per Section 135(5)	25.88 Crores
(ii)	Total amount spent for the Financial Year	27.70 Crores
(iii)	Excess amount spent for the nancial year [(ii)-(i)]	1.82 Crores
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous nancial years, if any	NIL
(v)	Amount available for set o in succeeding nancial years [(iii)-(iv)]	1.82 Crores

9. (a) Details of Unspent CSR amount for the preceding three nancial years: **Not Applicable**  
 (b) Details of CSR amount spent in the nancial year for **ongoing projects** of the preceding nancial year(s):  
**Not Applicable.** As Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 came into force w.e.f. 22<sup>nd</sup> January 2021, details of CSR amount spent in the nancial year for ongoing projects of the preceding nancial year(s) shall be provided w.e.f. Financial Year 2021-22 onwards.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the nancial year (Asset-wise details).  
 (a) Date of creation or acquisition of the capital asset(s): **NA**  
 (b) Amount of CSR spent for creation or acquisition of capital asset. **NA**  
 (c) Details of the entity or public authority or bene ciary under whose name such capital asset is registered, their address etc **NA**  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **NA**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net pro t as per Section 135(5):  
**Not Applicable**

Place: Mumbai  
 Date: 12<sup>th</sup> May 2021

**Bharat Puri**  
 (Managing Director)

**Sanjeev Aga**  
 (Chairman of CSR Commi ee)

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
 The Members,  
 Pidilite Industries Limited,  
 Regent Chambers, 7<sup>th</sup> Floor,  
 208, Nariman Point,  
 Mumbai-400 021.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pidilite Industries Limited (hereina er called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

Based on my veri cation of the Company's books, papers, minute books, forms and returns led and other records maintained by the Company and also the information provided by the Company, its o cers, agents and authorised representatives during the conduct of secretarial audit and considering practical di culties caused by lockdown imposed by state government due to Covid-19 pandemic, I hereby report that in my opinion, the Company has during the audit period covering the nancial year ended on 31<sup>st</sup> March 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereina er:

I have examined the books, papers, minute books, forms and returns led and other records maintained by the Company for the nancial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- The Companies Act, 2013 ('the Act') and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Share Based Employee Bene ts) Regulations, 2014;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**); and
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable speci cally to the Company:

- The Environment (Protection) Act, 1986
- Hazardous Waste (Management & Handling) Rule, 1989
- The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards (i.e SS-1 relating to Board Meetings & SS-2 relating to General Meetings) issued by the Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### I further report that

the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## Annexure 3 to the Directors' Report

### Annexure-A

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except when Board meetings were called by giving less than seven days notice in accordance with the provisions of Section 173 of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at board meetings and Committee meetings were carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Special Resolution passed by the Members at the 51<sup>st</sup> AGM held on 10<sup>th</sup> September 2020 for re-appointment of Shri N. K. Parekh as Non-Executive Director as required under regulation 17(1A) of LODR Regulations, 2015
- Special Resolution passed by the Members at the 51<sup>st</sup> AGM held on 10<sup>th</sup> September 2020 for re-appointment of Shri Sanjeev Aga as an Independent Director for a second term upto 31<sup>st</sup> March 2025.
- The Company has acquired 100% stake in Huntsman Advanced Materials Solutions Private Limited (name changed to Pidilite Adhesives Private Limited) by entering into definitive agreements with certain group of entities of Huntsman Corporation (USA).
- The Company has completed acquisition of the business of wholly owned entity, M/s. Nitin Enterprise, a partnership firm having two partners which are wholly owned subsidiaries of the Company.
- The Company's shareholding in its subsidiary i.e. M/s. Cipy Poly Urethanes Pvt. Ltd. (Cipy), has increased from 70% to 100%, making Cipy now, a wholly owned subsidiary of the Company.

**For M. M. SHETH & CO.**  
(Company Secretaries)

**M. M. SHETH**  
(Prop.)

FCS No. 1455, CP No. 729  
PR No. 1000/2020

Place: Mumbai  
Date: 12<sup>th</sup> May 2021  
UDIN: F001455C000285992

The Members,  
Pidilite Industries Limited,  
Regent Chambers, 7<sup>th</sup> Floor,  
208, Nariman Point,  
Mumbai-400 021.

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M. M. SHETH & CO.**  
(Company Secretaries)

**M. M. SHETH**  
(Prop.)

FCS No. 1455, CP No. 729  
PR No. 1000/2020

Place: Mumbai  
Date: 12<sup>th</sup> May 2021  
UDIN: F001455C000285992

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

### Statement containing particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

Your Company undertook various measures for conservation of energy and use of alternate sources of energy which resulted in total savings of ₹ 17.18 crores during the year. Savings accrued during the last 3 years (2018-21) is ₹ 56.08 crores.

#### A) CONSERVATION OF ENERGY/ALTERNATE SOURCE OF ENERGY

##### 1. Steps taken or impact on conservation of energy:

The manufacturing units of the Company have continued their efforts to reduce energy consumption. Various steps taken by your Company are given below:

###### New measures:

1. Cooling tower fan automation on temperature set point.
2. Replacement of existing AC with energy efficient AC.
3. Improved Pumping efficiency by providing high efficiency pumps and changes in electrical supply mode.
4. Heat recovery from exothermic reaction for generation of hot water.
5. Automation in Lighting control.
6. Usage of high efficiency mixing technology.

###### Earlier proven conservation projects replicated in 2020-21:

1. Condensate recovery for boiler feed.
2. Thyristor based heater control.
3. Installation of LED lights.
4. Installation of Variable frequency drives.

##### 2. Steps taken by the Company for utilizing alternate sources of energy:

Various initiatives and steps taken by your Company are given below:

###### a. Green Fuel:

Your company continues to evaluate and operate the usage of green fuel ( bio mass) which replace fossil fuels for operation of our boilers. During the year, by use of green fuels, your Company has saved ₹ 13.6 crores and reduced 22,617 Tons of Eq. Co2 emission compared to use of conventional fuels.

###### b. Wind Energy:

Power generated from wind farm projects at Gujarat and Maharashtra continue to be utilized in the manufacturing units and corporate office in Mumbai. Power generated from windmills is 51 Lakh KWH while the consumption was limited to 21.8 Lakh KWH which has resulted in saving of ₹ 1.84 crores in the year.

###### c. Solar Energy:

During the year, your Company added new solar plants in 3 different units in addition to the existing 10 solar power installations. These 13 installations resulted in savings of ₹ 1.37 crores for the year.

##### 3. The Capital Investment on Energy Conservation Equipment's:

Capital investment in energy conservation equipment was ₹ 0.2 crores during the year.

#### B) TECHNOLOGY ABSORPTION

##### 1. Efforts made towards technology absorption:

- a. R&D continuously focus on upcoming technology trends and upgrade our technologies by advancing development work on various types of products in adhesives, sealants, synthetic resins, pigments, pigment dispersions, intermediates, thickeners, dispersants, coatings, waterproofing products and construction chemicals.
- b. R&D partners with various technology experts and research institutes regularly, for developing new technologies.
- c. R&D reinforced the strategic initiative and action plan on safe and sustainable products and product systems.

## Annexure 4 to the Directors' Report

### 2. Benefits derived like product improvement, cost reduction, product development or import substitution:

R&D innovations have contributed in improved sales, product performance efficiencies, process efficiencies, capacity debottlenecking, addressing market needs for new applications, product cost reduction and improved environmental compliance.

### 3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

The details of technology imported, the year of import, whether the technology been fully absorbed, if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

The technology for manufacture of Hot melt, received by the Company during the year 2018-19, is expected to be fully absorbed during the financial year 2021-22.

### 4. Expenditure incurred on Research and Development:

(₹ in crores)

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
i) Capital	1.05	1.85
ii) Recurring	71.86	69.37
<b>TOTAL</b>	<b>72.91</b>	<b>71.22</b>

### C] FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

(₹ in crores)

	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
i) Foreign exchange earned	579	601
ii) Foreign exchange used	886	911

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

**M B Parekh**  
Executive Chairman

### Disclosure regarding Employee Stock Option of the Company for the year ended 31<sup>st</sup> March 2021

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Members may refer to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2020-21.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Diluted EPS for the year ended 31<sup>st</sup> March 2021 is 21.27 calculated in accordance with Ind-AS 33 (Earnings per Share).

### C. Details related to Employees' Stock option of the Company for the year ended 31<sup>st</sup> March 2021:

(i)

Sr. No.	Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
(a)	Date of shareholders' approval	<b>24.07.2012</b>	<b>02.04.2016</b>
(b)	Total number of options approved under ESOS	<b>3,00,000</b>	<b>45,00,000</b>
(c)	Vesting requirements	<p>(a) On completion of 12 months from the date of Grant</p> <p>(b) On completion of 24 months from the date of Grant</p> <p>50% of the options</p> <p>Balance 50% of the options</p> <p>In the case of employees who have not completed 3 years of employment as on date of the grant then all options which are due for Vesting shall vest as per (a) and (b) above OR on the completion of 3 years of employment in the Company by the employee concerned whichever is later.</p> <p>The Compensation Committee in its absolute discretion shall have the right to pre-pone the date of vesting. However the gap between the date of Grant and date of Vesting shall not be less than minimum period prescribed by the Securities and Exchange Board of India.</p>	<p>Options 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.</p> <p>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 Compensation Committee.</p>
(d)	Exercise price or pricing formula	As approved by the Shareholders in the Annual General Meeting held on 24 <sup>th</sup> July 2012, the exercise price shall be ₹ 1/- per option. The exercise price of the options granted till date is ₹ 1/- per option.	As approved by the Shareholders through Postal Ballot which was declared on 2 <sup>nd</sup> April 2016, the exercise price shall be ₹ 1/- per option. The exercise price of the options granted till date is ₹ 1/- per option.
(e)	Maximum term of options granted	All the options granted have been vested and have been exercised. No options have been granted in the year 2020-21.	Out of the options granted, the last date of vesting is 17 <sup>th</sup> November 2026. The vested options need to be exercised within a maximum period of three years from the date of vesting of such options.
(f)	Source of shares (primary, secondary or combination)	Primary	Primary
(g)	Variation in terms of options	Not Applicable	Not Applicable

Sr. No.	Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
(ii)	Method used to account for ESOS	Fair value method*	Fair value method*
(iii)	(a) Difference between the employee compensation cost computed as per intrinsic value method and the employee compensation cost as per the fair value of the options	N.A	N.A
	(b) The impact of this difference on profits and on EPS of the Company	N.A	N.A

\* NOTE : Under IND AS , Fair value method is used for accounting.

(iv) Option movement during the year - Employee Stock Option Scheme-2012 (ESOS-2012) and Employee Stock Option Plan 2016 (ESOP - 2016)

Particulars	ESOS - 2012	ESOP - 2016
Number of options outstanding at the beginning of the period	Nil	1,70,850
Number of options granted during the year	Nil	2,78,990
Number of options forfeited / lapsed during the year	Nil	700
Number of options vested during the year	Nil	1,39,300
Number of options exercised during the year	Nil	29,600
Number of shares arising as a result of exercise of options	Nil	29,600
Money realized by exercise of options (INR)	Nil	29,600
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
Number of options outstanding as on 31 <sup>st</sup> March 2021	Nil	4,19,540
Number of options exercisable as on 31 <sup>st</sup> March 2021	Nil	1,20,050

(v) Weighted-average exercise prices and weighted-average fair values of options

Particulars	Weighted average exercise price per option (₹)	Weighted average fair value per option (₹)
Options granted on 27.07.2015 - ESOS 2012	1	521.11
Options granted on 29.01.2016 - ESOS 2012	1	532.20/525.01
Options granted on 29.07.2016 ESOS 2012	1	722.31
Options granted on 29.07.2016 ESOP 2016	1	730.61
Options granted on 09.11.2016- ESOS 2012	1	661.86
Options granted on 08.11.2017- ESOS 2016	1	734.15
Options granted on 11.04.2018 - ESOP 2016	1	976.94
Options granted on 30.10.2018 - ESOP 2016	1	931.19/924.50
Options granted on 23.01.2019 - ESOP 2016	1	1,112.48/1127.85
Options granted on 13.05.2019 - ESOP 2016	1	1,124.69
Options granted on 23.01.2020 - ESOP 2016	1	1,449.90/1,444.56/1,433.92
Options granted on 05.08.2020 - ESOP 2016	1	1,318.08/1,319.96
Options granted on 04.11.2020 - ESOP 2016	1	1,536.91

(vi) Options granted during the year (excluding lapsed options):

a) Senior managerial personnel:

Sr. No.	Name of Employee	Designation	Number of options granted in 2020-2021
1.	Shri Bharat Puri	Managing Director	2,35,000
2.	Shri Debabrata Sujit Gupta	Director - Operations	420
3.	Shri Pradip Kumar Menon	Chief Financial Officer	410
4.	Shri Puneet Bansal	Senior Vice President - Legal & Company Secretary	530
5.	Shri Rahul Kumar Sinha	Chief Human Resource Officer	760
6.	Shri Anubhav Saxena	President - R&D	910
7.	Shri Giridhar Ayanur Seetharam	Chief Business Officer (Fevicol Division)	780
8.	Shri Yogesh Anand	Chief Business Officer (International Operations)	820
9.	Shri Sanjay Bahadur	Chief Strategy and Business Development Officer (CC Businesses)	1,320
10.	Shri Himanshu Kapadia	Chief Business Officer (Large User Business and Services)	10,000
11.	Shri Pravin Digambar Chaudhari	Chief Business Officer (Pigments) and IP Manufacturing Operations	1,240
12.	Shri Shantanu Bhanja	Chief Business Officer (Consumer Products Business)	1,110
13.	Shri Nilesh Mazumdar	Chief Business Officer (CC - Retail and Ro Businesses)	910
14.	Shri Rajesh Balakrishnan	Chief Business Officer, IP	890
15.	Shri Salil Nagesh Dalal	Chief Business Officer (Emerging India)	760

b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year 2020-21 - **Nil**

c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant - **Nil**

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options, the weighted-average values of share price, the method used and the assumptions made to incorporate the effects of expected early exercise, how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

**The fair value of the option has been determined using the Binomial Model. The assumptions used in this model for calculating fair value are as below:**

Please refer to "Notes to the Financial Statements - Note 46".

## Annexure 5 to the Directors' Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### A. Ratio of remuneration paid to each Director to the median remuneration of the employees of the Company and percentage increase in remuneration for the financial year 2020-21 is as follows:

Sr. No.	Name of Director	Designation	Ratio of remuneration of Director to the Median remuneration	% increase
1	Shri M B Parekh	Executive Chairman	52.15	(24.64)%
2	Shri N K Parekh	Vice Chairman	5.59	21.93%
3	Shri Bharat Puri	Managing Director	227.50	(57.27)%
4	Shri A B Parekh	Whole time Director	22.22	(80.01)%
5	Shri A N Parekh	Whole time Director	93.01	(1.73)%
6	Shri B S Mehta	Director	4.71	18.20%
7	Shri Sanjeev Aga	Director	5.27	25.18%
8	Shri Uday Khanna	Director	4.71	19.70%
9	Smt Meera Shankar	Director	4.20	14.03%
10	Shri Vinod Kumar Dasari	Director	4.51	22.17%
11	Shri Piyush Pandey	Director	4.09	12.39%
12	Shri Debabrata Gupta	Whole time Director	34.96	*
13	Shri Rajeev Vasudeva	Director	0.46	**

### B. Percentage increase in remuneration of Chief Financial Officer and Company Secretary for the financial year 2020-21 is as follows:

Sr. No.	Name	Designation	% increase
1	Shri Pradip Kumar Menon	Chief Financial Officer	#
2	Shri Puneet Bansal	Company Secretary	27.7%

#### Notes:

- The aforesaid details are calculated on the basis of remuneration paid during the financial year 2020-21.
- The remuneration to Non Executive Directors comprises of sitting fees and commission paid to them during the financial year 2020-21.
- The median remuneration is ₹ 599,310/- for the financial year 2020-21.
- \* % increase in remuneration is not given as Shri Debabrata Gupta was appointed as the Whole Time Director of the Company w.e.f. 1<sup>st</sup> March 2020.
- \*\* % increase in remuneration is not given as Shri Rajeev Vasudeva was appointed as an Additional Director (Independent) of the Company w.e.f. 10<sup>th</sup> September 2020.
- # % increase in remuneration is not given as the payment for financial year 2019-20 was only for part of the year.
- The remuneration to Directors is within the overall limits approved by the shareholders.

### C. Percentage increase in the median remuneration of employee in the financial year 2020-21: 15.54%

### D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2021: 6,376.

### E. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Increase in remuneration is based on remuneration policy of the Company.

Average increase in salary of all employees in 2020-21 compared to 2019-20: 8.20%

### F. Affirmation:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

## Business Responsibility Report

### Introduction

Inclusive and sustained growth has been a fundamental element of Pidilite's strategy. In today's changing business dynamics, the long-term sustainability of an organisation depends on its ability to meet evolving stakeholders' expectations and create value. Stakeholders are more aware than ever and expect businesses to operate in a fair and equitable manner.

Over the years, the Company has made progressive advancement across all three dimensions of sustainability. On the economic front, through an appropriate product mix and a good understanding of customer requirements, the Company has been consistently growing its market presence, revenues and profitability. On the environment front, initiatives are focused towards resource optimisation, reduction of waste, energy and emissions across operations. Across the social dimension, the Company undertakes CSR initiatives, under various thematic areas such as education, healthcare, agriculture and horticulture, milk and animal health, women empowerment and rural development for local communities to name a few. In order to further enhance its sustainability performance, the Company endeavours to improve practices across its operations.

The Company has initiated efforts towards development of a sustainability roadmap. This will drive integration of sustainability considerations into core business systems and decision-making. The Company has published its second sustainability report in accordance with GRI Standards for Financial Year 2019-20.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India.

### A] GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L24100MH1969PLC014336
- Name of the Company: Pidilite Industries Limited
- Registered address: Regent Chambers, 7<sup>th</sup> Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021, Maharashtra
- Website: [www.pidilite.com](http://www.pidilite.com)
- E-mail Id: [investor.relations@pidilite.co.in](mailto:investor.relations@pidilite.co.in)
- Financial Year reported: 2020-21.
- Sector(s) that the Company is engaged in (industrial activity code-wise):  
Manufacture of Adhesives and Glues including Rubber based Glues and Adhesives (20295)
- List three key products/services that the Company manufactures/provides (as in balance sheet)
  - Adhesives & Sealants
  - Construction Chemicals/ Paint Chemicals
  - Art & Craft Materials

For additional information on segment wise products/services, please refer to "Notes to the Financial Statements- Note 42.
- Total number of locations where business activity is undertaken by the Company:
  - Number of International Locations: 6 Branches and Representative offices (On Standalone basis)
  - Number of National Locations:

Manufacturing locations (States / Union Territories)	7
Regional offices	8
- Markets served by the Company – The Company's products have a pan India presence and the products are also marketed in several countries like UAE, USA, Nigeria, Bangladesh, Sri Lanka, Nepal, Singapore, China, Indonesia, Thailand, Egypt, Brazil, Bahrain, Qatar, Oman, Myanmar, Ethiopia, Kenya, France, Germany, Italy, Saudi Arabia, Tanzania, Hongkong, UK, Kuwait, Australia, Cameroon, Yemen, Japan, Philippines, etc.

**B] FINANCIAL DETAILS OF THE COMPANY**

(₹ in crores)

1. Paid up Capital : 50.82
2. Total Turnover : 6,186.67
3. Total pro t a er taxes : 1,081.46
4. Total spending on Corporate Social Responsibility (CSR) as percentage of pro t a er tax (%):  
CSR spending for the year is ₹ 27.70 crores, which is 2.56% of the average net pro t for the last 3 nancial years.
5. Few activities in which expenditure in 4 above has been incurred

The Company has been supporting Education, Healthcare, Agriculture and Horticulture, Animal Husbandry Initiative, Rural Development, Water Resources Management, Sanitation, Initiatives for Women, Farmer Producer Organisation, Skill Development, Swachhta Initiative, Khadi Initiative, etc.

For further details please refer to Social and Community Service Initiatives section of this Annual Report.

**C] OTHER DETAILS**

The Company has 35 subsidiaries, both direct and indirect, as on 31<sup>st</sup> March 2021. 15 of these subsidiaries are in India and 20 of them are located abroad.

The Business Responsibility (BR) policies of the subsidiaries are in line with the local requirements. Currently, the subsidiary companies and other entities (suppliers/ distributors, etc.) do not participate in BR initiatives of the Company.

**D] BR INFORMATION**

- (1) Details of the Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1	DIN Number	00035317
2	Name	Shri A B Parekh
3	Designation	Whole Time Director

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number	01500784
2	Name	Shri Debabrata Gupta
3	Designation	Director – Operations
4	Telephone number	022- 2835 7313
5	e-mail id	<a href="mailto:debabrata.gupta@pidilite.com">debabrata.gupta@pidilite.com</a>

- (2) Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies:

These Principles are as follows:

**Principle 1:** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1).

**Principle 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2).

**Principle 3:** Businesses should promote the wellbeing of all employees (P3).

**Principle 4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4).

**Principle 5:** Businesses should respect and promote human rights (P5).

**Principle 6:** Businesses should respect, protect and make e orts to restore the environment (P6).

**Principle 7:** Businesses, when engaged in in uencing public and regulatory policy, should do so in a responsible manner (P7).

**Principle 8:** Businesses should support inclusive growth and equitable development (P8).

**Principle 9:** Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9).

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for .....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes Policies con rm to applicable Statutory Requirements as well as ISO 45001 and ISO 14001 Standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes The policies have been signed by Director- Operations of the Company.								
5.	Does the company have a speci ed commi ee of the Board/ Director/ O cial to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the human resource department. The Corporate Social Responsibility Policy is administered by the CSR Commi ee in line with requirements of the Companies Act, 2013. The Director- Operations is responsible for the implementation of Environment Health and Safety (EHS) policy/ies.								
6.	Indicate the link for the policy to be viewed online?	Policies which are internal to the Company are available on the intranet of the Company. Other policies are available on the website of the Company: <a href="http://www.pidilite.com">www.pidilite.com</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	External rms were engaged to review the systems, procedures and infrastructure related to safety and environment, and based on their recommendations adequate steps are being taken.								

**(3) Governance related to BR**

Business Responsibility performance is reviewed, at-least annually, by the Board. The BR Report is part of Annual Report and is published annually. The Annual Report is available on the Company's website [www.pidilite.com](http://www.pidilite.com).

**(E) PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability:**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations both for internal and external stakeholders. The Company, in order to maintain these standards has adopted the 'Code of Conduct', which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. There is a Code for each of our subsidiaries in line with the local requirements prevailing in the country of operation.

The Company has a 'Whistle Blower policy' which covers serious concerns that could have impact on the operations and performance of the Company.

There were no complaints from shareholders pending at the beginning of the year. The Company received 8 complaints from shareholders during the year which were resolved expeditiously. There were no pending complaints at the end of the year.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:**

The products developed and provided in market are safe for use and meet the standards as per applicable statutory requirements. The products exported internationally are in compliance with applicable regulations of the relevant countries.

Some of the products offered by us contribute to sustainability such as: -

- a. Waterproofing products which save structures from deterioration and improve the overall life of such structures.
- b. We provide products for walls and roofs which improve thermal insulation and save energy.
- c. We provide high quality adhesives for making furniture, footwear, etc. which prolong the life of such products.
- d. We provide repair and maintenance products which allows such articles to be repaired and reused rather than being thrown away.

In addition to the above, the Company has mechanisms in place to recycle the following wastes:

1. Waste generated out of packaging plastic is recycled through authorized recyclers.
2. Ash generated from boilers is recycled.
3. Most spent solvents are redistilled and recycled.
4. Hazardous waste is co-processed and used as a fuel in the cement industry, wherever permitted by regulations.
5. Through authorised recyclers of Multi Layered Plastic (MLP) packing material used for our products, we recycled back 100% of such MLP packing material.

**Principle 3: Businesses should promote the well being of all employees:**

The Company is focused towards building progressive and best-in-class people policies on work life balance, career progression, development and employee engagement. The Company's "Happy and Healthy" (HAH) movement saw great participation with over 65% of the employees engaging in HAH activities.

As on 31<sup>st</sup> March 2021, the total number of permanent employees on the payroll of the Company was 6,376 and the total number of employees hired on temporary /contractual/casual basis was 1,649. The permanent women employees were 398 and permanent employees with disabilities were 16. There are no employee association that is recognized by the management. The details of complaints filed during the financial year are as under:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

Safety and skill upgradation programmes are provided from time to time to the employees and over a period of time most of the employees are covered under such programmes. Employees are encouraged to participate in safety programmes and be acquainted with the safety measures.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:**

The Company has identified its internal and external stakeholders and endeavours to maintain healthy engagement with these stakeholders which allows active participation and collaboration wherever possible.

With an objective to be responsive towards stakeholders who are disadvantaged, vulnerable or marginalized, the Company continues to build on its unique initiative 'WAGALE' (Wanchan-Ganan-Lekhan) which has helped students with lesser learning abilities through online training sessions. The Company also facilitates scholarships to the deserving and qualified students, having limited financial means for pursuing higher education.

For further details please refer to Social and Community Service Initiatives report.

**Principle 5: Businesses should respect and promote human rights:**

The Code of Conduct is applicable to all the employees of the Company and its subsidiaries, joint ventures and associate entities.

It is the Company's policy to ensure that there is no discrimination based on caste, gender, religion etc. The Company also takes care to ensure that no person below the age of 18 years is employed anywhere in the Company or in the units undertaking job work activities for the Company. It is also the Company's policy that key vendors supplying goods/ services to the Company should not employ any child labour.

There have been no complaints received in the year under review, relating to any human rights issue.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment:**

In Bhavnagar district, in cooperation with Gujarat Government, the Company has undertaken large scale watershed development work. This involves building of check dams, ponds, recharging of wells as well as desilting of existing water structures. This has resulted in recharging of ground water in several parts of the district. Additionally, regular tree plantation drives have been undertaken through farmer clubs, schools and other local organisations.

Majority of the boilers are being operated with green fuel (Biomass) in place of fossil fuels. The Company generates renewable energy through windmill and solar power units. Additional solar power units are being installed at various manufacturing unit locations.

Over 80% of our 51 units have been converted into zero discharge to external environment and over a period of time, the Company intends to convert many more units into zero discharge, as well as increase the usage of renewable sources of energy.

During the financial year 2020-21, the emissions/ waste generated by the Company were within the permissible limits prescribed by the State and Central Pollution Control Board. There were no pending show cause notices relating to environment issues as on 31<sup>st</sup> March 2021.

**Principle 7: Business when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner:**

The Company has its representation in several business and industrial association and is a member of the following trade / chamber / association:

- Federation of Indian Chambers of Commerce and Industry
- Indian Chemical Council
- Confederation of Indian Industry
- Economic Research India Pvt. Ltd.

The Company, through its employees and representatives, actively participates in the deliberations at these trade/ chamber/ associations relating to environment, sustainability, trade and economic reforms etc. and making representations to the relevant regulatory bodies while framing of legislations/ guidelines/ policies.

**Principle 8: Businesses should support inclusive growth and equitable development:**

The Company has been actively supporting several initiatives including self-help groups of women aimed at improving their economic standing and supporting farmers in ways to improve yield of the farm lands.

These initiatives are implemented by the Company mainly through the implementing agencies as given in the Social and Community Service Initiatives section and Annexure 1 to the Directors' Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner:**

The Company provides all relevant information regarding a product for the user through product labelling, product literature, our website and our apps. We take great care to connect with our users and provide them information about how to use the products in a safe and effective manner.

Our sales force remains in regular touch with the customers and collects relevant feedback from them relating to their concerns, their expectations or complaints. Customer feedback or complaints received from all sources is adequately addressed in a time bound manner. As at the end of financial year, there were 11 consumer cases pending which majorly relate to perceived deficiency in waterproofing done by third party applicators.

We take care to ensure that our businesses do not indulge in any unfair trade practices or anti-competitive practices.

## Standalone Financial Statements



## Independent Auditor's Report

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Pidilite Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the 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, the aforesaid standalone 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 state of affairs of the Company as at 31<sup>st</sup> March 2021, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements section of our report. We are independent of the Company 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 standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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
<p>Impairment of Investment in certain subsidiaries (Refer Note 7 of the Standalone Financial Statements)</p> <p>The standalone financial statements of the Company includes investment in two subsidiaries, located at Brazil and Middle East, aggregating ₹ 148.95 crores (as at 31<sup>st</sup> March 2021) which is measured at cost less impairment and is tested for impairment if there are any indicators of impairment.</p> <p>Due to material accumulated losses being incurred by these subsidiaries, the Company's management has tested these investments for impairment in accordance with Ind AS 36. For impairment testing, management determines recoverable amount, using discounted cash flow projections, which represent management's best estimate about future developments and takes into account past experience.</p> <p>Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, discount rate, estimated sales growth rate and estimated operating margins. Management has obtained fair value of investments from independent valuation experts for investments in the said two subsidiaries.</p> <p>We have identified this as a key audit matter as determination of recoverable amount involves significant judgements, as regards to reasonableness of assumptions involved in estimating future cash flows of these subsidiaries and in determining the discount rate to be used. Changes in these assumptions could impact the results of the impairment assessment.</p>	<p>To evaluate impairment of investment in these two subsidiaries, our procedures included:</p> <p>a) Evaluated the design and implementation of the controls over identification of impairment indicators and review of the impairment assessment of investment in subsidiaries and tested the operating effectiveness of these controls.</p> <p>b) Validating impairment models through testing of the mathematical accuracy and verifying the application of the input assumptions.</p> <p>c) Assessed the appropriateness of the forecast cash flows within the budgeted period based on the understanding of the business.</p> <p>d) Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved.</p> <p>e) Compared the assumptions made by the management of the Company with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates with the assistance of our fair value specialists.</p> <p>f) Performed sensitivity analysis on the key assumptions such as long-term growth rates and discount rates, to ascertain the extent of change in those assumptions that would be required for the investment in these subsidiaries to be impaired further.</p>

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

The Company'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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 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 Standalone Financial Statements

The 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Company 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 Company's ability 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Annexure “A” to the Independent Auditor’s Report

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021  
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

We communicate with those charged with governance 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 standalone 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.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
  - 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.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- 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 Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**N. K. Jain**  
Partner  
(Membership No. 045474)  
UDIN: 21045474AAAABI3158

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

### 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”)

We have audited the internal financial controls over financial reporting of Pidilite Industries Limited (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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. 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 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 Company’s internal financial controls over financial reporting of the Company 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### 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

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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, the Company has, 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 31<sup>st</sup> March 2021, based on the criteria for internal financial control over financial reporting established by the Company 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.

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

**N. K. Jain**  
Partner  
(Membership No. 045474)  
UDIN: 21045474AAAABI3158

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

## Annexure “B” to the Independent Auditor’s Report

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. vi) The maintenance of cost records has been specified by the Central Government under section 148(l) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. vii) According to the information and explanations given to us, in respect of statutory dues:
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31<sup>st</sup> March 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in crores)
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	AY 2007-08, AY 2010-11 to AY 2014-15	0.11
	Income Tax TDS	Commissioner (Appeals)	AY 2014-15 to 2019-20	37.00
Income Tax Act, 1961 - Total				37.11*
Goods and Service tax Act, 2017	Goods and Service tax	Additional Commissioner	2017-18	0.05
Goods and Service tax Act, 2017 - Total				0.05
Finance Act, 1994	Service Tax	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2011-12, 2013-14 to 2016-17	11.51
Finance Act, 1994 - Total				11.51@

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in crores)
Sales Tax Act	Sales Tax in Various States	Assessing officer	1998-99, 2005-06, 2008-09 to 2015-16	2.31
	Sales Tax in Various States	Commissioner of Sales Tax	2008-09	0.25
	Sales Tax in Various States	Additional Commissioner	2002-03, 2008-09 to 2017-18	17.79
	Sales Tax in Various States	Deputy Commissioner of Sales Tax	1994-95, 2005-06 to 2016-17	2.23
	Sales Tax in Various States	Joint Commissioner of Sales Tax	1998-99, 1999-00, 2002-03, 2004-05, 2008-09 to 2017-18	74.84
	Sales Tax in West Bengal	Revision Board	2004-05	0.59
	Sales Tax in Various States	Sales Tax Tribunal	1999-00, 2000-01, 2002-03, 2004-05 to 2016-17	30.9
	Sales Tax in Various States	High Court	2003-04, 2013-14, 2014-15	2.76
	<b>Sales Tax Act – Total</b>			

\* Net of ₹ 29.87 crores paid under protest

@ Net of ₹ 0.33 crores paid under protest

^ Net of ₹ 30.51 crores paid under protest

There are no dues of Customs Duty and Excise Duty which have not been deposited as on 31<sup>st</sup> March 2021 on account of disputes

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debenture.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

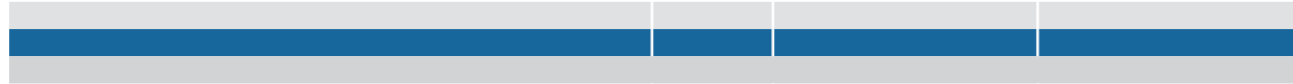
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

**N. K. Jain**  
Partner

(Membership No. 045474)  
UDIN: 21045474AAAABI3158

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

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## Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

a. Equity Share Capital	
	Amount
Balance as at 1 <sup>st</sup> April 2019	50.80
<b>Changes in equity share capital during the year</b>	
• Issue of equity shares under Employee Stock Option Plan 2016 (refer Note 46)	0.01
Balance as at 31 <sup>st</sup> March 2020	50.81
<b>Changes in equity share capital during the year</b>	
• Issue of equity shares under Employee Stock Option Plan 2016 (refer Note 46)	0.01
Balance as at 31 <sup>st</sup> March 2021	50.82

b. Other Equity								
	Reserves and Surplus							TOTAL
	Capital Reserve on Business Combination	Securities Premium	Capital Redemption Reserve	Cash Subsidy Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2019	0.34	10.01	0.50	0.95	9.65	1,335.38	2,779.09	4,135.92
Profit for the year	-	-	-	-	-	-	1,101.62	1,101.62
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(11.20)	(11.20)
Payment of dividends (including tax thereon)	-	-	-	-	-	-	(826.76)	(826.76)
<b>Recognition of share-based payments (refer Note 46)</b>	-	13.20	-	-	1.24	-	-	14.44
Transferred to Securities Premium on Options exercised during the year	-	13.20	-	-	(13.20)	-	-	-
Amortised during the year	-	-	-	-	14.84	-	-	14.84
Lapsed during the year	-	-	-	-	(0.40)	-	-	(0.40)
Balance as at 31 <sup>st</sup> March 2020	0.34	23.21	0.50	0.95	10.89	1,335.38	3,042.74	4,414.01
Profit for the year	-	-	-	-	-	-	1,081.46	1,081.46
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(0.71)	(0.71)
<b>Recognition of share-based payments (refer Note 46)</b>	-	2.83	-	-	14.53	-	-	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
Lapsed during the year	-	-	-	-	(0.04)	-	-	(0.04)
Due to Business combination (refer Note 56)	(1.72)	-	-	-	-	-	-	(1.72)
Balance as at 31 <sup>st</sup> March 2021	(1.38)	26.04	0.50	0.95	25.42	1,335.38	4,123.49	5,510.40

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

N. K. JAIN  
Partner

BHARAT PURI  
Managing Director  
DIN: 02173566  
PRADIP KUMAR MENON  
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH  
Executive Chairman  
DIN: 00180955

PUNEET BANSAL  
Company Secretary

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

## Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>A Cash Flows From Operating Activities</b>		
Profit before tax for the year	1,456.63	1,436.95
<b>Adjustments for:</b>		
Finance costs recognised in Statement of Profit and Loss	16.99	13.40
Interest income recognised in Statement of Profit and Loss	(12.78)	(5.93)
Dividend income recognised in Statement of Profit and Loss	(2.78)	(13.38)
Loss/ (Profit) on disposal of Property, Plant and Equipment	5.85	(2.67)
Net gain arising on financial assets designated at FVTPL	(39.99)	(110.39)
Allowance for Doubtful Debts	3.73	-
Allowance for Doubtful Debts Written Back	-	(5.80)
Exceptional Item - Impairment in value of Assets and Investments	0.45	59.28
Depreciation, Amortisation and Impairment Expense	147.10	125.79
Unrealised foreign exchange gain (net)	(1.88)	(0.15)
Provision for Employee Benefits	7.89	(11.36)
Expense recognised in respect of Equity-Settled Share-Based Payments	17.28	14.31
<b>Operating profits before Working Capital changes</b>	<b>1,598.49</b>	<b>1,500.05</b>
<b>Movements in Working Capital:</b>		
<b>(Increase)/ Decrease in Operating Assets</b>		
Trade Receivables	(200.06)	(17.94)
Inventories	(240.47)	3.81
Non-Current Loans	(0.78)	(1.10)
Current Loans	(7.87)	(10.00)
Other Non-Current Financial Assets	0.02	5.39
Other Current Financial Assets	0.89	1.02
Other Non-Current Non Financial Assets	(27.80)	2.83
Other Current Non Financial Assets	13.39	(25.70)
<b>Increase/ (Decrease) in Operating Liabilities</b>		
Trade Payables	296.34	37.89
Other Current Financial Liabilities	121.42	113.99
Other Non-Current Financial Liabilities	6.37	(38.75)
Other Current Non Financial Liabilities	(17.40)	32.60
<b>Cash generated from Operations</b>	<b>1,542.54</b>	<b>1,604.09</b>
Taxes paid (net of refunds)	(342.02)	(375.92)
<b>Net Cash generated from Operating Activities [A]</b>	<b>1,200.52</b>	<b>1,228.17</b>

## Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>B Cash Flows from Investing Activities</b>		
Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	(323.97)	(398.86)
Proceeds from disposal of Property, Plant and Equipment & Other Intangible Assets	1.76	5.03
Net Cash outflow on acquisition/ Investment in Subsidiaries	(2,109.95)	(127.44)
Payments to purchase Investments	(2,898.47)	(1,305.53)
Proceeds on sale of Investments	3,634.27	1,907.30
Payment towards Share Application Money	-	(18.74)
Decrease/ (Increase) in Bank Deposits	1.42	53.67
(Increase)/ Decrease in Other Bank Balances	0.69	(1.40)
Interest received	12.78	5.93
Dividend received	2.78	13.38
<b>Net cash (used in)/ generated from Investing Activities [B]</b>	<b>(1,678.69)</b>	<b>133.34</b>
<b>C Cash Flows from Financing Activities</b>		
Net increase in Current Borrowings	55.00	-
Proceeds from issue of Equity shares of the Company	0.01	0.01
Payment of Lease Liabilities	(24.08)	(25.05)
Dividends paid on Equity Shares (including tax thereon)	(0.69)	(825.36)
Interest paid	(11.53)	(7.32)
<b>Net cash generated from/ (used in) Financing Activities [C]</b>	<b>18.71</b>	<b>(857.72)</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents [A+B+C]</b>	<b>(459.46)</b>	<b>503.78</b>
Cash and Cash Equivalents at the beginning of the year	564.17	60.24
Bank unrealised gain	0.18	0.33
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>564.35</b>	<b>60.57</b>
Cash and Cash Equivalents at the end of the year (refer Note 14A)	109.81	564.17
Bank unrealised gain	(0.05)	0.18
Acquisition under Business Combination (refer Note 56)	(4.87)	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>104.89</b>	<b>564.35</b>
<b>Net (decrease)/ increase in Cash and Cash Equivalents</b>	<b>(459.46)</b>	<b>503.78</b>

Notes:

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 Flow.

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: 12<sup>th</sup> May 2021

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

## Notes forming part of the financial statements

### 1 Corporate information

Pidilite Industries Limited, 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 office is Regent Chambers, 7<sup>th</sup> Floor, Jammalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021. The address of principal place of business is Ramkrishna Mandir Road, Old Mathuradas Vasarji Road, Andheri (E), Mumbai 400 059.

### 2 Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of financial statements

The standalone financial statements of the Company 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 -

- Certain Financial Assets/ Liabilities (including derivative instruments) - at Fair value
- 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 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 Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When the consideration transferred by the Company 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 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 consideration paid over share capital and reserves of transferor entity is recognised as capital reserve under equity.

#### 2.3 Goodwill

Goodwill is measured as the excess of the sum 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 Company'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 Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**2.4 Revenue Recognition**

The Company recognises revenue from sale of goods, based on the terms of contract and as per the business practise; the Company determines transaction price considering the amount it expects to be entitled in exchange of transferring promised goods 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 company 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.

**2.4.1 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 Company 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.

**2.4.2 Dividend, Interest income and Royalty**

Dividend income from investments is recognised when the Company'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 Company 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 Company 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 Company's policy for recognition of revenue (rental income) from operating leases is described in note 2.5.2.

**2.5 Leasing**

The company 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.

**2.5.1 Company as Lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company 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 Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises 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 Company recognises 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 amortised cost at the present value of the future lease payments. The lease payments are discount educing 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 Company 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.

**2.5.2 Company 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 Company's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect constant periodic rate of return of the Company's net investment outstanding in respect of the leases.

**2.6 Foreign Currencies**

The functional currency of the Company is the Indian Rupee.

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 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 Statement of Profit and Loss.

In respect of the foreign offices/ branches, which are integral foreign operations, all revenues and expenses during the month are reported at monthly average rates. Outstanding balances in respect of monetary assets and liabilities are restated at the year end exchange rates. Outstanding balances in respect of non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Net gain/ loss on foreign currency translation are recognised in the Statement of Profit and Loss.

**2.7 Share-based payment transactions of the Company**

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 Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

**2.8 Taxation**

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

**2.8.1 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 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 Company'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.

**2.8.2 Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**2.8.3 Current and Deferred Tax for the year**

Current and deferred tax are recognised in 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.

**2.9 Property, Plant and Equipment****2.9.1 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.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

**2.9.2 Capital Work-in-Progress**

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**2.9.3 Depreciation**

Depreciation is recognised so as to write off the cost of assets (other than Freehold Land and Capital Work-in-Progress) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

For certain items of Property, Plant and Equipment, the Company depreciates over estimated useful life which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 which is based upon technical assessment made by technical expert and management estimate. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of Asset	Useful Life
Buildings	30 - 60 years
Plant and Machinery	6 - 25 years
Vehicles	8 - 10 years
Furniture and Fixtures	10 years
Office Equipment	3 - 6 years

**2.10 Intangible Assets****2.10.1 Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**2.10.2 Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

Expenditure on research activities is recognised in 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 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 amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

**2.10.4 Useful lives of Intangible Assets**

Estimated useful lives of the Intangible Assets are as follows:

Type of Asset	Useful Life
Computer Software	6 years
Technical Knowhow	10 years
Non-Compete Fees	7 - 10 years
Copyrights	Indefinite Life
Trademark	Indefinite Life

**2.11 Impairment of Tangible and Intangible Assets other than Goodwill**

At the end of each reporting period, the Company 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 Company 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 Statement of Profit and Loss.

**2.12 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, excise duty 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.

**2.13 Provisions (other than Employee Benefits)**

A provision is recognised when as a result of past event, the Company has a present legal or constructive obligation which 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.



**2.14 Financial Instruments****2.14.1 Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company 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 or 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 or Loss are recognised in the Statement of Profit and Loss.

**2.14.2 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 Fair Value Through Profit or Loss. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**2.14.3 Impairment of Financial Assets**

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value Through Profit or 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 Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

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

**2.14.4 Financial Liabilities and equity instruments****2.14.4.1 Classification of debt or equity**

Debt or equity instruments issued by the Company 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.

**2.14.4.2 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 Company are recognised at the proceeds received, net of direct issue costs.

**2.14.4.3 Financial Liabilities**

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

**2.14.5 Derecognition of Financial Assets and Liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Company 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 Company 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 Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expired.

**2.14.6 Derivative Financial Instruments**

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks. Also, the Company has an option to purchase and the seller has an option to sell balance stake in equity share capital of certain partly owned subsidiary(ies).

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in Statement of Profit and Loss.

**2.15 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit/ loss and 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 Company 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.

**2.16 Segment Reporting**

The Company 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 how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. 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 Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities" respectively.

**2.17 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.

**2.17.1 Defined Contribution Plans**

The Company'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.

**2.17.2 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 immediately in the 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 immediately 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 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.

**2.17.3 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 Company in respect of services provided by employees upto the reporting date.

**2.18 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.

**2.19 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.

**2.20 Discontinued operations**

A discontinued operation is a component of the Company'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.

**2.21 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 Company'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 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:

**3.1.1 Impairment of investments in subsidiaries**

Investment in subsidiaries is measured at cost and tested for impairment annually. For impairment testing, management determines recoverable amount, using cash flow projections which take into account past experience and represent management's best estimate about future developments. 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. Management obtains fair value of investments from independent valuation experts.

**3.1.2 Impairment of Goodwill and Other Intangible Assets**

Goodwill and Other Intangible Assets (i.e. trademarks 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.

**3.1.3 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 45)

**3.1.4 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 48).

**3.1.5 Property, Plant and Equipment and Other Intangible Assets**

The useful lives and residual values of Company'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.

**3.1.6 Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company 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 Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company 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.

(₹ in crores)

4 Property, Plant and Equipment and Capital Work-In-Progress			As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Carrying Amounts</b>				
• Freehold Land			89.94	84.40
• Buildings			320.61	260.20
• Plant and Machinery			547.75	453.15
• Vehicles			4.93	5.06
• Furniture and Fixtures			25.03	26.42
• Office Equipment			35.12	32.01
			1,023.38	861.24
Capital Work-In-Progress*			281.50	247.64
<b>TOTAL</b>			<b>1,304.88</b>	<b>1,108.88</b>

\*Net of Impairment ₹ NIL (₹ 55.19 crores as at 31<sup>st</sup> March 2020) (refer Note 38)

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
<b>Gross Carrying Amount</b>							
<b>Balance as at 1<sup>st</sup> April 2019</b>	53.30	261.88	1,013.84	18.68	74.59	110.96	1,533.25
Additions	31.10	88.40	152.46	0.66	5.21	12.82	290.65
Disposals/ Adjustments	-	(2.74)	(13.96)	(0.20)	(0.09)	(0.06)	(17.05)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>84.40</b>	<b>347.54</b>	<b>1,152.34</b>	<b>19.14</b>	<b>79.71</b>	<b>123.72</b>	<b>1,806.85</b>
Additions	6.97	70.88	175.20	1.13	3.11	14.58	271.87
Acquisition under Business Combination (refer Note 56)	-	2.81	11.60	-	0.08	0.02	14.51
Disposals/ Adjustments	(1.43)	(0.04)	(25.64)	(4.26)	(0.54)	(8.51)	(40.42)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>89.94</b>	<b>421.19</b>	<b>1,313.50</b>	<b>16.02</b>	<b>82.36</b>	<b>129.81</b>	<b>2,052.81</b>
<b>Accumulated Depreciation and Impairment</b>							
<b>Balance as at 1<sup>st</sup> April 2019</b>	-	(79.28)	(642.43)	(13.06)	(49.15)	(81.71)	(865.63)
Eliminated on disposal of assets	-	1.63	12.33	0.08	0.04	0.02	14.10
Depreciation expense	-	(9.69)	(69.09)	(1.10)	(4.18)	(10.02)	(94.08)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>(87.34)</b>	<b>(699.19)</b>	<b>(14.08)</b>	<b>(53.29)</b>	<b>(91.71)</b>	<b>(945.61)</b>
Acquisition under Business Combination (refer Note 56)	-	(0.66)	(2.27)	-	(0.04)	(0.01)	(2.98)
Eliminated on disposal of assets	-	-	20.20	4.08	0.45	8.08	32.81
Depreciation expense	-	(12.58)	(84.49)	(1.08)	(4.45)	(11.05)	(113.65)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>(100.58)</b>	<b>(765.75)</b>	<b>(11.08)</b>	<b>(57.33)</b>	<b>(94.69)</b>	<b>(1,029.43)</b>
<b>Net Carrying Amount</b>							
<b>Balance as at 1<sup>st</sup> April 2019</b>	53.30	182.60	371.40	5.62	25.44	29.25	667.62
Additions	31.10	88.40	152.46	0.66	5.21	12.82	290.65
Disposals/ Adjustments	-	(2.74)	(13.96)	(0.20)	(0.09)	(0.06)	(17.05)
Depreciation expense	-	(9.69)	(69.09)	(1.10)	(4.18)	(10.02)	(94.08)
Depreciation Eliminated on disposal of assets	-	1.63	12.33	0.08	0.04	0.02	14.10
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>84.40</b>	<b>260.20</b>	<b>453.15</b>	<b>5.06</b>	<b>26.42</b>	<b>32.01</b>	<b>861.24</b>
Additions	6.97	70.88	175.20	1.13	3.11	14.58	271.87
Acquisition under Business Combination (refer Note 56)	-	2.15	9.33	-	0.04	0.01	11.53
Disposals/ Adjustments	(1.43)	(0.04)	(25.64)	(4.26)	(0.54)	(8.51)	(40.42)
Depreciation expense	-	(12.58)	(84.49)	(1.08)	(4.45)	(11.05)	(113.65)
Depreciation Eliminated on disposal of assets	-	-	20.20	4.08	0.45	8.08	32.81
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>89.94</b>	<b>320.61</b>	<b>547.75</b>	<b>4.93</b>	<b>25.03</b>	<b>35.12</b>	<b>1,023.38</b>

## Notes:

(₹ in crores)

a) Assets given under lease included in Note 4 above are as under:			As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Carrying Amounts</b>				
• Freehold Land			17.00	13.79
• Buildings			22.84	22.29
<b>TOTAL</b>			<b>39.84</b>	<b>36.08</b>

	Freehold Land	Buildings	TOTAL
<b>Gross Carrying Amount</b>			
<b>Balance as at 1<sup>st</sup> April 2019</b>	13.79	28.20	41.99
Additions	-	3.12	3.12
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>13.79</b>	<b>31.32</b>	<b>45.11</b>
Additions	3.21	1.71	4.92
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>17.00</b>	<b>33.03</b>	<b>50.03</b>

<b>Accumulated Depreciation and Impairment</b>			
<b>Balance as at 1<sup>st</sup> April 2019</b>	-	(6.93)	(6.93)
Depreciation expense	-	(2.10)	(2.10)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>(9.03)</b>	<b>(9.03)</b>
Depreciation expense	-	(1.16)	(1.16)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>(10.19)</b>	<b>(10.19)</b>

<b>Net Carrying Amount</b>			
<b>Balance as at 1<sup>st</sup> April 2019</b>	13.79	21.27	35.06
Additions	-	3.12	3.12
Depreciation expense	-	(2.10)	(2.10)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>13.79</b>	<b>22.29</b>	<b>36.08</b>
Additions	3.21	1.71	4.92
Depreciation expense	-	(1.16)	(1.16)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>17.00</b>	<b>22.84</b>	<b>39.84</b>

b) Buildings includes shares of co-operative societies of ₹ 0.01 crores (₹ 0.01 crores as at 31<sup>st</sup> March 2020)

(₹ in crores)

<b>5 Right of Use Assets</b>			
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
<b>Carrying Amounts</b>			
• Leasehold Land	61.80	39.65	
• Leasehold Buildings	56.87	69.50	
<b>TOTAL</b>	<b>118.67</b>	<b>109.15</b>	
	Leasehold Land	Leasehold Buildings	<b>TOTAL</b>
<b>Gross Carrying Amount</b>			
Recognised on adoption of Ind AS 116 as at 1 <sup>st</sup> April 2019 (refer Note 51)	41.03	69.85	110.88
Additions	-	22.46	22.46
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>41.03</b>	<b>92.31</b>	<b>133.34</b>
Additions	23.01	20.03	43.04
Acquisition under Business Combination (refer Note 56)	0.45	-	0.45
Deletions/ Adjustments	-	(7.42)	(7.42)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>64.49</b>	<b>104.92</b>	<b>169.41</b>
<b>Accumulated Depreciation</b>			
Recognised on adoption of Ind AS 116 as at 1 <sup>st</sup> April 2019 (refer Note 51)	-	-	-
Depreciation expense	(1.38)	(22.81)	(24.19)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>(1.38)</b>	<b>(22.81)</b>	<b>(24.19)</b>
Depreciation expense	(1.31)	(25.24)	(26.55)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>(2.69)</b>	<b>(48.05)</b>	<b>(50.74)</b>
<b>Net Carrying Amount</b>			
Recognised on adoption of Ind AS 116 as at 1 <sup>st</sup> April 2019 (refer Note 51)	41.03	69.85	110.88
Additions	-	22.46	22.46
Depreciation expense	(1.38)	(22.81)	(24.19)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>39.65</b>	<b>69.50</b>	<b>109.15</b>
Additions	23.01	20.03	43.04
Acquisition under Business Combination (refer Note 56)	0.45	-	0.45
Deletions/ Adjustments	-	(7.42)	(7.42)
Depreciation expense	(1.31)	(25.24)	(26.55)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>61.80</b>	<b>56.87</b>	<b>118.67</b>

(₹ in crores)

<b>6 Goodwill and Other Intangible Assets</b>							
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020					
<b>Carrying Amounts</b>							
• Goodwill	86.34	86.11					
<b>Total Goodwill (A)</b>	<b>86.34</b>	<b>86.11</b>					
<b>Other Intangible Assets</b>							
• Trademark	157.67	157.67					
• Computer Software	16.98	12.84					
• Copyrights	4.48	4.48					
• Technical Knowhow Fees	14.87	17.63					
• Non Compete Fees	0.17	0.37					
<b>Total Other Intangible Assets (B)</b>	<b>194.17</b>	<b>192.99</b>					
<b>Total Intangible Assets (A)+(B)</b>	<b>280.51</b>	<b>279.10</b>					
	Goodwill	Trademark	Computer Software	Copyrights	Technical Knowhow Fees	Non Compete Fees	<b>TOTAL</b>
<b>Gross Carrying Amount</b>							
Balance as at 1 <sup>st</sup> April 2019	86.11	157.91	53.10	4.72	41.12	4.56	347.52
Additions	-	-	4.19	-	-	-	4.19
Disposals/ Adjustments	-	(0.24)	-	(0.24)	(0.76)	(0.02)	(1.26)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>86.11</b>	<b>157.67</b>	<b>57.29</b>	<b>4.48</b>	<b>40.36</b>	<b>4.54</b>	<b>350.45</b>
Additions	-	-	8.08	-	-	-	8.08
Acquisition under Business Combination (refer Note 56)	0.23	-	-	-	-	-	0.23
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>86.34</b>	<b>157.67</b>	<b>65.37</b>	<b>4.48</b>	<b>40.36</b>	<b>4.54</b>	<b>358.75</b>
<b>Accumulated Amortisation and Impairment</b>							
Balance as at 1 <sup>st</sup> April 2019	-	-	(40.20)	-	(20.57)	(3.71)	(64.48)
Amortisation expense	-	-	(4.20)	-	(2.84)	(0.48)	(7.52)
Eliminated on disposal of assets	-	-	(0.05)	-	0.68	0.02	0.65
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>-</b>	<b>(44.45)</b>	<b>-</b>	<b>(22.73)</b>	<b>(4.17)</b>	<b>(71.35)</b>
Amortisation expense	-	-	(3.93)	-	(2.76)	(0.20)	(6.90)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>-</b>	<b>(48.38)</b>	<b>-</b>	<b>(25.49)</b>	<b>(4.37)</b>	<b>(78.25)</b>
<b>Net Carrying Amount</b>							
Balance as at 1 <sup>st</sup> April 2019	86.11	157.91	12.90	4.72	20.55	0.85	283.04
Additions	-	-	4.19	-	-	-	4.19
Disposals/ Adjustments	-	(0.24)	-	(0.24)	(0.76)	(0.02)	(1.26)
Amortisation expense	-	-	(4.20)	-	(2.84)	(0.48)	(7.52)
Amortisation Eliminated on disposal of assets	-	-	(0.05)	-	0.68	0.02	0.65
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>86.11</b>	<b>157.67</b>	<b>12.84</b>	<b>4.48</b>	<b>17.63</b>	<b>0.37</b>	<b>279.10</b>
Additions	-	-	8.08	-	-	-	8.08
Acquisition under Business Combination (refer Note 56)	0.23	-	-	-	-	-	0.23
Amortisation expense	-	-	(3.93)	-	(2.76)	(0.20)	(6.90)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>86.34</b>	<b>157.67</b>	<b>16.99</b>	<b>4.48</b>	<b>14.87</b>	<b>0.17</b>	<b>280.51</b>

The company has estimated the useful life for its copyrights and trademark as indefinite on the basis of renewal of legal rights and the management's intention to keep it perpetually.

**Goodwill, Copyrights and Trademark**

Goodwill, copyrights and trademark in the books of the Company pertain to Consumer and Bazaar business of the Company.

At the end of each reporting period, the Company reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cash flows 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 31<sup>st</sup> 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**

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

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady **7%** per annum (8% per annum as at 31<sup>st</sup> 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:

<b>Budgeted sales growth</b>	Sales growth is assumed at <b>10.8%</b> (CAGR) (17.5% as at 31 <sup>st</sup> March 2020) in line with current year projections. The values assigned to the assumption reflect 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 five years is reasonably achievable.
<b>Raw materials price inflation</b>	Forecast for Material cost growth CAGR higher by <b>0.2%</b> (0.2% as at 31 <sup>st</sup> March 2020) vs. sales growth, considering impact of commodity cost inflation.
<b>Other budgeted costs</b>	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

<b>7 Investments - Non-Current</b>					
		As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Qty	₹ in crores	Qty	₹ in crores
<b>Non-Current Investments</b>					
<b>A] Investment in Equity Instruments</b>					
<b>i) Quoted:</b>					
<b>Investment in Associates (fully paid up) (at cost)</b>					
Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd		<b>74,51,540</b>	<b>1.18</b>	74,51,540	1.18
<b>TOTAL Quoted (i)</b>			<b>1.18</b>		<b>1.18</b>
<b>ii) Unquoted:</b>					
<b>(a) Investment in Subsidiaries (fully paid up) (at cost unless otherwise stated)</b>					
• Equity Shares of USD 1 each of Pidilite International Pte Ltd		<b>2,59,83,766</b>	<b>133.84</b>	2,35,92,766	115.81
• Equity Shares of AED 1 each of Pidilite Middle East Ltd [Impairment in value of investments ₹ <b>65.92</b> crores (₹ 65.92 crores as at 31 <sup>st</sup> March 2020)]		<b>9,61,63,000</b>	<b>150.03</b>	9,11,63,000	139.70
• Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda [Impairment in value of investments ₹ <b>110.20</b> crores (₹ 110.20 crores as at 31 <sup>st</sup> March 2020)]		<b>7,43,02,867</b>	<b>175.04</b>	7,43,02,867	175.04
• Equity Shares of USD 1 each of Pidilite USA Inc		<b>1,47,80,000</b>	<b>64.77</b>	1,47,80,000	64.77
• Equity Shares of EGP 100 each of Pidilite Industries Egypt SAE		<b>7,396</b>	<b>0.54</b>	7,396	0.54
• Equity Shares of BIRR 100 each of Pidilite Chemical PLC [refer Note 38] [Impairment in value of investments ₹ <b>4.54</b> crores (₹ 3.70 crores as at 31 <sup>st</sup> March 2020)]		<b>1,77,159</b>	<b>4.54</b>	1,38,525	3.70
• Equity Shares of ₹ 10 each of Fevicol Company Ltd		<b>2,69,260</b>	<b>2.24</b>	2,69,260	2.24
• Equity Shares of ₹ 10 each of Pagel Concrete Technologies Pvt Ltd [Impairment in value of investments ₹ <b>0.84</b> crores (₹ 0.84 crores as at 31 <sup>st</sup> March 2020)]		<b>80,000</b>	<b>0.84</b>	80,000	0.84
• Equity Shares of ₹ 10 each of Bhimad Commercial Company Pvt Ltd		<b>10,000</b>	<b>0.02</b>	10,000	0.02
• Equity Shares of ₹ 10 each of Madhumala Ventures Pvt Ltd (formerly known as Madhumala Traders Pvt Ltd) [refer Note 53 (d)]		<b>1,75,045</b>	<b>137.00</b>	1,62,395	126.49
• Equity Shares of ₹ 10 each of Building Envelope Systems India Ltd		<b>50,10,000</b>	<b>8.88</b>	50,10,000	8.88
• Equity Shares of ₹ 10 each of Nina Percept Pvt Ltd		<b>8,79,999</b>	<b>70.99</b>	8,43,999	66.17
• Equity Shares of ₹ 10 each of ICA Pidilite Pvt Ltd		<b>28,33,964</b>	<b>125.96</b>	28,33,964	125.96
• Equity Shares of ₹ 10 each of Cipy Polyurethanes Pvt Ltd [refer Note 53 (c)]		<b>65,816</b>	<b>139.01</b>	65,816	139.01
• Equity contribution towards 100% Membership Interest in Pidilite Ventures LLC		<b>1</b>	<b>7.41</b>	1	7.41
• Equity Shares of ₹ 10 each of Pidilite Litokol Pvt Ltd [refer Note 53 (e)]		<b>11,25,000</b>	<b>14.88</b>	6,00,000	0.60
• Equity Shares of ₹ 10 each of Pidilite Grupo Puma Manufacturing Ltd [refer Note 53 (f)]		<b>4,55,000</b>	<b>11.71</b>	5,000	0.01
• Equity Shares of ₹ 10 each of Pidilite C Techos Walling Ltd [refer Note 53 (g)]		<b>6,06,000</b>	<b>0.61</b>	-	-
• Equity Shares of ₹ 100 each of Tenax Pidilite India Pvt Ltd (formerly known as Tenax India Stone Products Pvt Ltd) [refer Note 53 (a)]		<b>42,000</b>	<b>84.66</b>	-	-
• Equity Shares of ₹ 10 each of Pidilite Adhesives Pvt Ltd (formerly known as Huntsman Advanced Materials Solutions Private Limited) [refer Note 53 (b)]		<b>2,74,85,797</b>	<b>2,196.46</b>	-	-
Less : Impairment in value of Investments			<b>(181.49)</b>		(180.66)
<b>TOTAL (a)</b>			<b>3,147.94</b>		<b>796.53</b>

	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Qty	₹ in crores	Qty	₹ in crores
<b>(b) Investment in other entity (fully paid up) (at FVTPL)</b>				
• 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)
<b>TOTAL (b)</b>		-		-
<b>TOTAL Unquoted [(a)+(b)] (ii)</b>		3,147.94		796.53
<b>Total Investment in Equity Instruments [(i)+(ii)] [A]</b>		3,149.12		797.71
<b>B] Investment in Preference Shares (at FVTPL) (Quoted)</b>				
• Non-Cumulative Perpetual Preference shares of Kotak Mahindra Bank Ltd	3,00,00,000	15.20	3,00,00,000	15.20
<b>Total [B]</b>		15.20		15.20
<b>C] Investment in Debentures, Bonds &amp; Market Instruments (at FVTPL) (Quoted)</b>				
• Units of Bharat Bond ETFs	2,50,000	27.85	2,50,000	25.55
<b>Total [C]</b>		27.85		25.55
<b>D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)</b>				
• Units of Fireside Ventures Investment Fund II	50,000	3.49	50,000	4.13
<b>Total [D]</b>		3.49		4.13
<b>E] Investment in Mutual Funds (at FVTPL) (Unquoted)</b>				
• 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 (I) - Direct Growth	2,00,00,000	24.57	2,00,00,000	22.57
• Units of HDFC FMP 1126D Mar 2019 (I) - Direct Growth	2,00,00,000	24.17	2,00,00,000	22.21
• Units of IDFC FTP Series 149 (1424 days) - Direct Growth	1,50,00,000	18.75	1,50,00,000	17.26
• 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 (I) - 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
<b>Total [E]</b>		116.60		265.75
<b>TOTAL [A+B+C+D+E]</b>		3,312.26		1,108.34
Aggregate carrying value of quoted investments		44.23		41.93
Aggregate market value of quoted investments		86.44		71.90
Aggregate carrying value of unquoted investments		3,268.03		1,066.41
Aggregate amount of Impairment in value of investments		181.61		180.78

8 Investments - Current	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Qty	₹ in crores	Qty	₹ in crores
<b>Current Investments</b>				
<b>A] Investment in Debentures, Bonds &amp; Market Instruments (at FVTPL) (Quoted)</b>				
• 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
<b>TOTAL [A]</b>		-		44.83
<b>B] Investment in Mutual Funds (at FVTPL) (Unquoted)</b>				
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	1,00,00,000	12.57	-	-
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	2,00,00,000	25.06	-	-
• 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 (I) - 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	6.29	-	-
• 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	-	-	1,46,98,077	158.37
<b>TOTAL [B]</b>		169.35		670.35
<b>TOTAL [A]+[B]</b>		169.35		715.18
Aggregate carrying value of quoted investments		-		44.83
Aggregate market value of quoted investments		-		44.83
Aggregate carrying value of unquoted investments		169.35		670.35

(₹ in crores)

9 Trade Receivables		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
• Secured, Considered good	114.31	104.97
• Unsecured, Considered good	884.78	701.66
• Unsecured, Considered doubtful	34.75	31.02
• Unsecured which have Significant Increase in Credit Risk	-	-
• Unsecured, Credit Impaired	-	-
	1,033.84	837.65
Less: Allowance for expected credit loss	(34.75)	(31.02)
<b>TOTAL</b>	<b>999.09</b>	<b>806.63</b>

The Company 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 is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivable days and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss	
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Within the credit period (in days)</b>		
01-90	0.8%	1.0%
91-180	76.3%	73.2%
181-360	64.4%	60.3%
>360	84.3%	81.1%

Movement in expected credit loss allowance		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Balance at the beginning of the year	31.02	36.82
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.73	(5.80)
<b>Balance at the end of the year</b>	<b>34.75</b>	<b>31.02</b>

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

Trade receivables includes receivables from Companies/ firms where directors are directors/ members/ partners (refer Note 44).

10 Loans - Non-Current		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Unsecured, Considered good		
Loans and Advances to Employees & Others*	4.82	4.04
<b>TOTAL</b>	<b>4.82</b>	<b>4.04</b>

\*Loans given for business purpose.

(₹ in crores)

11 Loans - Current		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Loans and Advances to Related Parties*</b> (refer Note 44)		
Unsecured, Considered good	1.91	9.31
Considered doubtful	0.33	0.33
	2.24	9.64
Less: Allowance for doubtful balances	(0.33)	(0.33)
	1.91	9.31
Loans and Advances to Employees & Others*	14.34	16.07
<b>TOTAL</b>	<b>16.25</b>	<b>25.38</b>

\*Loans given for business purpose.

12 Other Financial Assets - Non-Current		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Security Deposit	13.13	13.12
Fixed Deposits with Banks with original maturity of more than 12 months	2.02	-
<b>Other Receivables</b>		
Unsecured, Considered good	-	-
Considered doubtful	1.74	1.74
	1.74	1.74
Less: Allowance for doubtful balances	(1.74)	(1.74)
	-	-
<b>TOTAL</b>	<b>15.15</b>	<b>13.12</b>

13 Other Financial Assets - Current		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Security Deposit</b>		
Unsecured, Considered good	6.52	5.82
Considered doubtful	0.44	0.55
	6.96	6.37
Less: Allowance for doubtful balances	(0.44)	(0.55)
	6.52	5.82
Derivative assets towards Foreign Exchange Forward Contracts	0.09	1.70
Derivative Asset towards call option to buy subsidiary shares	-	0.24
Other Receivables*	0.73	0.47
<b>TOTAL</b>	<b>7.34</b>	<b>8.23</b>

\*Includes Windmill income

(₹ in crores)

14A	Cash and Cash Equivalents	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Cash and Cash Equivalents</b>		
	Cash on Hand	0.13	0.08
	Cheques on Hand	55.50	0.85
	<b>Balance with banks</b>		
	In Current Account	35.96	52.12
	In EEFC Account	18.22	11.12
	In Fixed Deposit Accounts with original maturity of 3 months or less	-	500.00
	<b>TOTAL</b>	<b>109.81</b>	<b>564.17</b>
	<b>Cash and cash Equivalents (as per Statement of Cash Flows)</b>	<b>109.81</b>	<b>564.17</b>

14B	Bank Balances other than Cash and Cash Equivalents above	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Other Bank Balance</b>		
	In Fixed Deposit Accounts with original maturity of more than 3 months but upto 12 months (refer Note a)	-	1.42
	<b>Earmarked Account</b>		
	Dividend Payment Bank Account	2.56	3.25
	<b>TOTAL</b>	<b>2.56</b>	<b>4.67</b>
	a. Includes Fixed Deposit under lien	-	0.99

15	Inventories (at lower of cost and net realisable value)	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Raw Material and Packing Material	469.05	315.89
	Work-in-Progress	88.76	71.51
	Finished Goods	314.75	269.00
	Stock-in-Trade (acquired for trading)	94.74	67.91
	Stores and Spares	8.64	6.18
	<b>TOTAL</b>	<b>975.94</b>	<b>730.49</b>
	<b>Goods-in-Transit included above</b>		
	Raw Material and Packing Material	47.18	32.94
	Work-in-Progress	3.50	1.58
	Finished Goods	39.80	22.06
	Stock-in-Trade (acquired for trading)	14.75	9.18
	<b>TOTAL</b>	<b>105.23</b>	<b>65.76</b>

- a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 2,833.75 crores (₹ 2,936.39 crores for the year ended 31<sup>st</sup> 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 31<sup>st</sup> March 2020)
- c. The mode of valuation of inventories has been stated in Note 2.12

(₹ in crores)

16	Income Tax Asset (net) - Non-Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Advance Payment of Taxes (net of provisions ₹ 1,847.28 crores) (net of provisions ₹ 1,881.72 crores as at 31 <sup>st</sup> March 2020)	86.98	105.80
	<b>TOTAL</b>	<b>86.98</b>	<b>105.80</b>

17	Other Non-Current Assets	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Unsecured, Considered good		
	Capital Advances	51.27	45.39
	Prepaid Expenses	0.18	0.24
	Balance with Government Authorities*	27.92	18.94
	<b>TOTAL</b>	<b>79.37</b>	<b>64.57</b>

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

18	Other Current Assets	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Export Benefits receivable</b>		
	Unsecured, Considered good	8.59	11.05
	Considered doubtful	-	-
		<b>8.59</b>	<b>11.05</b>
	Less: Allowance for doubtful balances	-	-
		<b>8.59</b>	<b>11.05</b>
	<b>Balances with Government Authorities*</b>		
	Unsecured, Considered good	90.29	96.51
	Considered doubtful	0.09	0.08
		<b>90.38</b>	<b>96.59</b>
	Less: Allowance for doubtful balances	(0.09)	(0.08)
		<b>90.29</b>	<b>96.51</b>
	<b>Advances to vendors</b>		
	Unsecured, Considered good	33.06	37.13
	Considered doubtful	0.01	0.01
		<b>33.07</b>	<b>37.14</b>
	Less: Allowance for doubtful balances	(0.01)	(0.01)
		<b>33.06</b>	<b>37.13</b>
	Prepaid Expenses	7.93	8.02
	Others**	0.56	18.99
	Less : Impairment in Share Application Money - Pidilite Chemical PLC (refer Note 38)	-	(0.39)
		<b>0.56</b>	<b>18.60</b>
	<b>TOTAL</b>	<b>140.43</b>	<b>171.31</b>

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

\*\* Mainly consists of Share Application Money



(₹ in crores)

19 Equity Share Capital		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Authorised Capital:</b>		
70,00,00,000 Equity Shares of ₹ 1 each	70.00	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31 <sup>st</sup> March 2020)		
<b>TOTAL</b>	<b>70.00</b>	<b>70.00</b>
<b>Issued, Subscribed and Paid up Capital:</b>		
50,81,53,380 Equity Shares of ₹ 1 each, fully paid up	50.82	50.81
(50,81,23,780 Equity Shares of ₹ 1 each as at 31 <sup>st</sup> March 2020)		
<b>TOTAL</b>	<b>50.82</b>	<b>50.81</b>

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
<b>Balance as at 1<sup>st</sup> April 2019</b>	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
<b>Balance as at 31<sup>st</sup> March 2020</b>	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
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>50,81,53,380</b>	<b>50.82</b>

**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 final 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 after distribution of all preferential amounts, in the proportion of their shareholding.

The Board of Directors at its meeting held on 12<sup>th</sup> May 2021 declared a final 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 31<sup>st</sup> March 2020, the Company had paid Final Dividend of ₹ 6.50 per equity share of ₹ 1 each for the financial year 2018-19 and Interim Dividend of ₹ 7.00 per equity share of ₹ 1 each for the financial year 2019-20.

c. Details of shareholders holding more than 5% shares in the Company:				
	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	5,20,51,286	10.24	5,20,51,286	10.24
Shri Narendrakumar Kalyanji Parekh	5,42,73,688	10.68	5,42,73,688	10.68
Shri Ajay Balvantray Parekh	4,74,33,489	9.34	4,74,33,489	9.34
Shri Sushilkumar Kalyanji Parekh	4,13,97,646	8.15	4,13,97,646	8.15
Devkalyan Sales Pvt Ltd	2,62,24,280	5.16	2,62,24,280	5.16

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date:		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Number of Shares	Number of Shares
<b>Equity Shares</b>		
Buy-back of Shares	50,00,000	50,00,000

e. Equity Shares reserved for issuance under Employee Stock Option Scheme/ Plan:		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme - 2012	34,200	34,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan - 2016	38,35,210	41,13,500

(₹ in crores)

20 Other Equity		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Capital Reserve on Business Combination	(1.38)	0.34
Securities Premium	26.04	23.21
Capital Redemption Reserve	0.50	0.50
Cash Subsidy Reserve	0.95	0.95
Share Options Outstanding Account	25.42	10.89
General Reserve	1,335.38	1,335.38
Retained Earnings	4,123.49	3,042.74
<b>TOTAL</b>	<b>5,510.40</b>	<b>4,414.01</b>

20.1 Capital Reserve on Business Combination		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning of the year</b>	<b>0.34</b>	<b>0.34</b>
Add/ (Less) : Additions/ (Deductions) during the year (refer Note 56)	(1.72)	-
<b>Closing Balance</b>	<b>(1.38)</b>	<b>0.34</b>

Capital Reserve represents excess/short of net assets acquired in business combination. It is not available for the distribution to shareholders as dividend.

20.2 Securities Premium		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning of the year</b>	<b>23.21</b>	<b>10.01</b>
Add : Premium on Shares issued against ESOP	2.83	13.20
<b>Closing Balance</b>	<b>26.04</b>	<b>23.21</b>

Security Premium Account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the Securities Premium Account, and Company can use this reserve for buy-back of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

20.3 Capital Redemption Reserve		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>0.50</b>	<b>0.50</b>

The Company 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.

(₹ in crores)

20.4 Cash Subsidy Reserve		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>0.95</b>	<b>0.95</b>

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

20.5 Share Options Outstanding Account		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Employees Stock Options Outstanding Balance at the beginning the year</b>	<b>16.95</b>	<b>29.38</b>
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)
<b>Closing Balance (A)</b>	<b>56.65</b>	<b>16.95</b>
<b>Deferred Employees Stock Options Cost Balance at the beginning the year</b>	<b>(6.06)</b>	<b>(19.73)</b>
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
<b>Closing Balance (B)</b>	<b>(31.23)</b>	<b>(6.06)</b>
<b>Closing Balance (A+B)</b>	<b>25.42</b>	<b>10.89</b>

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 46.

20.6 General Reserve		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>1,335.38</b>	<b>1,335.38</b>

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.

20.7 Retained Earnings		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning of the year</b>	<b>3,042.74</b>	<b>2,779.09</b>
Add : Profit for the year	1,081.46	1,101.62
Less : Payment of Final Dividend	-	(330.18)
Payment of Interim Dividend	-	(355.61)
Tax on Dividend paid	-	(140.97)
Other Comprehensive Income for the year, net of income tax	(0.71)	(11.20)
<b>Closing Balance</b>	<b>4,123.49</b>	<b>3,042.74</b>

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

21	<b>Borrowings - Current</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Unsecured - at amortised cost</b>		
	Working Capital Demand Loan	55.00	-
	<b>TOTAL</b>	55.00	-

Unsecured working capital demand loan carries interest rate of 4.50% p.a.

22	<b>Trade Payables</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Trade Payables</b>		
	Total outstanding dues of micro enterprises and small enterprises (refer Note 50)	67.04	9.30
	Total outstanding dues of creditors other than micro enterprises and small enterprises	726.78	485.51
	<b>TOTAL</b>	793.82	494.81

23	<b>Other Financial Liabilities - Non-Current</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Employee related liabilities	0.30	0.47
	Others*	13.33	6.79
	<b>TOTAL</b>	13.63	7.26

\* Includes retention payable on capital goods

24	<b>Other Financial Liabilities- Current</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Unclaimed Dividend	2.56	3.25
	Payables on purchase of assets	1.89	6.35
	Trade/ Security Deposit received	133.82	123.86
	Liabilities for expenses	458.83	349.78
	Liability for purchase of investment in subsidiary (refer Note 53 (a)/(b)/(c) and 56)	266.46	-
	Employee related liabilities	16.03	18.43
	Derivative liabilities towards Foreign Exchange Forward Contracts	0.64	0.42
	Derivative liability towards put option to buy subsidiary shares (refer Note 53 (c))	-	34.83
	Others*	20.21	15.50
	<b>TOTAL</b>	900.44	552.42

\* Includes retention payable on capital goods

(₹ in crores)

25	<b>Provisions - Non-Current</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Provision for Employee Benefits</b>		
	Compensated Absences	41.58	38.20
	Anniversary Awards	1.25	0.82
	Premature Death Pension Scheme	1.82	1.55
	Total Disability Pension Scheme	0.37	0.32
	<b>TOTAL</b>	45.02	40.89

26	<b>Provisions - Current</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Provision for Employee Benefits</b>		
	Gratuity (net) (refer Note 45)	3.11	1.83
	Compensated Absences	13.09	9.73
	Anniversary Awards	0.21	0.16
	Premature Death Pension Scheme	0.01	0.01
	Total Disability Pension Scheme	0.06	0.05
	<b>TOTAL</b>	16.48	11.78

27	<b>Deferred Tax Liabilities (net)</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Tax effect of items constituting Deferred Tax Assets (refer Note 48)	(27.21)	(38.60)
	Tax effect of items constituting Deferred Tax Liabilities (refer Note 48)	103.07	114.57
	<b>TOTAL</b>	75.86	75.97

28	<b>Other Current Liabilities</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Statutory remittances	58.27	63.57
	Advance from customers	12.44	24.64
	Other Liabilities	1.95	1.82
	<b>TOTAL</b>	72.66	90.03

29	<b>Current Tax Liabilities (net)</b>	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Provision for Tax (net of Advance Tax ₹ 1,039.01 crores) (net of Advance Tax ₹ 678.22 crores as at 31 <sup>st</sup> March 2020)	21.95	7.74
	<b>TOTAL</b>	21.95	7.74

(₹ in crores)

30	Revenue from Operations	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	<b>Revenue From Operations*</b>		
	Sale of Products	6,186.67	6,290.43
	<b>TOTAL (A)</b>	<b>6,186.67</b>	<b>6,290.43</b>
	<b>Other Operating Revenue</b>		
	Scrap Sales	11.14	11.37
	Export Incentives	9.29	19.07
	GST/ Excise Refund	3.47	3.40
	Others	5.76	8.32
	<b>TOTAL (B)</b>	<b>29.66</b>	<b>42.16</b>
	<b>TOTAL (A+B)</b>	<b>6,216.33</b>	<b>6,332.59</b>

\* The Company disaggregated revenues from contracts with customers by customer type and by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors. For geographywise and customerwise breakup of revenue, refer Note 42.

Further, the Company 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 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Contracted Price	6,779.32	6,893.41
Reduction towards variable consideration components*	(592.65)	(602.98)
<b>Revenue Recognised</b>	<b>6,186.67</b>	<b>6,290.43</b>

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

(₹ in crores)

31	Other Income	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	<b>Interest on:</b>		
	Bank Deposit (at amortised cost)	3.99	2.48
	Overdue Trade Receivables	0.40	0.05
	Tax Free Bonds (at FVTPL)	8.29	3.26
	Others	0.10	0.14
	<b>Dividend on:</b>		
	Investments in Mutual Funds and Others (at FVTPL)	1.13	11.59
	Long-term Investments in Associate (at cost)	1.65	1.79
	<b>Other Non-Operating Income:</b>		
	Windmill Income	1.35	3.21
	Profit on Sale/Transfer of Assets	-	2.67
	Allowance for Doubtful Debts written back	-	5.80
	Royalty & Technical Knowhow Income	4.15	4.17
	Insurance claim received	7.47	0.46
	Liabilities no longer required written back	0.28	0.81
	Rental Income from Leases	2.18	1.38
	Net gain arising on financial assets designated as at FVTPL	39.54	109.52
	Miscellaneous Income	2.96	4.53
	<b>TOTAL</b>	<b>73.49</b>	<b>151.86</b>

32	Cost of Materials Consumed	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	<b>Inventory at the beginning of the year</b>	<b>315.89</b>	<b>292.03</b>
	Add : Purchases	2,617.77	2,544.56
	Acquisition under Business Combination (refer Note 56)	4.92	-
		<b>2,938.58</b>	<b>2,836.59</b>
	Less : Inventory at the end of the year	(469.05)	(315.89)
	<b>TOTAL</b>	<b>2,469.53</b>	<b>2,520.70</b>

(₹ in crores)

<b>33 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Inventories at the end of the year</b>		
Stock-in-Trade	94.74	67.91
Work-in-Progress	88.76	71.51
Finished Goods	314.75	269.00
<b>Total (A)</b>	<b>498.25</b>	<b>408.42</b>
<b>Acquisition under Business Combination (refer Note 56)</b>		
Work-in-Progress	0.06	-
<b>Total (B)</b>	<b>0.06</b>	<b>-</b>
<b>Inventories at the beginning of the year</b>		
Stock-in-Trade	67.91	70.70
Work-in-Progress	71.51	78.20
Finished Goods	269.00	287.50
<b>Total (C)</b>	<b>408.42</b>	<b>436.40</b>
<b>TOTAL (C+B-A)</b>	<b>(89.77)</b>	<b>27.98</b>

<b>34 Employee Benefits Expense</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Salaries and Wages	714.40	667.83
Contribution to Provident and Other Funds (refer Note 45)	41.26	36.85
Share based payments to employees (net of recovery from subsidiaries) (refer Note 46)	17.28	14.31
Staff Welfare Expenses	14.81	17.90
<b>TOTAL</b>	<b>787.75</b>	<b>736.89</b>

<b>35 Finance Costs</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Interest expense on:</b>		
Borrowings	4.41	-
Lease Liability (refer Note 51)	5.46	6.08
Dealer Deposits & others	7.12	7.32
<b>TOTAL</b>	<b>16.99</b>	<b>13.40</b>

<b>36 Depreciation, Amortisation and Impairment Expense</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Depreciation on Property, Plant and Equipment (refer Note 4)	113.65	94.08
Depreciation on Right of Use of Assets (refer Note 5 and Note 51)	26.55	24.19
Amortisation of Other Intangible Assets (refer Note 6)	6.90	7.52
<b>TOTAL</b>	<b>147.10</b>	<b>125.79</b>

(₹ in crores)

<b>37 Other Expenses</b>			
		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Consumption of Stores and Spares		31.53	35.45
Clearing and Forwarding Charges		303.18	272.30
Power and Fuel		50.70	57.94
Contract Labour		85.20	81.21
Water Charges		12.93	3.84
Rent (refer Note 51)		13.34	11.96
Rates and Taxes		3.32	2.71
Insurance		9.30	7.42
License fees		0.85	0.77
Repairs:			
Buildings	9.91		8.90
Machinery	16.44		18.10
Others	3.93		7.89
		<b>30.28</b>	<b>34.89</b>
Directors' Fees		0.61	0.27
Advertisement and Publicity		140.78	251.33
Legal, Professional and Consultancy fees		40.30	47.46
Communication Expenses		5.71	6.71
Printing and Stationery		2.49	4.87
Travelling and Conveyance Expenses		51.81	105.25
Bad Debts		0.27	3.49
Allowance for Doubtful Debts		3.73	-
Processing and Packing Charges		76.79	72.69
Sales Commission		4.37	3.95
Payments to Auditor (refer Note a)		1.29	1.35
Donations		5.00	0.11
Corporate Social Responsibility Expenses (refer Note 52)		27.70	26.30
Loss on disposal of Property, Plant and Equipment		5.85	-
Net Loss on Foreign Currency Transactions and Translation (refer Note 40)		2.13	1.86
Miscellaneous Expenses		137.69	141.62
<b>TOTAL</b>		<b>1,047.15</b>	<b>1,175.75</b>

<b>a. Details of Payments to Auditor (net of GST)</b>			
		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
a) Auditors		1.04	1.04
b) Tax Makers		0.21	0.19
c) Other Services		0.03	0.10
d) Reimbursement of Expenses		0.01	0.02
<b>TOTAL</b>		<b>1.29</b>	<b>1.35</b>

<b>38 Exceptional Items</b>			
		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Impairment in value of Asset Held for Sale [refer Note 53(h)]		-	55.19
Impairment in value of Investment in a subsidiary [refer Note 7 (A)(ii) (a) and Note 18]		0.45	4.09
<b>TOTAL</b>		<b>0.45</b>	<b>59.28</b>

(₹ in crores)

39 Contingent Liabilities and Commitments		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020		
<b>A) Contingent liabilities not provided for:</b>					
<b>1. Claims against the Company not acknowledged as debts comprise:</b>					
a) Income Tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal		58.72	58.50		
b) Excise Duty and Service Tax claims disputed by the Company relating to issues of classifications		21.08	22.13		
c) Sales Tax (VAT, CST, Entry Tax, LBT and GST) claims disputed by the Company relating to issues of declaration forms and classifications		156.85	165.92		
d) Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)		3.14	3.14		
<b>2. Guarantees given by Banks on behalf of Government and others*</b>					
a) Guarantees given by Company on behalf of the Subsidiaries to Banks*		43.56	47.86		
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda		15.44	25.64		
Pidilite Bamco Ltd		3.16	3.24		
Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)		40.04	41.07		
Pidilite Lanka Private Limited		32.32	33.15		
Bamco Supply & Services Ltd		1.07	1.09		
* Guarantees given are for business purpose.					
Note: The Company, being the holding/ultimate holding company, will extend financial support to its subsidiaries as and when required.					
<b>B) Commitments:</b>					
a) Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of Property, Plant and Equipment, investments and not provided for		177.93	204.00		
b) For other commitments, refer Note 47(E)(ii) for financial instruments, Note 51 for leases and Note 54 (a) for committed investment in subsidiaries.					
<b>40</b> The net amount of exchange differences debited to Statement of Profit and Loss is ₹ 2.13 crores (₹ 1.86 crores for the year ended 31 <sup>st</sup> March 2020).					
<b>41 Disclosure as per Regulation 34(3) read with Schedule 5 of Listing Regulations with the Stock Exchanges</b>					
a) Loans and Advances in the nature of loans given to subsidiaries, associates, firms/companies in which directors are interested:					
Name of the Company	Relationship	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Amount Outstanding	Maximum Balance Outstanding during the year	Amount Outstanding	Maximum Balance Outstanding during the year
Pagel Concrete Technologies Pvt Ltd	Subsidiary	0.33	0.33	0.33	0.33
<b>Notes:</b>					
a) Loans and Advances shown above, fall under the category of 'Loans & Advances' in the nature of loans where there is no repayment schedule and re-payable on demand.					
b) Loans and Advances referred above are not bearing any interest and are fully provided.					

**42 Segment information**

**Business Segment:** The Company operates in two business segments namely Consumer & Bazaar (C&B) and Business to Business (B2B). Consumer & Bazaar segment covers sale of products mainly to end consumers which are retail users such as carpenters, painters, plumbers, mechanics, households, students, offices, etc. Sale consists of mainly adhesives, sealants, art and craft materials and construction and paint chemicals. B2B covers sale of products to end customers which are mainly large business users. This includes Industrial Products (IP) such as adhesives, synthetic resins, organic pigments, pigment preparations, construction chemicals (projects), surfactants, etc. and caters to various industries like packaging, textiles, paints, joineries, printing inks, paper, leather, etc. Others includes sale of speciality acetates, raw materials etc.

Operating Segment disclosures are consistent with the information provided to and reviewed by the Managing Director (Chief Operating Decision Maker).

(₹ in crores)

Business Segments	Year 2020-21				Year 2019-20			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
<b>Revenue</b>								
Segment Revenue	4,998.16	1,282.73	38.53	6,319.42	4,999.82	1,377.87	76.45	6,454.14
Less: Inter Segment Revenue (at cost plus fixed margin)	(4.10)	(98.99)	-	(103.09)	(7.05)	(113.58)	(0.92)	(121.55)
<b>Net Revenue</b>	<b>4,994.06</b>	<b>1,183.74</b>	<b>38.53</b>	<b>6,216.33</b>	<b>4,992.77</b>	<b>1,264.29</b>	<b>75.53</b>	<b>6,332.59</b>
<b>Revenue based on geography</b>								
India				5,547.18				5,638.05
Outside India				669.15				694.54
<b>Segment Result</b>	<b>1,658.63</b>	<b>167.58</b>	<b>(1.84)</b>	<b>1,824.37</b>	<b>1,533.86</b>	<b>254.96</b>	<b>(4.55)</b>	<b>1,784.27</b>
Unallocable Expenses				(410.81)				(411.12)
Unallocable Income				44.95				117.17
<b>Operating Income</b>				<b>1,458.51</b>				<b>1,490.32</b>
Finance Cost				(16.99)				(13.40)
Interest/ Dividend Income				15.56				19.31
<b>Profit before Exceptional Items and Tax</b>				<b>1,457.08</b>				<b>1,496.23</b>
Exceptional Items				(0.45)				(59.28)
<b>Profit Before Tax</b>				<b>1,456.63</b>				<b>1,436.95</b>
Tax Expense				(375.17)				(335.33)
<b>Profit for the year</b>				<b>1,081.46</b>				<b>1,101.62</b>
Other Comprehensive Income				(0.71)				(11.20)
<b>Total Comprehensive Income</b>				<b>1,080.75</b>				<b>1,090.42</b>
<b>The above includes:</b>								
Depreciation, Amortisation and Impairment (allocable)	64.92	30.03	0.97	95.92	49.52	23.62	3.87	77.01
Depreciation, Amortisation and Impairment (unallocable)				51.18				48.78
Capital Expenditure (including Capital Work-in-Progress) (allocable)	181.49	68.81	-	250.30	215.24	100.25	6.14	321.63
Capital Expenditure (unallocable)				86.39				47.40
There is no transaction with single external customer which amounts to 10% or more of the Company's revenue								
<b>Segment Assets &amp; Liabilities</b>								
	31 <sup>st</sup> March 2021				31 <sup>st</sup> March 2020			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
<b>Segment Assets</b>	<b>2,724.66</b>	<b>979.15</b>	<b>20.53</b>	<b>3,724.34</b>	<b>2,256.02</b>	<b>786.05</b>	<b>76.36</b>	<b>3,118.43</b>
Unallocable Assets				3,899.07				2,700.63
<b>Total Assets</b>				<b>7,623.41</b>				<b>5,819.06</b>
<b>Assets based on geography:</b>								
India				7,442.85				5,656.43
Outside India				180.56				162.63
Segment Liabilities	1,208.22	395.70	1.74	1,605.66	905.78	289.00	4.77	1,199.55
Unallocable Liabilities				456.53				154.69
<b>Total Liabilities</b>				<b>2,062.19</b>				<b>1,354.24</b>
<b>Other Information</b>								
<b>Capital Employed</b>				<b>5,561.22</b>				<b>4,464.82</b>

All the Non-Current Assets of the Company are located in India

**43 Earnings Per Share (EPS)**

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Basic:</b>		
Profit for the year (₹ in crores)	1,081.46	1,101.62
Weighted average number of equity shares in calculating basic EPS	50,81,35,294	50,79,93,224
Par value per share (₹)	1.00	1.00
Earning per share (Basic) (₹)	21.28	21.69
<b>Diluted:</b>		
Profit for the year (₹ in crores)	1,081.46	1,101.62
Weighted average number of equity shares in calculating basic EPS	50,81,35,294	50,79,93,224
Add: Effect of Employee Stock Options	4,19,540	1,70,850
Weighted average number of equity shares in calculating diluted EPS	50,85,54,834	50,81,64,074
Par value per share (₹)	1.00	1.00
Earning per share (Diluted) (₹)	21.27	21.68

**44 Related Party Disclosures**

Related Party Disclosures as required by Ind-AS 24 'Related Party Disclosures' are given below:

<b>(i) Relationships:</b>		
a.	Nitin Enterprises (refer Note 56)	Subsidiary
b.	Fevicol Company Ltd	Subsidiary
c.	Bhimad Commercial Company Pvt Ltd	Subsidiary
d.	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd)	Subsidiary
e.	Pageel Concrete Technologies Pvt Ltd	Subsidiary
f.	Building Envelope Systems India Ltd	Subsidiary
g.	Nina Percept Private Limited	Subsidiary
h.	Hybrid Coatings	Subsidiary
i.	Pidilite International Pte Ltd	Subsidiary
j.	Pidilite Middle East Ltd	Subsidiary
k.	Pidilite USA Inc	Subsidiary
l.	PIL Trading (Egypt) Company	Subsidiary
m.	PT Pidilite Indonesia	Subsidiary
n.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Subsidiary
o.	Pidilite Innovation Centre Pte Ltd	Subsidiary
p.	Pidilite Industries Egypt - SAE	Subsidiary
q.	Pidilite Bamco Ltd	Subsidiary
r.	Bamco Supply and Services Ltd	Subsidiary
s.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Subsidiary
t.	Pidilite MEA Chemicals LLC	Subsidiary
u.	Pidilite Industries Trading (Shanghai) Co. Ltd	Subsidiary
v.	Pidilite Chemical PLC	Subsidiary
w.	Pidilite Lanka (Pvt) Ltd	Subsidiary
x.	ICA Pidilite Pvt Ltd	Subsidiary
y.	Nebula East Africa Pvt Ltd	Subsidiary
z.	Nina Lanka Construction Technologies (Pvt) Ltd	Subsidiary
aa.	Cipy Polyurethanes Pvt Ltd	Subsidiary
ab.	Pidilite Ventures LLC	Subsidiary
ac.	Pidilite East Africa Limited	Subsidiary
ad.	Pidilite Grupo Puma Pvt Ltd (w.e.f. 16 <sup>th</sup> September 2019)	Subsidiary
ae.	Pidilite C-Techos Pvt Ltd (w.e.f. 18 <sup>th</sup> September 2019)	Subsidiary
af.	Pidilite Litokol Pvt Ltd (w.e.f. 7 <sup>th</sup> October 2019)	Subsidiary
ag.	Pidilite Grupo Puma Manufacturing Ltd (w.e.f. 13 <sup>th</sup> January 2020)	Subsidiary
ah.	Nina Percept (Bangladesh) Pvt Ltd (w.e.f. 29 <sup>th</sup> January 2020)	Subsidiary
ai.	Pidilite C-Techos Walling Ltd (w.e.f. 5 <sup>th</sup> March 2020)	Subsidiary
aj.	Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (w.e.f. 29 <sup>th</sup> May 2020) [Refer Note 53 (a)]	Subsidiary
ak.	Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Pvt Ltd) (w.e.f. 4 <sup>th</sup> November 2020) [Refer Note 53 (b)]	Subsidiary
al.	Vinyl Chemicals (India) Ltd	Associate
am.	Aapkapainter Solutions Private Limited (w.e.f. 3 <sup>rd</sup> November 2020) [Refer Note 53(d)(i)]	Associate
an.	Plus Call Technical Services LLC	Substantial Interest in Voting Power (Joint Venture)
ao.	Parekh Marketing Ltd	Significant Influence of KMP
ap.	Pargro Investment Pvt Ltd	Significant Influence of KMP
aq.	Kalva Marketing and Services Ltd	Significant Influence of KMP
<b>(ii) Key Management Personnel (KMP):</b>		
a.	Shri M B Parekh	Executive Chairman
b.	Shri Bharat Puri	Managing Director
c.	Shri A B Parekh	Whole Time Director
d.	Shri A N Parekh	Whole Time Director
e.	Shri Sabyasachi Patnaik (upto 29 <sup>th</sup> February 2020)	Whole Time Director
f.	Shri Debabrata Gupta (w.e.f. 1 <sup>st</sup> March 2020)	Whole Time Director
<b>(iii) Close member of Key Management Personnel:</b>		
a.	Smt Mala M Parekh	Wife of Executive Chairman

**44 (iv) Transactions with Related Parties for the year ended 31<sup>st</sup> March 2021 are as follows:**

(₹ in crores)

Nature of Transaction	For the year ended 31 <sup>st</sup> March 2021				For the year ended 31 <sup>st</sup> March 2020			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
<b>a. Sales and Related Income</b>								
Parekh Marketing Ltd	-	-	50.82	50.82	-	-	73.97	73.97
Pidilite MEA Chemicals LLC	47.08	-	-	47.08	55.35	-	-	55.35
Nina Percept Private Limited	7.32	-	-	7.32	13.36	-	-	13.36
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	30.23	-	-	30.23	26.44	-	-	26.44
Pidilite Lanka (Pvt) Ltd	10.07	-	-	10.07	9.81	-	-	9.81
Pidilite Industries Egypt - SAE	3.85	-	-	3.85	8.40	-	-	8.40
Pidilite USA Inc	-	-	-	-	-	-	-	-
ICA Pidilite Pvt Ltd	0.34	-	-	0.34	0.23	-	-	0.23
Cipy Polyurathanes Pvt Ltd	-	-	-	-	0.05	-	-	0.05
PIL Trading (Egypt) Company	1.07	-	-	1.07	0.66	-	-	0.66
Pidilite Bamco Ltd	0.24	-	-	0.24	0.24	-	-	0.24
Pidilite Innovation Centre Pte Ltd	0.15	-	-	0.15	0.72	-	-	0.72
Pulvitec Do Brasil Industria E Comercio De Colas E Adesivos Ltda	0.01	-	-	0.01	-	-	-	-
Pidilite Adhesive Pvt Ltd (w.e.f. 4 <sup>th</sup> November 2020)	0.07	-	-	0.07	-	-	-	-
Pidilite East Africa Ltd	0.87	-	-	0.87	-	-	-	-
<b>Sub-Total (a)</b>	<b>107.37</b>	<b>-</b>	<b>50.82</b>	<b>158.19</b>	<b>120.28</b>	<b>-</b>	<b>73.97</b>	<b>194.25</b>
<b>b. Royalty and Technical Knowhow Received</b>								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	2.01	-	-	2.01	2.21	-	-	2.21
Pidilite MEA Chemicals LLC	0.96	-	-	0.96	0.88	-	-	0.88
Pidilite Industries Egypt - SAE	0.80	-	-	0.80	0.75	-	-	0.75
Pidilite Bamco Ltd	0.14	-	-	0.14	0.17	-	-	0.17
Bamco Supply and Services Ltd	0.10	-	-	0.10	0.11	-	-	0.11
Nebula East Africa Pvt Ltd	0.04	-	-	0.04	0.05	-	-	0.05
Pidilite East Africa Ltd	0.02	-	-	0.02	-	-	-	-
Pidilite Lanka (Pvt) Ltd	0.15	-	-	0.15	-	-	-	-
<b>Sub-Total (b)</b>	<b>4.22</b>	<b>-</b>	<b>-</b>	<b>4.22</b>	<b>4.17</b>	<b>-</b>	<b>-</b>	<b>4.17</b>

(₹ in crores)

Nature of Transaction	For the year ended 31 <sup>st</sup> March 2021				For the year ended 31 <sup>st</sup> March 2020			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
<b>c. Income from Services Rendered</b>								
Nina Percept Private Limited	2.34	-	-	2.34	3.17	-	-	3.17
ICA Pidilite Pvt Ltd	0.16	-	-	0.16	0.14	-	-	0.14
Pidilite Lanka (Pvt) Ltd	0.24	-	-	0.24	0.25	-	-	0.25
Pidilite MEA Chemicals LLC	0.22	-	-	0.22	0.23	-	-	0.23
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.17	-	-	0.17	0.32	-	-	0.32
Pidilite Bamco Ltd	0.15	-	-	0.15	0.14	-	-	0.14
Pidilite Industries Egypt - SAE	0.06	-	-	0.06	0.07	-	-	0.07
Hybrid Coatings	0.06	-	-	0.06	0.06	-	-	0.06
Building Envelope Systems India Ltd	0.06	-	-	0.06	0.06	-	-	0.06
Pidilite Innovation Centre Pte Ltd	0.01	-	-	0.01	0.02	-	-	0.02
Pidilite East Africa Ltd.	0.07	-	-	0.07	0.14	-	-	0.14
Pulvitec Do Brasil Industria E Comercio De Colas E Adesivos Ltda	0.08	-	-	0.04	-	-	-	-



(₹ in crores)

Nature of Transaction	For the year ended 31 <sup>st</sup> March 2021				For the year ended 31 <sup>st</sup> March 2020			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
<b>h. Investment in Share Capital</b>								
Nina Percept Private Limited	4.82	-	-	4.82	-	-	-	-
Pidilite Middle East Ltd	10.33	-	-	10.33	-	-	-	-
Pidilite International Pte Ltd	-	-	-	-	18.03	-	-	18.03
Madhumala Ventures Pvt Ltd	10.50	-	-	10.50	126.49	-	-	126.49
Pidilite Litokol Pvt Ltd	4.08	-	-	4.08	0.60	-	-	0.60
Pidilite Industries Egypt - SAE	-	-	-	-	0.32	-	-	0.32
Pidilite Grupo Puma Mfg Ltd	11.70	-	-	11.70	0.01	-	-	0.01
Pidilite Chemical PLC	0.45	-	-	0.45	0.74	-	-	0.74
Pidilite C-Techos Walling Ltd	0.61	-	-	0.61	-	-	-	-
<b>Sub-Total (h)</b>	<b>42.49</b>	<b>-</b>	<b>-</b>	<b>42.49</b>	<b>146.19</b>	<b>-</b>	<b>-</b>	<b>146.19</b>
<b>i. Sale of Fixed Asset</b>								
Parekh Marketing Ltd	-	-	-	-	-	-	0.32	0.32
<b>Sub-Total (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>0.32</b>
<b>j. Rent Paid/ (Received)</b>								
Smt. Mala Parekh	-	-	0.58	0.58	-	-	0.71	0.71
Parekh Marketing Ltd	-	-	0.07	0.07	-	-	0.08	0.08
ICA Pidilite Pvt Ltd	0.05	-	-	0.05	0.03	-	-	0.03
Pargro Investment Pvt Ltd	-	-	(0.06)	(0.06)	-	-	(0.08)	(0.08)
<b>Sub-Total (j)</b>	<b>0.05</b>	<b>-</b>	<b>0.59</b>	<b>0.64</b>	<b>0.03</b>	<b>-</b>	<b>0.71</b>	<b>0.74</b>
<b>k. Reimbursement of expenses made</b>								
Pidilite MEA Chemicals LLC	5.81	-	-	5.81	6.11	-	-	6.11
Parekh Marketing Ltd	-	-	0.03	0.03	-	-	0.03	0.03
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.32	-	-	0.32	0.16	-	-	0.16
PIL Trading (Egypt) Company	0.15	-	-	0.15	0.09	-	-	0.09
Pidilite Innovation Centre Pte Ltd	0.11	-	-	0.11	0.10	-	-	0.10
ICA Pidilite Pvt Ltd	0.06	-	-	0.06	0.38	-	-	0.38
Pidilite Lanka (Pvt) Ltd	0.18	-	-	0.18	0.21	-	-	0.21
Nitin Enterprises	0.02	-	-	0.02	-	-	-	-
Pidilite Industries Egypt - SAE	0.11	-	-	0.11	-	-	-	-
<b>Sub-Total (k)</b>	<b>6.76</b>	<b>-</b>	<b>0.03</b>	<b>6.79</b>	<b>7.05</b>	<b>-</b>	<b>0.03</b>	<b>7.08</b>
<b>l. Reimbursement of expenses received</b>								
Pidilite MEA Chemicals LLC	0.34	-	-	0.34	0.34	-	-	0.34
ICA Pidilite Pvt Ltd	0.58	-	-	0.58	0.11	-	-	0.11
Pidilite Bamco Ltd	0.04	-	-	0.04	0.04	-	-	0.04
Pidilite Litokol Pvt Ltd	0.20	-	-	0.20	0.04	-	-	0.04
Pidilite Grupo Puma Mfg Ltd	1.08	-	-	1.08	0.03	-	-	0.03
Pidilite C-Techos Walling Ltd	0.06	-	-	0.06	0.04	-	-	0.04
Cipy Polyurethanes Pvt Ltd	2.04	-	-	2.04	1.07	-	-	1.07
Pidilite Adhesive Pvt Ltd (w.e.f. 4 <sup>th</sup> November 2020)	0.64	-	-	0.64	-	-	-	-
Tenax Pidilite India Pvt Ltd (w.e.f. 29 <sup>th</sup> May 2020)	1.08	-	-	1.08	-	-	-	-
Nina Percept Private Limited	0.73	-	-	0.73	-	-	-	-
<b>Sub-Total (l)</b>	<b>6.79</b>	<b>-</b>	<b>-</b>	<b>6.79</b>	<b>1.67</b>	<b>-</b>	<b>-</b>	<b>1.67</b>

(₹ in crores)

Nature of Transaction	For the year ended 31 <sup>st</sup> March 2021				For the year ended 31 <sup>st</sup> March 2020			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
<b>m. Compensation of Key Management Personnel of the Company:</b>								
<b>Remuneration/ Commission to Directors:</b>								
<b>i (Short Term Employee benefits)</b>								
- Shri M B Parekh	-	-	3.13	3.13	-	-	4.15	4.15
- Shri Bharat Puri	-	-	14.24	14.24	-	-	13.96	13.96
- Shri A B Parekh	-	-	1.33	1.33	-	-	1.80	1.80
- Shri A N Parekh	-	-	5.63	5.63	-	-	5.84	5.84
- Shri Sabyasachi Patnaik (Upto 29 <sup>th</sup> February 2020)	-	-	-	-	-	-	2.01	2.01
- Shri Debabrata Gupta (w.e.f. 1 <sup>st</sup> March 2020)	-	-	2.27	2.27	-	-	0.29	0.29
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>26.60</b>	<b>26.60</b>	<b>-</b>	<b>-</b>	<b>28.05</b>	<b>28.05</b>
<b>ii Share-based payments</b>								
- Shri Bharat Puri	-	-	-	-	-	-	16.65	16.65
- Shri Sabyasachi Patnaik (Upto 29 <sup>th</sup> February 2020)	-	-	-	-	-	-	0.40	0.40
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.05</b>	<b>17.05</b>
<b>n. Dividend Paid</b>								
	-	-	-	-	-	-	158.25	158.25
<b>o. Outstanding Balances:</b>								
<b>i Trade Receivables (net)</b>								
Parekh Marketing Ltd	-	-	19.53	19.53	-	-	12.39	12.39
Pidilite MEA Chemicals LLC	18.44	-	-	18.44	22.63	-	-	22.63
Nina Percept Private Limited	10.40	-	-	10.40	24.76	-	-	24.76
Pidilite Industries Egypt - SAE	3.17	-	-	3.17	10.60	-	-	10.60
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	11.63	-	-	11.63	2.85	-	-	2.85
Pidilite USA Inc	1.89	-	-	1.89	1.93	-	-	1.93
Pidilite Lanka (Pvt) Ltd	5.50	-	-	5.50	3.23	-	-	3.23
Pidilite Bamco Ltd	0.08	-	-	0.08	-	-	-	-
Pidilite Innovation Centre Pte Ltd	0.15	-	-	0.15	0.32	-	-	0.32
PIL Trading (Egypt) Company	0.19	-	-	0.19	0.44	-	-	0.44
Bamco Supply and Services Ltd	0.02	-	-	0.02	-	-	-	-
Pidilite East Africa Ltd	0.94	-	-	0.94	-	-	-	-
Pidilite Litokol Pvt Ltd	0.23	-	-	0.23	-	-	-	-
Pidilite Grupo Puma Mfg Ltd	1.25	-	-	1.25	-	-	-	-
Pidilite C-Techos Walling Ltd	0.06	-	-	0.06	-	-	-	-
Cipy Polyurethanes Pvt Ltd	3.92	-	-	3.92	-	-	-	-
ICA Pidilite Pvt Ltd	0.05	-	-	0.05	-	-	-	-
Hybrid Coatings	0.03	-	-	0.03	-	-	-	-
Building Envelope Systems India Ltd	0.03	-	-	0.03	-	-	-	-
Pidilite Adhesive Pvt Ltd (w.e.f. 4 <sup>th</sup> November 2020)	0.76	-	-	0.76	-	-	-	-
Tenax Pidilite India Pvt Ltd (w.e.f. 29 <sup>th</sup> May 2020)	1.33	-	-	1.33	-	-	-	-
Pulvitec Do Brasil Industria E Comercio De Colas E Adesivos Ltda	0.08	-	-	0.08	-	-	-	-
Nebula East Africa Pvt Ltd.	0.04	-	-	0.04	-	-	-	-
Pargro Investment Pvt Ltd	-	-	0.01	0.01	-	-	-	-
<b>Sub-Total</b>	<b>60.19</b>	<b>-</b>	<b>19.54</b>	<b>79.73</b>	<b>66.76</b>	<b>-</b>	<b>12.39</b>	<b>79.15</b>

(₹ in crores)

Nature of Transaction	For the year ended 31 <sup>st</sup> March 2021				For the year ended 31 <sup>st</sup> March 2020			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
<b>ii Loans and advances</b>								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.26	-	-	0.26	4.23	-	-	4.23
Pidilite MEA Chemicals LLC	1.35	-	-	1.35	2.68	-	-	2.68
Pidilite Industries Egypt - SAE	-	-	-	-	0.45	-	-	0.45
Pidilite Lanka (Pvt) Ltd	-	-	-	-	0.54	-	-	0.54
Page1 Concrete Technologies Pvt Ltd	0.33	-	-	0.33	0.33	-	-	0.33
ICA Pidilite Pvt Ltd	0.21	-	-	0.21	0.56	-	-	0.56
Pidilite Bamco Ltd	-	-	-	-	0.08	-	-	0.08
Pidilite Innovation Centre Pte Ltd	-	-	-	-	0.01	-	-	0.01
Nebula East Africa Pvt Ltd.	-	-	-	-	0.05	-	-	0.05
Bamco Supply and Services Ltd	-	-	-	-	0.03	-	-	0.03
Pidilite East Africa Ltd	-	-	-	-	0.14	-	-	0.14
Pidilite Litokol Pvt Ltd	-	-	-	-	0.04	-	-	0.04
Pidilite Grupo Puma Mfg Ltd	0.08	-	-	0.08	0.03	-	-	0.03
Pidilite C-Techos Walling Ltd	-	-	-	-	0.04	-	-	0.04
Cipy Polyurethanes Pvt Ltd	-	-	-	-	0.43	-	-	0.43
Pidilite Chemical PLC	0.01	-	-	0.01	-	-	-	-
<b>Sub-Total</b>	<b>2.24</b>	<b>-</b>	<b>-</b>	<b>2.24</b>	<b>9.64</b>	<b>-</b>	<b>-</b>	<b>9.64</b>
<b>iii Trade Payables (net)</b>								
Vinyl Chemicals (India) Ltd	-	93.75	-	93.75	-	23.07	-	23.07
ICA Pidilite Pvt Ltd	8.09	-	-	8.09	3.57	-	-	3.57
Nitin Enterprises	-	-	-	-	0.16	-	-	0.16
Pidilite Industries Trading (Shanghai) Co Ltd	0.83	-	-	0.83	0.72	-	-	0.72
Pidilite MEA Chemicals LLC	0.05	-	-	0.05	0.04	-	-	0.04
Pidilite USA Inc	0.58	-	-	0.58	1.85	-	-	1.85
Cipy Polyurethanes Pvt Ltd	0.54	-	-	0.54	-	-	-	-
Hybrid Coatings	0.74	-	-	0.74	0.02	-	-	0.02
Building Envelope Systems India Ltd	0.55	-	-	0.55	0.49	-	-	0.49
PIL Trading (Egypt) Company	0.19	-	-	0.19	0.23	-	-	0.23
PT Pidilite Indonesia	0.03	-	-	0.03	0.07	-	-	0.07
Pidilite Chemicals PLC	-	-	-	-	0.02	-	-	0.02
Parekh Marketing Ltd	-	-	-	-	-	-	0.01	0.01
Pidilite Innovation Centre Pte Ltd	0.84	-	-	0.84	-	-	-	-
Pidilite Adhesive Pvt Ltd (w.e.f. 4 <sup>th</sup> November 2020)	0.50	-	-	0.50	-	-	-	-
Tenax Pidilite India Pvt Ltd (w.e.f. 29 <sup>th</sup> May 2020)	4.51	-	-	4.51	-	-	-	-
Pidilite Lanka (Pvt) Ltd	0.04	-	-	0.04	-	-	-	-
Nina Percept Private Limited	0.77	-	-	0.77	-	-	-	-
Pidilite East Africa Ltd	0.02	-	-	0.02	-	-	-	-
Pidilite Litokol Pvt Ltd	0.13	-	-	0.13	-	-	-	-
<b>Sub-Total</b>	<b>18.41</b>	<b>93.75</b>	<b>-</b>	<b>112.16</b>	<b>7.17</b>	<b>23.07</b>	<b>0.01</b>	<b>30.25</b>
<b>p. Corporate guarantee given to bank on behalf of</b>								
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	15.44	-	-	15.44	25.64	-	-	25.64
Pidilite Bamco Ltd	3.16	-	-	3.16	3.24	-	-	3.24
Pidilite MEA Chemicals LLC	40.04	-	-	40.04	41.07	-	-	41.07
Pidilite Lanka Private Limited	32.32	-	-	32.32	33.15	-	-	33.15
Bamco Supply & Services Ltd	1.07	-	-	1.07	1.09	-	-	1.09
<b>Sub-Total (p)</b>	<b>92.03</b>	<b>-</b>	<b>-</b>	<b>92.03</b>	<b>104.19</b>	<b>-</b>	<b>-</b>	<b>104.19</b>

**45 Employee Benefits**

The Company has classified various employee benefits as under:

**(A) Defined Contribution Plans**

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined 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 Defined 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 Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

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

(₹ in crores)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
(i) Contribution to Provident Fund	19.47	17.56
(ii) Contribution to Employees' Superannuation Fund	0.86	0.87
(iii) Contribution to Employees' State Insurance Scheme	0.20	0.20
(iv) Contribution to Employees' Pension Scheme 1995	9.04	8.65
(v) Contribution to National Pension Scheme	3.61	2.80
<b>TOTAL</b>	<b>33.18</b>	<b>30.08</b>
<b>(B) Defined Benefit Plans</b>		
Gratuity		
<b>(C) Other Long-Term Benefits</b>		
(a) Compensated Absences		
(b) Anniversary Awards		
(c) Premature Death Pension Scheme		
(d) Total Disability Pension Scheme		

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

	Valuations as at	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
(i) Discount Rate (per annum)	6.86%	6.65%
(ii) Rate of increase in Compensation levels (per annum)	1 <sup>st</sup> yr - 8.50%, thereafter 6.50%	1 <sup>st</sup> yr - 4%, thereafter 6.50%
(iii) Expected Rate of Return on Assets	6.86%	6.65%
(iv) Attribution Rate	upto 5 yrs - 13%, 5 - 10 yrs - 5%, Above 10 yrs - 5%	upto 5 yrs - 13%, 5 - 10 yrs - 5%, Above 10 yrs - 5%
(v) Retirement Age	60 years	60 years
(vi) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment/ strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.		
(vii) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.		
(viii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		

Gratuity fund asset is managed by Life Insurance Corporation of India, there is no material risk that the Company would be unable to meet its gratuity liability. Also as the fund is set up as a trust, the monies as a part of the trust will not flow back into the Company until the last employee of the trust is paid.

#### Note on other risks:

- Investment Risk** – The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.
- Interest Risk** – LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.
- Longevity Risk** – Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non-risk.
- Salary Risk** – The liability is calculated taking into account the salary increase, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Gratuity Funded	Gratuity Funded
<b>(i) Changes in Present value of Obligation</b>		
1 Present value of defined benefit obligation at the beginning of the year	87.57	74.28
2 Previous period adjustments	5.69	-
3 Current Service Cost	8.43	6.98
4 Interest Cost	5.35	4.97
5 Actuarial (Gains)/Loss arising from changes in		
- demographic assumption	-	(0.04)
- financial assumption	0.63	1.28
- experience adjustment	(0.67)	13.42
6 Benefits Paid	(5.88)	(13.32)
7 Acquisition under Business Combination (refer Note 56)	0.04	-
<b>8 Present value of defined benefit obligation at the end of the year</b>	<b>101.16</b>	<b>87.57</b>
<b>(ii) Changes in Fair value of Plan Assets</b>		
1 Fair value of plan assets at the beginning of the year	85.74	69.89
2 Expected Return on Plan Assets	5.70	5.17
3 Actuarial Gain/(Loss)	(0.99)	(0.21)
4 Employer's Contributions	13.41	16.40
5 Benefits Paid	(5.88)	(5.51)
6 Acquisition under Business Combination (refer Note 56)	0.07	-
<b>7 Fair value of plan assets at the end of the year</b>	<b>98.05</b>	<b>85.74</b>

(₹ in crores)

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Gratuity Funded	Gratuity Funded
<b>(iii) Net Benefit (Asset)/ Liability</b>		
1 Defined benefit obligation	101.16	87.57
2 Fair value of plan assets	98.05	85.74
<b>3 Net Benefit (Asset)/ Liability (refer Note 26)</b>	<b>3.11</b>	<b>1.83</b>
<b>(iv) Expenses recognised in the Statement of Profit and Loss</b>		
1 Current Service Cost	8.43	6.98
2 Interest cost on benefit obligation (net)	(0.35)	(0.21)
<b>3 Total Expenses recognised in the Statement of Profit and Loss</b>	<b>8.08</b>	<b>6.77</b>
<b>(v) Remeasurement Effects Recognised in Other Comprehensive Income for the year</b>		
1 Actuarial (Gains)/ Loss arising from changes in		
- demographic assumption	-	(0.04)
- financial assumption	0.63	1.28
- experience adjustment	(0.67)	13.42
2 Return on plan asset	0.99	0.21
<b>3 Recognised in Other Comprehensive Income</b>	<b>0.95</b>	<b>14.88</b>
<b>(vi) Actual return on plan assets</b>	<b>4.71</b>	<b>4.96</b>
<b>(vii) Sensitivity Analysis</b>		
Defined Benefit Obligation		
<b>Discount Rate</b>		
a Discount Rate - 100 basis points	108.00	93.28
b Discount Rate + 100 basis points	95.15	82.55
<b>Salary Increase Rate</b>		
a Rate - 100 basis points	95.06	82.47
b Rate + 100 basis points	107.97	93.27
<b>Note on Sensitivity Analysis</b>		
1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected 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.		
<b>(viii) Expected Future Cashflows</b>		
Year 1	17.74	13.89
Year 2	10.24	8.35
Year 3	9.10	8.81
Year 4	8.43	7.91
Year 5	8.41	7.05
Year 6 to 10	41.67	35.71
<b>(ix) Average Expected Future Working Life (yrs)</b>	<b>11.15</b>	<b>11.09</b>

**46 Employee Stock Option Scheme****a) Details of Employee Share Options**

In the Annual General Meeting of the Company held on 24<sup>th</sup> 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 specified 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 2<sup>nd</sup> 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 fixed by the Board or Committee. 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 Committee. 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 8 <sup>th</sup> 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 11 <sup>th</sup> 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 30 <sup>th</sup> 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 23 <sup>rd</sup> 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 13 <sup>th</sup> May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
6 Granted on 29 <sup>th</sup> 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 5 <sup>th</sup> August 2020-ESOP 2016	5,000	05.08.2020	05.08.2022	1.00	1,318.08
	5,000	05.08.2020	05.08.2023	1.00	1,318.08
	1,400	05.08.2020	05.08.2021	1.00	1,319.96
	1,050	05.08.2020	05.08.2022	1.00	1,319.96
	1,050	05.08.2020	05.08.2023	1.00	1,319.96
8 Granted on 4 <sup>th</sup> November 2020-ESOP 2016	15,245	04.11.2020	04.11.2021	1.00	1,536.91
	15,245	04.11.2020	04.11.2022	1.00	1,536.91
	1,17,500	04.11.2020	04.11.2021	1.00	1,536.91
	1,17,500	04.11.2020	04.11.2022	1.00	1,536.91

**b) Fair value of share options granted**

The fair value of the stock options has been estimated using Black-Scholes model which takes into account as of grant date the exercise price and expected life of the option, the current market price of underlying stock and its expected volatility, expected dividends on stock and the risk free interest rate for the expected term of the option.

Inputs into the model	Granted on 8 <sup>th</sup> November 2017-ESOP 2016	Granted on 11 <sup>th</sup> April 2018-ESOP 2016	Granted on 30 <sup>th</sup> October 2018-ESOP 2016	Granted on 23 <sup>rd</sup> January 2019-ESOP 2016		
Share price (on the date previous to grant date)	758.55	1,000.15	961.55	1,152.80	1,152.80	1,152.80
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
<b>Date of vesting (1)</b>	<b>08.11.2018</b>	<b>11.04.2019</b>	<b>30.10.2019</b>	<b>23.01.2022</b>	<b>29.01.2021</b>	<b>01.02.2021</b>
Dividend yield (%)	0.85	0.62	2.54	0.84	0.84	0.84
Option life (no. of years)	2.50	2.50	2.50	6.00	5.02	5.02
Risk free interest rate (%)	6.69	7.09	8.01	7.56	7.49	7.49
Expected volatility (%)	22.12	21.65	23.20	24.34	23.87	23.86
<b>Date of vesting (2)</b>	<b>08.11.2019</b>	<b>11.04.2020</b>	<b>30.10.2020</b>	<b>23.01.2023</b>	<b>29.01.2022</b>	<b>01.02.2022</b>
Dividend yield (%)	0.91	0.66	3.62	0.84	0.84	0.84
Option life (no. of years)	3.50	3.50	3.50	7.00	6.02	6.03
Risk free interest rate (%)	6.64	7.28	8.02	7.58	7.56	7.56
Expected volatility (%)	24.01	23.59	23.24	24.37	24.32	24.30
<b>Date of vesting (3)</b>	-	-	<b>30.10.2021</b>	<b>23.01.2024</b>	-	-
Dividend yield (%)	-	-	4.82	0.84	-	-
Option life (no. of years)	-	-	4.50	8.00	-	-
Risk free interest rate (%)	-	-	8.15	7.65	-	-
Expected volatility (%)	-	-	24.34	24.40	-	-

Inputs into the model	Granted on 13 <sup>th</sup> May 2019-ESOP 2016	Granted on 29 <sup>th</sup> January 2020-ESOP 2016		Granted on 05 <sup>th</sup> August 2020-ESOP 2016		Granted on 04 <sup>th</sup> November 2020-ESOP 2016	
Share price (on the date previous to grant date)	1,154.45	1,461.60	1,461.60	1,461.60	1,342.80	1,342.80	1,565.60
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Date of vesting (1)</b>	<b>13.05.2020</b>	<b>31.01.2021</b>	<b>18.11.2022</b>	<b>31.01.2021</b>	<b>05.08.2022</b>	<b>05.08.2021</b>	<b>04.11.2021</b>
Dividend yield (%)	0.84	0.74	0.74	0.74	0.72	0.72	0.72
Option life (no. of years)	2.50	4.01	5.80	4.01	5.00	4.00	4.01
Risk free interest rate (%)	7.03	6.15	6.39	6.15	5.13	4.89	4.89
Expected volatility (%)	23.06	23.69	24.49	23.69	25.39	22.94	23.17
<b>Date of vesting (2)</b>	-	-	<b>18.11.2023</b>	<b>31.01.2022</b>	<b>05.08.2023</b>	<b>05.08.2022</b>	<b>04.11.2022</b>
Dividend yield (%)	-	-	0.74	0.74	0.72	0.72	0.72
Option life (no. of years)	-	-	6.80	5.01	6.00	5.00	5.01
Risk free interest rate (%)	-	-	6.43	6.39	5.62	5.13	5.13
Expected volatility (%)	-	-	24.56	23.76	25.95	25.39	25.73
<b>Date of vesting (3)</b>	-	-	-	-	-	<b>05.08.2023</b>	-
Dividend yield (%)	-	-	-	-	-	0.72	-
Option life (no. of years)	-	-	-	-	-	6.00	-
Risk free interest rate (%)	-	-	-	-	-	5.62	-
Expected volatility (%)	-	-	-	-	-	25.95	-

## c) Movements in Share Options during the year

	During the year ended 31 <sup>st</sup> March 2021		During the year ended 31 <sup>st</sup> March 2020	
	Options (No.s)	Weighted average exercise price per option	Options (No.s)	Weighted average exercise price per option
<b>Option outstanding at the beginning of the year</b>				
- ESOP 2016	1,70,850	₹ 1	3,15,750	₹ 1
<b>Granted during the year</b>				
- 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
<b>Lapsed during the year****</b>				
- ESOP 2016 (granted on 8 <sup>th</sup> November 2017)	-	₹ 1	2,400	₹ 1
- ESOP 2016 (granted on 30 <sup>th</sup> October 2018)	700	₹ 1	9,500	₹ 1
<b>Options outstanding at the end of the year</b>				
- ESOP 2016	4,19,540	₹ 1	1,70,850	₹ 1
<b>Options available for grant</b>				
- 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

## 47 Financial Instruments

## (A) Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Company consists of only equity of the Company. The Company is not subject to any externally imposed capital requirements.

## (B) Categories of financial instruments

(₹ in crores)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial Assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Investments in Mutual funds, Preference Shares, Debentures and Bonds	332.49	1,025.81
Derivative assets towards Foreign Exchange Forward Contracts	0.09	1.70
Derivative Asset towards call option to buy subsidiary shares	-	0.24
<b>Measured at amortised cost</b>		
Trade Receivables	999.09	806.63
Cash and Cash Equivalents	109.81	564.17
Other Bank balances	2.56	4.67
Loans	21.07	29.42
Other Financial Assets	22.40	19.41
<b>Total Financial Assets</b>	<b>1,487.51</b>	<b>2,452.05</b>
<b>Financial Liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Derivative liabilities towards Foreign Exchange Forward Contracts	0.64	0.42
Derivative liability towards put option to buy subsidiary shares	-	34.83
<b>Measured at amortised cost</b>		
Borrowings	55.00	-
Trade Payables	793.82	494.81
Lease Liabilities	67.33	73.34
Other Financial Liabilities	913.43	524.42
<b>Total Financial Liabilities</b>	<b>1,830.22</b>	<b>1,127.82</b>

## (C) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations 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 Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

## (D) Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see note E below). The Company 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 Company'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)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Amounts recoverable/ (advance) in foreign currency on account of the following:</b>				
EUR	10,81,550.68	7,99,474.10	9.31	6.65
USD	1,81,31,339.20	1,18,56,074.29	133.32	89.42
AUD	-	38,745.00	-	0.18
GBP	(9,350.00)	-	(0.09)	-
<b>Amounts (payable)/ advance in foreign currency on account of the following:</b>				
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	(9,74,428.65)	(2,86,454.95)	(8.39)	(2.38)
GBP	(9,79,835.82)	(1,65,553.39)	(9.89)	(1.54)
JPY	(1,00,47,800.00)	(75,78,800.00)	(0.67)	(0.53)
SGD	(1,54,359.69)	-	(0.84)	-
USD	(2,65,45,200.80)	(1,42,44,907.61)	(195.19)	(107.34)
ZAR	64,255.58	64,255.58	0.03	0.03

\* BDT exposure is ₹ NIL as at 31<sup>st</sup> March 2021 (₹ 44,400 as at 31<sup>st</sup> March 2020).

**(i) Foreign currency sensitivity analysis**

The Company 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 Company 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 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Impact on profit or loss for the year (a)</b>	<b>(1.24)</b>	<b>(0.36)</b>
	EUR impact	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Impact on profit or loss for the year (b)</b>	<b>0.02</b>	<b>(0.09)</b>
	JPY impact	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Impact on profit or loss for the year (c)</b>	<b>(0.01)</b>	<b>(0.01)</b>

- (a) This is mainly attributable to the exposure of outstanding USD receivables and payables at the end of the reporting period.  
(b) This is mainly attributable to the exposure of outstanding EUR receivables and payables at the end of the reporting period.  
(c) This is mainly attributable 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 reflect the exposure during the year.

**(ii) Foreign exchange forward contracts**

It is the policy of the Company to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD and EUR. The Company enters into contracts with terms upto 90 days. The Company'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 Company does 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 export 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 netted off 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 settlement of these contracts on maturity are by actual delivery of the hedged currency for settling 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	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
USD - Buy	74.48	72.30	1,41,21,844.00	55,78,888.40
EUR - Buy	-	80.43	-	72,00,000.00
(₹ in crores)				
Outstanding contracts	Nominal Amounts		Fair value assets/ (liabilities)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
USD - Buy	104.33	40.61	(0.55)	1.70
EUR - Buy	-	60.22	-	(0.42)
<b>TOTAL</b>			<b>(0.55)</b>	<b>1.28</b>

The line-items in the financial statements that include the above hedging instruments are "Other Financial Assets" of ₹ 0.09 crores (₹ 1.70 crores as at 31<sup>st</sup> March 2020) and "Other Financial Liabilities" of ₹ 0.64 crores (₹ 0.42 crores as at 31<sup>st</sup> March 2020) (refer Note: 13 and 24 respectively).

The aggregate amount of loss under foreign exchange forward contracts recognised in the Statement of Profit and Loss is ₹ 2.49 crores (profit of ₹ 2.42 crores as at 31<sup>st</sup> March 2020).

**(F) Credit risk management**

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

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company'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 financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

**(G) Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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

**(i) Liquidity risk tables**

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

The tables include both interest and principal cash flows. To the extent that interest flows are floating 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
<b>As at 31<sup>st</sup> March 2021</b>					
<b>Interest bearing</b>					
- Borrowings	55.00	-	-	55.00	<b>55.00</b>
<b>Non-interest bearing</b>					
- Trade Payables	668.30	-	-	668.30	<b>668.30</b>
- Other Financial Liabilities	706.14	8.98	-	715.12	<b>715.12</b>
	1,374.44	8.98	-	1,383.42	<b>1,383.42</b>
- Lease Liabilities (undiscounted)	23.80	49.30	11.86	84.96	<b>67.33</b>
<b>Fixed interest rate instruments</b>					
- Trade/ Security Deposit received	133.82	-	-	133.82	<b>133.82</b>
<b>Derivative liabilities towards foreign exchange forward contracts</b>	0.64	-	-	0.64	<b>0.64</b>
<b>Financial guarantee contracts</b>	92.03	-	-	92.03	-
<b>As at 31<sup>st</sup> March 2020</b>					
<b>Non-interest bearing</b>					
- Trade Payables	494.81	-	-	494.81	494.81
- Other Financial Liabilities	393.31	7.26	-	400.57	400.57
	888.12	7.26	-	895.38	895.38
- Lease Liabilities (undiscounted)	27.86	53.38	7.54	88.78	73.34
<b>Fixed interest rate instruments</b>					
- Trade/ Security Deposit received	123.86	-	-	123.86	123.86
<b>Derivative liabilities towards foreign exchange forward contracts</b>	0.42	-	-	0.42	0.42
<b>Derivative liability towards put option to buy subsidiary shares</b>	34.83	-	-	34.83	34.83
<b>Financial guarantee contracts</b>	104.19	-	-	104.19	-

**(H) Fair value measurements**

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

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

Some of the Company's financial assets and financial 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 financial assets and financial 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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020		
1 Investment in Mutual/Alternate Investment Funds, Preference Shares, Debentures and Bonds	<b>Various listed funds - aggregate fair value of ₹ 332.49 crores</b>	Various listed funds - aggregate fair value of ₹ 1, 025.81 crores	Level 1	Quoted bid prices in active market
2 Derivative assets and liabilities towards foreign currency forward contracts	<b>Assets - ₹ 0.09 crores and Liabilities - ₹ 0.64 crores</b>	Assets - ₹ 1.70 crores and Liabilities - ₹ 0.42 crores	Level 2	Mark to market values acquired from banks, with whom the Company contracts.
3 Derivative asset and liability towards call and put option to buy subsidiary shares	<b>Assets - ₹ NIL and Liabilities - ₹ NIL</b>	Assets - ₹ 0.24 crores and Liabilities - ₹ 34.83 crores	Level 2	Fair values of options using black scholes valuation model based on Independent Valuer's report

**(ii) Financial instruments measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(₹ in crores)

<b>48 Taxes</b>				
<b>1 Deferred Tax</b>				
		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
Deferred Tax Assets		<b>(27.21)</b>	(38.60)	
Deferred Tax Liabilities		<b>103.07</b>	114.57	
<b>TOTAL</b>		<b>75.86</b>	<b>75.97</b>	
<b>a 2020-2021</b>				
<b>Deferred Tax (Assets)/ Liabilities in relation to:</b>				
	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	18.08	8.71	-	<b>26.79</b>
Intangible Assets	73.07	(3.55)	-	<b>69.52</b>
FVTPL Financial Assets	4.23	2.52	-	<b>6.75</b>
Allowance for doubtful debts	(7.81)	(0.94)	-	<b>(8.75)</b>
Provision for Employee Benefits	(12.33)	(1.65)	(0.24)	<b>(14.22)</b>
Share issue and buy-back costs	1.48	(3.26)	-	<b>(1.78)</b>
Others	(0.75)	(1.71)	-	<b>(2.45)</b>
<b>TOTAL</b>	<b>75.97</b>	<b>0.12</b>	<b>(0.24)</b>	<b>75.86</b>
<b>b 2019-2020</b>				
<b>Deferred Tax (Assets)/ Liabilities in relation to:</b>				
Property, Plant and Equipment	51.95	(33.87)	-	<b>18.08</b>
Intangible Assets	72.08	0.99	-	<b>73.07</b>
FVTPL Financial Assets	17.07	(12.84)	-	<b>4.23</b>
Provisions for VRS	0.12	(0.12)	-	-
Allowance for doubtful debts	(12.86)	5.05	-	<b>(7.81)</b>
Provision for Employee Benefits	(14.99)	6.34	(3.68)	<b>(12.33)</b>
Share issue and buy-back costs	(0.40)	1.88	-	<b>1.48</b>
Others	-	(0.75)	-	<b>(0.75)</b>
<b>TOTAL</b>	<b>112.97</b>	<b>(33.32)</b>	<b>(3.68)</b>	<b>75.97</b>
<b>2 Income Taxes relating to continuing operations</b>				
<b>a Income Tax recognised in the Statement of Profit and Loss</b>				
		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	
<b>Current Tax</b>				
In respect of the current year		<b>375.05</b>	368.65	
<b>TOTAL</b>		<b>375.05</b>	368.65	
<b>Deferred Tax</b>				
In respect of the current year		<b>0.12</b>	(33.32)	
<b>TOTAL</b>		<b>0.12</b>	(33.32)	
<b>Income Tax expense recognised in the Statement of Profit and Loss relating to continuing operations</b>		<b>375.17</b>	335.33	

(₹ in crores)

<b>b The Income Tax expense for the year can be reconciled to the accounting profit as follows:</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Profit Before Tax</b>	<b>1,456.63</b>	1,436.95
Income Tax Rate (%)	<b>25.17</b>	25.17
Income Tax expense	<b>366.60</b>	361.65
Effect of income that is exempt from taxation	<b>(2.06)</b>	(4.19)
Effect of expenses that are not deductible in determining taxable profit	<b>9.50</b>	21.93
Effect of concessions (research and development and backward area deductions)	-	(3.46)
Effect of lower rate of tax	-	(48.22)
Others	<b>1.13</b>	7.62
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>375.17</b>	<b>335.33</b>

\* The Tax rate used for the above reconciliation is the corporate tax rate of **25.168%** (25.168% for the year ended 31<sup>st</sup> March 2020) payable by corporate entities in India on taxable profits under Indian Tax Law.

<b>c Income Tax recognised in Other Comprehensive Income</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Tax arising on income and expenses recognised in Other Comprehensive Income:</b>		
Re-measurement of Defined Benefit Obligation	<b>0.24</b>	3.68
<b>Income Tax recognised in Other Comprehensive Income</b>	<b>0.24</b>	<b>3.68</b>

(₹ in crores)

<b>49 Research &amp; Development Expenditure</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Capital expenditure included in Property, Plant and Equipment	<b>1.05</b>	1.85
Revenue expenditure charged to Statement of Profit and Loss	<b>71.86</b>	69.37
<b>TOTAL</b>	<b>72.91</b>	<b>71.22</b>

<b>50 Disclosures required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	<b>67.04</b>	9.30
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
<b>TOTAL</b>	<b>67.04</b>	<b>9.30</b>

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.



**51 Lease**

In previous year on transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of

- i) During the previous year, the Company had paid Interim Dividend of ₹ 7.00 per equity share of ₹ 1 each for the financial 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 draft rules for the Code on Social Security, 2020 on 13<sup>th</sup> November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**54 Events after reporting period**

- a) On 22<sup>nd</sup> 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 5<sup>th</sup> 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 12<sup>th</sup> 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.

**55** In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. As a result, the operations of the Company 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 Company has evaluated the impact of Covid 19 on the operations of the Company, order booking and revenue, cash flow, assets and liabilities and factored in the impact of it upto the date of approval of these financial statements on the carrying value of its assets and liabilities.

Even though, it is very difficult 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 Company expects to recover the carrying amount of these assets and currently does not anticipate any further impairment of it. In assessing the recoverability, the Company has considered internal and external information upto the date of approval of these financial statements and has concluded that there are no material impact on the operations and the financial position of the Company.

Given the uncertainties, the impact of COVID-19 maybe different from that estimated as at the date of approval of these financial statements, and the Company will continue to closely monitor the developments.

**56 Business Combination****1 Partnership Firm merged**

Financial Year	Name of Firm	Name of Firm	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred (₹ in crores)
During 2020-21	Nitin Enterprises	Production of sealants	31 <sup>st</sup> March 2021	100%	<b>17.30</b>
(₹ in crores)					
<b>2</b>	<b>Consideration transferred</b>				
	Cash				<b>8.50</b>
	Consideration Payable				<b>8.80</b>
	<b>TOTAL (A)</b>				<b>17.30</b>

The Board of Directors at its meeting held on 29<sup>th</sup> January 2020 had approved a restructuring proposal whereby the Company shall, for operational convenience and synergies, acquire the business of wholly owned entity, Nitin Enterprises (a partnership firm having two partners which are wholly owned subsidiaries of the Company) on a slump sale basis for a cash consideration. The Company has completed the acquisition of the business of wholly owned entity, Nitin Enterprises on 31<sup>st</sup> March 2021. During previous year, the Company had made an advance payment of ₹ 8.5 crores to the seller and balance liability towards acquisition (refer Note 24) has been recognised in this financial statement amounting to ₹ 8.8 crores.

(₹ in crores)

<b>3 Identifiable assets acquired and liabilities assumed and capital reserve arising on date of acquisition</b>	
Property, Plant and Equipment	<b>11.53</b>
Capital Work-in-Progress	<b>0.13</b>
Intangible Assets	
Goodwill	<b>0.23</b>
Right of Use Assets	<b>0.45</b>
Other Financial Assets - Non-Current	<b>2.05</b>
Other Non-Current Assets	<b>4.17</b>
Inventories	<b>4.98</b>
Trade Receivables	<b>0.91</b>
Cash and Cash Equivalents	<b>4.87</b>
Other Current Assets	<b>0.58</b>
<b>Total Assets Acquired (B)</b>	<b>29.90</b>
Provisions - Non-Current	<b>0.02</b>
Trade Payables	<b>8.14</b>
Other Financial Liabilities - Current	<b>6.13</b>
Other Current Liabilities	<b>0.03</b>
<b>Total Liabilities taken over (C)</b>	<b>14.32</b>
<b>Net Assets Acquired (D) = (B) - (C)</b>	<b>15.58</b>
<b>Capital Reserve (E) = (A) - (D)</b>	<b>1.72</b>

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 0.91 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

Total Capital Reserve on acquisition was ₹ 1.72 crores. The Capital Reserve on acquisition can be attributable to skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately.

Nitin Enterprises contributed ₹ NIL towards revenue from operations and Company's results. If the acquisition had occurred on 1<sup>st</sup> April 2020, revenue from operations would have been higher by ₹ 40.77 crores and profit would have been lower by ₹ 2.00 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 1<sup>st</sup> April 2020.

**57 Approval of financial statement**

The financial statements are approved for issue by the Audit Committee and by the Board of Directors at their respective meetings held on 12<sup>th</sup> May 2021.

**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: 12<sup>th</sup> May 2021

## Corporate Governance Report

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

### 1. Company's Philosophy on Code of Governance

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

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

### 2. Board Procedures

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

### 3. Board of Directors

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

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

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

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

#### Notes:

@ All the Board meetings were conducted through Video Conferencing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Independent Directors' Meeting

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

#### Declarations

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

#### 4. Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### A. Remuneration of Executive Directors

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

(₹ in crores)

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

\* Includes House Rent Allowance

The above figures are exclusive of Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of tenure as per the rules of the Company.

Details of Stock options:

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

# The stock options are issued at the face value.

\* Vested but not exercised.

#### B. Service Contracts, notice period, severance fees

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

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

The details of sitting fees paid for attending the Board/ Committee meetings and commission due to the Non-Executive Directors for the year ended 31<sup>st</sup> March 2021 are as under:

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

\* Appointed as Additional Director (Non-Executive Independent) w.e.f. 10<sup>th</sup> September 2020

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

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

#### 6. Stakeholders Relationship Committee

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

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

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

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

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

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

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and TSR Darashaw Consultants Pvt Ltd, have attended to all the shareholders'/investors' grievances/correspondences generally within a period of 15 days from the date of receipt.

The total number of letters received from the shareholders were 920 of which only 8 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. No request for transfer of shares was pending as on 31<sup>st</sup> March 2021.

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

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

#### 7. Risk Management Committee

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

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

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

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

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

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

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

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

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

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

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

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

#### 9. General Body Meetings

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

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

The above mentioned Special Resolutions were passed with requisite majority.

#### Postal Ballot

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

#### 10. Means of Communication

##### a. Publication of financial results:

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

##### b. Websites and News Releases:

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

##### c. Analysts presentations:

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

##### d. Stock Exchange:

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

##### e. Reminders to Investors:

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

##### f. The Annual Report with Audited Financial Statements of the Company and its subsidiaries are available in downloadable formats on the website of the Company [www.pidilite.com](http://www.pidilite.com). The Annual Report and Audited Financial Statements of the Company are also available on the websites of the Stock Exchanges.

#### 11. General Information for Shareholders

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

#### 12. Disclosures

During the financial year 2020-21:

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

## Corporate Governance Compliance Certificate

### 13. Equity shares in Unclaimed Suspense Account

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

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

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

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

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

### 15. Information relating to Directors

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

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

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

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

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

### 18. Governance of Subsidiary Companies:

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

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

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

To

The Members of  
M/s. Pidilite Industries Limited

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

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

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

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

This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

**For M M SHETH & CO.**  
**(Company Secretaries)**

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

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

To

**The Members of**

**M/s. Pidilite Industries Limited,**

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

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

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

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

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



**Registrar & Share Transfer Agent**

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

**Share Transfer System**

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

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

**Distribution of Shareholding as on 31<sup>st</sup> March 2021**

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

**Dematerialisation of shares and liquidity**

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

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

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

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

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

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

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

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

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

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

**Plant Locations**

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

**Credit Ratings**

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

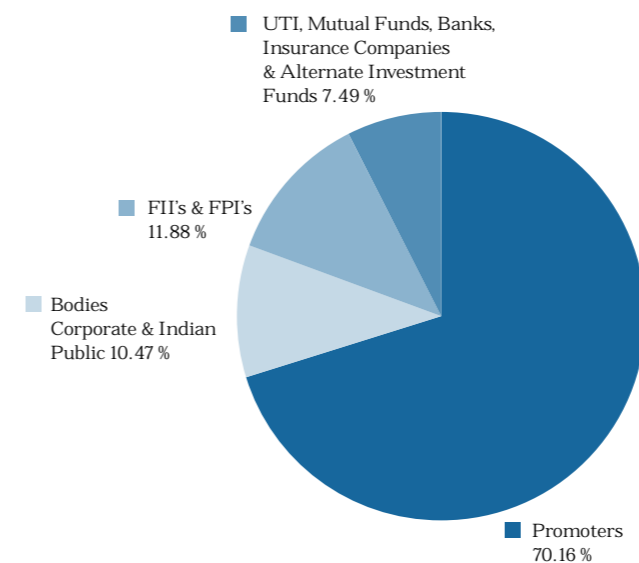
given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA respectively. There was no revision in the said ratings during the year under review.

**Commodity price risk / Foreign Exchange Risk and Hedging Activities**

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

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

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

**Shareholding Pattern as on 31<sup>st</sup> March 2021****Address for Correspondence****Registered Office:**

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

**Corporate Office:**

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

**Corporate Secretarial/Investors' Assistance Department**

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

**Outstanding GDRs/ADRs/Warrants**

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

**Employee Stock Options**

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

## 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 31<sup>st</sup> 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 31<sup>st</sup> 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:
<p>Acquisition accounting for Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited)</p> <p>The Parent company completed the acquisition of Pidilite Adhesives Private Limited for ₹ 2,196.46 crores on 3<sup>rd</sup> November 2020 as set out in Note 52B of the Consolidated Financial Statements.</p> <p>Accounting for the acquisition has involved judgment in order to:</p> <ul style="list-style-type: none"> <li>determine the fair value of consideration transferred;</li> <li>identify and measure the fair value of the identifiable assets acquired and liabilities assumed;</li> <li>allocate the purchase consideration between identifiable assets and liabilities and goodwill;</li> </ul> <p>This is a material acquisition 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.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of internal controls implemented by the Parent Company over the purchase price allocation process.</li> <li>We tested the completeness of the identified assets and liabilities acquired by comparison to the external valuer report through discussions with the Parent Company.</li> <li>We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by: <ul style="list-style-type: none"> <li>Reading the valuation report prepared by the appointed external valuation specialists.</li> <li>Evaluating the competence and independence of the appointed external valuation specialists.</li> <li>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.</li> </ul> </li> <li>Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.</li> </ul>

### 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 up to 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

- 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 31<sup>st</sup> 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 31<sup>st</sup> 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.
- We did not audit the financial information of 2 subsidiaries, whose financial information reflect total assets of ₹ NIL as at 31<sup>st</sup> 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 31<sup>st</sup> 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:

- 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.
- 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.
- 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.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> 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 31<sup>st</sup> March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.
- 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.

- 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:
  - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
  - the Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - 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: 12<sup>th</sup> May 2021

## Annexure “A” to the Independent Auditor’s Report

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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: 12<sup>th</sup> May 2021

## Consolidated Statement of Balance Sheet

as at 31<sup>st</sup> March 2021

(₹ in crores)

Particulars	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
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
<b>Total Non-Current Assets</b>		<b>5,315.05</b>	<b>2,774.75</b>
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
<b>Total Current Assets</b>		<b>3,515.37</b>	<b>3,760.95</b>
<b>TOTAL ASSETS</b>		<b>8,830.42</b>	<b>6,535.70</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(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
<b>Total Equity</b>		<b>5,833.00</b>	<b>4,671.26</b>
<b>LIABILITIES</b>			
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
<b>Total Non-Current Liabilities</b>		<b>562.71</b>	<b>249.71</b>
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
<b>Total Current Liabilities</b>		<b>2,434.71</b>	<b>1,614.73</b>
<b>TOTAL LIABILITIES</b>		<b>2,997.42</b>	<b>1,864.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,830.42</b>	<b>6,535.70</b>

See accompanying notes to the consolidated financial statements 1 to 59

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**N. K. JAIN**  
Partner

**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: 12<sup>th</sup> May 2021

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>INCOME</b>			
Revenue from Operations	33	7,292.71	7,294.47
Other Income	34	79.40	149.43
<b>Total Income</b>		<b>7,372.11</b>	<b>7,443.90</b>
<b>EXPENSES</b>			
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
<b>Total Expenses</b>		<b>5,849.98</b>	<b>5,921.97</b>
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
<b>Total Share of profit of Associate and Joint Venture</b>		<b>3.98</b>	<b>3.03</b>
Profit before Exceptional Items and Tax		1,526.11	1,524.96
Exceptional Items	41	3.62	55.19
<b>Profit before Tax</b>		<b>1,522.49</b>	<b>1,469.77</b>
Tax Expense			
Current Tax	53	399.88	383.99
Deferred Tax	53	(3.52)	(36.27)
Net Tax Expense		396.36	347.72
<b>Profit for the year</b>		<b>1,126.13</b>	<b>1,122.05</b>
Attributable to:			
Shareholders of the Company		1,131.21	1,116.42
Non-Controlling Interest	42(b)	(5.08)	5.63
<b>Other Comprehensive Income</b>			
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)
<b>Total Other Comprehensive Income/ (Loss)</b>		<b>(10.86)</b>	<b>3.54</b>
Attributable to:			
Shareholders of the Company		(11.22)	3.42
Non-Controlling Interest	42(b)	0.36	0.12
<b>Total Comprehensive Income for the year</b>		<b>1,115.27</b>	<b>1,125.59</b>
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

**N. K. JAIN**  
Partner

**BHARAT PURI**  
Managing Director  
DIN: 02173566

**PRADIP KUMAR MENON**  
Chief Financial Officer

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**M B PAREKH**  
Executive Chairman  
DIN: 00180955

**PUNEET BANSAL**  
Company Secretary  
Place: Mumbai  
Date: 12<sup>th</sup> May 2021

## Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

a. Equity Share Capital		Amount
Balance as at 1 <sup>st</sup> 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 31 <sup>st</sup> 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 31 <sup>st</sup> 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 1 <sup>st</sup> 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 31 <sup>st</sup> 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 31 <sup>st</sup> 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

BHARAT PURI  
Managing Director  
DIN: 02173566  
PRADIP KUMAR MENON  
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH  
Executive Chairman  
DIN: 00180955

PUNEET BANSAL  
Company Secretary  
Place: Mumbai  
Date: 12<sup>th</sup> May 2021

Place: Mumbai  
Date: 12<sup>th</sup> May 2021

## Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>A Cash Flows from Operating Activities</b>		
Profit before tax	1,522.49	1,469.77
<b>Adjustments for:</b>		
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
<b>Operating Profits before Working Capital changes</b>	<b>1,736.29</b>	<b>1,616.08</b>
<b>Movements in Working Capital:</b>		
<b>(Increase)/Decrease in Operating Assets</b>		
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)
<b>Increase/ (Decrease) in Operating Liabilities</b>		
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
<b>Cash generated from Operations</b>	<b>1,763.04</b>	<b>1,672.62</b>
Taxes paid (net of refunds)	(370.91)	(393.07)
<b>Net cash generated from Operating Activities [A]</b>	<b>1,392.13</b>	<b>1,279.55</b>
<b>B Cash Flows from Investing Activities</b>		
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
<b>Net cash (used in)/ generated from Investing Activities [B]</b>	<b>(1,687.89)</b>	<b>102.94</b>

## Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2021

(₹ in crores)

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>C Cash Flows from Financing Activities</b>		
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)
<b>Net cash used in Financing Activities [C]</b>	<b>(76.24)</b>	<b>(849.21)</b>
<b>Net (decrease)/ increase in Cash and Cash Equivalents [A+B+C]</b>	<b>(372.00)</b>	<b>533.28</b>
Cash and Cash Equivalents at the beginning of the year (refer Note 15)	606.37	72.94
Bank unrealised gain	0.18	0.33
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>606.55</b>	<b>73.27</b>
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)	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>234.55</b>	<b>606.55</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>(372.00)</b>	<b>533.28</b>

### Notes:

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

(₹ in crores)

Particulars	As at 31 <sup>st</sup> March 2020	Cash Flows	Non-Cash Changes	As at 31 <sup>st</sup> March 2021
			Current/ Non-Current Classification	
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

Place: Mumbai  
Date: 12<sup>th</sup> 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: 12<sup>th</sup> 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 office is Regent Chambers, 7<sup>th</sup> Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021. The address of principal place of business is Ramkrishna Mandir Road, Old Mathuradas Vasarji 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 31<sup>st</sup> 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 affect 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 patterns 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 loses 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 31<sup>st</sup> 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.

### 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.

An item of Property, Plant and Equipment is classified as held for sale when its carrying amount is measured at the lower of carrying amount and fair value less costs to sell.

**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.

(₹ in crores)

<b>4 Property, Plant and Equipment and Capital Work-In-Progress</b>		As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Carrying Amounts</b>			
• 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
• Office Equipment		45.32	43.01
		<b>1,285.03</b>	1,141.95
Capital Work-In-Progress*		<b>293.87</b>	259.33
<b>TOTAL</b>		<b>1,578.90</b>	<b>1,401.28</b>

\* Net of Impairment ₹ NIL (₹ 55.19 crores as at 31<sup>st</sup> March 2020) (refer Note 41)

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

## Notes:

(₹ in crores)

a) Assets given under lease included in Note 4 above are as under:			
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
<b>Carrying Amounts</b>			
• Freehold Land	17.00	13.79	
• Buildings	22.84	22.29	
<b>TOTAL</b>	<b>39.84</b>	<b>36.08</b>	
	<b>Freehold Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Gross Carrying Amount</b>			
Balance as at 1 <sup>st</sup> April 2019	13.79	28.20	41.99
Additions	-	3.12	3.12
Balance as at 31 <sup>st</sup> March 2020	13.79	31.32	45.11
Additions	3.21	1.71	4.92
Balance as at 31 <sup>st</sup> March 2021	17.00	33.03	50.03
<b>Accumulated Depreciation and Impairment</b>			
Balance as at 1 <sup>st</sup> April 2019	-	(6.93)	(6.93)
Depreciation expense	-	(2.10)	(2.10)
Balance as at 31 <sup>st</sup> March 2020	-	(9.03)	(9.03)
Depreciation expense	-	(1.16)	(1.16)
Balance as at 31 <sup>st</sup> March 2021	-	(10.19)	(10.19)
<b>Net Carrying Amount</b>			
Balance as at 1 <sup>st</sup> April 2019	13.79	21.27	35.06
Additions	-	3.12	3.12
Depreciation expense	-	(2.10)	(2.10)
Balance as at 31 <sup>st</sup> March 2020	13.79	22.29	36.08
Additions	3.21	1.71	4.92
Depreciation expense	-	(1.16)	(1.16)
Balance as at 31 <sup>st</sup> 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 31 <sup>st</sup> March 2020)			

(₹ in crores)

5 Right of Use Assets				
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020		
<b>Carrying Amounts</b>				
• Leasehold Land	88.39	67.34		
• Leasehold Buildings	69.14	79.25		
• Plant and Machinery	0.28	0.41		
<b>TOTAL</b>	<b>157.81</b>	<b>147.00</b>		
	<b>Leasehold Land</b>	<b>Leasehold Buildings</b>	<b>Plant and Machinery</b>	<b>TOTAL</b>
<b>Gross Carrying Amount</b>				
Recognised on adoption of Ind AS 116 as at 1 <sup>st</sup> 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 31 <sup>st</sup> 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 31 <sup>st</sup> March 2021	95.49	129.62	0.56	225.67
<b>Accumulated Depreciation and Impairment</b>				
Recognised on adoption of Ind AS 116 as at 1 <sup>st</sup> 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 31 <sup>st</sup> 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 31 <sup>st</sup> March 2021	(7.10)	(60.48)	(0.28)	(67.86)
<b>Net Carrying Amount</b>				
Recognised on adoption of Ind AS 116 as at 1 <sup>st</sup> 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 31 <sup>st</sup> 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 31 <sup>st</sup> March 2021	88.39	69.14	0.28	157.81

(₹ in crores)

6 Goodwill and Other Intangible Assets		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Carrying Amounts</b>		
• Goodwill on Consolidation	1,182.63	81.78
• Goodwill (acquired separately)	101.32	102.25
<b>Total Goodwill (A)</b>	<b>1,283.95</b>	<b>184.03</b>
<b>Other Intangible Assets</b>		
• Trademark	1,395.83	240.59
• Computer Software	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	-
<b>Total Other Intangible Assets (B)</b>	<b>1,691.13</b>	<b>333.73</b>
<b>Total Intangible Assets (A+B)</b>	<b>2,975.08</b>	<b>517.76</b>

(₹ in crores)

	Goodwill	Trade- mark	Computer Software	Copy- rights	Technical Knowhow Fees	Commercial Knowhow Fees	Non Compete Fees	Distributor Relation- ships	TOTAL
<b>Gross Carrying Amount</b>									
<b>Balance as at 1<sup>st</sup> April 2019</b>	<b>184.99</b>	<b>250.87</b>	<b>57.68</b>	<b>4.72</b>	<b>75.28</b>	<b>59.97</b>	<b>5.41</b>	-	<b>638.92</b>
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)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>184.03</b>	<b>251.54</b>	<b>62.20</b>	<b>4.48</b>	<b>74.58</b>	<b>59.97</b>	<b>5.42</b>	-	<b>642.22</b>
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)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>1,283.94</b>	<b>1,409.13</b>	<b>71.55</b>	<b>4.48</b>	<b>75.17</b>	<b>59.97</b>	<b>5.42</b>	<b>215.00</b>	<b>3,124.66</b>
<b>Accumulated Amortisation and Impairment</b>									
<b>Balance as at 1<sup>st</sup> April 2019</b>	-	(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)
<b>Balance as at 31<sup>st</sup> March 2020</b>	-	(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
<b>Balance as at 31<sup>st</sup> March 2021</b>	-	(13.29)	(51.52)	-	(42.38)	(23.59)	(4.62)	(14.18)	(149.58)
<b>Net Carrying Amount</b>									
<b>Balance as at 1<sup>st</sup> April 2019</b>	<b>184.99</b>	<b>242.66</b>	<b>15.71</b>	<b>4.72</b>	<b>44.64</b>	<b>40.02</b>	<b>1.55</b>	-	<b>534.29</b>
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)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>184.03</b>	<b>240.59</b>	<b>15.24</b>	<b>4.48</b>	<b>38.34</b>	<b>34.03</b>	<b>1.05</b>	-	<b>517.76</b>
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)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>1,283.94</b>	<b>1,395.84</b>	<b>20.03</b>	<b>4.48</b>	<b>32.79</b>	<b>36.38</b>	<b>0.80</b>	<b>200.82</b>	<b>2,975.08</b>

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

(₹ in crores)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Goodwill on Consolidation</b>		
• 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	-
<b>Total (A)</b>	<b>1,182.63</b>	<b>81.78</b>
<b>Goodwill acquired separately*</b>		
• 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 Comercio de Colas e Adesivos Ltda (Pulvitec)	6.71	7.63
• Pidilite USA Inc (PUSA)	0.51	0.52
<b>Total (B)</b>	<b>101.32</b>	<b>102.25</b>
<b>Total Goodwill (A+B)</b>	<b>1,283.95</b>	<b>184.03</b>

\*Goodwill acquired in business combination is allocated, at acquisition date, to the cash-generating units that are expected to benefit 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 suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cash flows 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 31<sup>st</sup> 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 flow projections based on financial budgets approved by the management for next year, estimates prepared for the next 4 years thereon and a discount rate of **11.7%** per annum (12.0% per annum as at 31<sup>st</sup> March 2020).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady **7%** per annum (8% per annum as at 31<sup>st</sup> 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:

<b>Budgeted sales growth</b>	Sales growth is assumed at <b>10.8%</b> (CAGR) (17.5% as at 31 <sup>st</sup> March 2020) in line with current year projections. The values assigned to the assumption reflect 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 five years is reasonably achievable.
<b>Raw materials price inflation</b>	Forecast for Material cost growth CAGR higher by <b>0.2%</b> (0.2% as at 31 <sup>st</sup> March 2020) vs. sales growth, considering impact of commodity cost inflation.
<b>Other budgeted costs</b>	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

<b>7 Investments accounted for using equity method</b>					
		As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Qty	₹ in crores	Qty	₹ in crores
<b>Carrying amount determined using the Equity method of accounting</b>					
<b>A] Investment in Associates (fully paid up)</b>					
<b>i] Investment in Equity Instruments (Quoted)</b>					
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd		74,51,540	1.18	74,51,540	1.18
Add: Share in accumulated Profits/Reserves			26.93		24.12
			28.11		25.30
<b>ii] Investments in Preference Shares (Unquoted) [refer Note 56 (a) (i)]</b>					
• Compulsory Convertible Cumulative Preference Shares of Aapkapainter Solutions Pvt Ltd		4,062	5.00		-
Add: Share in accumulated Profits/Reserves			(0.64)		-
			4.36		-
<b>Total [A]</b>			<b>32.47</b>		<b>25.30</b>
<b>B] Investment in Joint Venture (fully paid up) (Unquoted)</b>					
• Equity Shares of AED 1000 each of Plus Call Technical Services LLC		57	0.21	57	0.21
Add: Share in accumulated Profits/Reserves			1.56		1.56
			1.77		1.77
Less: Impairment in value of Investments			(1.77)		(1.77)
<b>Total [B]</b>			<b>-</b>		<b>-</b>
<b>TOTAL [(A)+(B)]</b>			<b>32.47</b>		<b>25.30</b>
• 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

<b>8 Investments - Non-Current</b>					
		As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Qty	₹ in crores	Qty	₹ in crores
<b>A] Investment in Equity Instruments (fully paid up) (at FVTPL) (Unquoted)</b>					
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)
<b>Total [A]</b>			<b>-</b>		<b>-</b>
<b>B] Investments in Preference Shares (at FVTPL) (Quoted)</b>					
Non-Cumulative Perpetual Preference shares of Kotak Mahindra Bank Ltd		3,00,00,000	15.20	3,00,00,000	15.20
<b>Total [B]</b>			<b>15.20</b>		<b>15.20</b>
<b>C] Investment in Debentures, Bonds &amp; Market Instruments (at FVTPL) (Quoted)</b>					
Units of Bharat Bond ETFs		2,50,000	27.85	2,50,000	25.55
<b>Total [C]</b>			<b>27.85</b>		<b>25.55</b>
<b>D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)</b>					
Units of Fireside Ventures Investment Fund II		50,000	3.49	50,000	4.13
<b>Total [D]</b>			<b>3.49</b>		<b>4.13</b>
<b>E] Investment in Promissory Note (at FVTPL) (Unquoted)</b>					
Convertible Promissory Note of Clare Inc		1	3.68	1	3.77
<b>Total [E]</b>			<b>3.68</b>		<b>3.77</b>
<b>F] Investments in Preference Shares (at FVTPL) (Unquoted) [refer Note 56 (a)]</b>					
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 Designs 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
<b>Total [F]</b>			<b>139.63</b>		<b>122.48</b>



	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Qty	₹ in crores	Qty	₹ in crores
<b>G] Investment in Promissory Note (at amortised cost) (Unquoted)</b>				
Convertible Promissory Note of Optmed Inc**	1	5.51	1	5.65
Less : Impairment in value of Investments		(4.96)		(1.41)
<b>Total [G]</b>		<b>0.55</b>		<b>4.24</b>
<b>H] Investment in Mutual Funds (at FVTPL) (Unquoted)</b>				
• 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 (I) - Direct Growth	2,00,00,000	24.57	2,00,00,000	22.57
• Units of HDFC FMP 1126D Mar 2019 (I) - 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 (I) - 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
<b>Total [H]</b>		<b>116.64</b>		<b>265.79</b>
<b>Total [A+B+C+D+E+F+G+H]</b>		<b>307.04</b>		<b>441.16</b>
• Aggregate carrying value of quoted investments		<b>43.05</b>		<b>40.75</b>
• Aggregate market value of quoted investments		<b>43.05</b>		<b>40.75</b>
• Aggregate carrying value of unquoted investments		<b>263.99</b>		<b>400.41</b>
• Aggregate amount of Impairment in value of investments		<b>5.08</b>		<b>1.53</b>

\*\*The Group invested in convertible promissory note of Optmed 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 31<sup>st</sup> March 2020) (refer Note 41).

9	Investments - Current	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Qty	₹ in crores	Qty	₹ in crores
	<b>A] Investments in Debentures, Bonds &amp; Market Instruments (at FVTPL) (Quoted)</b>				
	• 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
	<b>Total [A]</b>		-		<b>44.83</b>
	<b>B] Investment in Mutual Funds (at FVTPL) (Unquoted)</b>				
	• 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 (I) - 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 Arbitrage 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
	<b>Total [B]</b>		<b>176.46</b>		<b>674.90</b>
	<b>C] Other Investments</b>				
	<b>Deposits (at amortised cost)</b>				
	• IL & FS Financial Services Limited		1.55		1.55
	• Infrastructure Leasing & Financial Services Limited		7.25		7.25
			<b>8.80</b>		<b>8.80</b>
	Less : Impairment in value of Investments		(8.80)		(8.80)
	<b>Total [C]</b>		-		-
	<b>TOTAL [A+B+C]</b>		<b>176.46</b>		<b>719.73</b>
	• Aggregate carrying value of quoted investments		-		44.83
	• Aggregate market value of quoted investments		-		44.83
	• Aggregate carrying value of unquoted investments		<b>176.46</b>		674.90
	• Aggregate amount of Impairment in value of investments		<b>8.80</b>		8.80

(₹ in crores)

10 Trade Receivables	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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 Significant Increase in Credit Risk	-	-
• Unsecured, Credit Impaired	-	-
	1,409.55	1,166.02
Less: Allowance for expected credit loss	(88.53)	(77.52)
<b>TOTAL</b>	<b>1,321.02</b>	<b>1,088.50</b>

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/ firms where directors are directors/members/partners (refer Note 47).

**Movement in expected credit loss allowance**

	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> 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
<b>Balance at the end of the year</b>	<b>88.53</b>	<b>77.52</b>

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 identified based on criteria mentioned in policy and provided for credit loss allowance.

11 Loans - Non-Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered good</b>		
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)
<b>TOTAL</b>	<b>4.85</b>	<b>4.09</b>

\* Loans given for business purpose.

12 Loans - Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered good</b>		
Loans and Advances to Employees & Others*	16.89	17.38
<b>TOTAL</b>	<b>16.89</b>	<b>17.38</b>

\*Loans given for business purpose.

(₹ in crores)

13 Other Financial Assets - Non-Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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
<b>Other Receivables</b>		
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
<b>TOTAL</b>	<b>51.06</b>	<b>42.85</b>

14 Other Financial Assets - Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Security Deposit</b>		
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
<b>Retention Money Receivable</b>		
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
Uncertified Revenue from Works Contract	56.05	70.60
Other Receivables*	3.73	4.68
<b>TOTAL</b>	<b>85.26</b>	<b>103.18</b>

\* Includes Windmill income and Insurance claim receivable

15 Cash and Cash Equivalents	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Cash and Cash Equivalents</b>		
Cash on Hand	2.25	0.39
Cheques on Hand	55.50	0.85
<b>Balance with banks</b>		
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
<b>TOTAL</b>	<b>442.65</b>	<b>692.23</b>
Cash and Cash Equivalents (as above)	442.65	692.23
Cash Credits and Bank Overdrafts (refer Note 25)	(115.45)	(85.86)
<b>Cash and Cash equivalents (as per Statement of Cash Flows)</b>	<b>327.20</b>	<b>606.37</b>

(₹ in crores)

16 Bank Balances other than Cash and Cash Equivalents above		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance with banks</b>		
In Escrow Account	0.04	0.14
<b>Other Bank Balance</b>		
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
<b>Earmarked Account</b>		
Dividend Payment Bank Account	2.56	3.26
<b>TOTAL</b>	<b>8.81</b>	<b>11.02</b>
a. Includes Fixed Deposit under lien	-	0.99

17 Inventories (at lower of cost and net realisable value)		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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
<b>TOTAL</b>	<b>1,234.15</b>	<b>929.47</b>
<b>Included above Goods-in-Transit</b>		
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
<b>TOTAL</b>	<b>122.11</b>	<b>93.50</b>

- 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance Payment of Taxes (net of provisions)	97.12	109.53
<b>TOTAL</b>	<b>97.12</b>	<b>109.53</b>

(₹ in crores)

19 Current Tax Assets (net)		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Advance Payment of Taxes (net of provisions)	3.13	1.93
<b>TOTAL</b>	<b>3.13</b>	<b>1.93</b>

20 Other Non-Current Assets		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Unsecured, Considered good</b>		
Capital Advances	64.65	47.50
Prepaid Expenses	0.16	0.27
Balance with Government Authorities*	29.32	25.01
<b>TOTAL</b>	<b>94.13</b>	<b>72.78</b>

\* 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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Export Benefits receivable</b>		
Unsecured, Considered good	8.79	11.14
Considered doubtful	-	-
	8.79	11.14
Less: Allowance for doubtful balances	-	-
	8.79	11.14
<b>Balance with Government Authorities*</b>		
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
<b>Advances to Vendors</b>		
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
<b>TOTAL</b>	<b>227.00</b>	<b>197.51</b>

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

<b>a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period</b>		
	Number of Shares	₹ in crores
<b>Balance as at 1<sup>st</sup> April 2019</b>	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
<b>Balance as at 31<sup>st</sup> March 2020</b>	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
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>50,81,53,380</b>	<b>50.82</b>

<b>b. Terms/ Rights attached to equity shares</b>	
<p>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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</p> <p>In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.</p> <p>The Board of Directors at its meeting held on 12<sup>th</sup> May 2021 declared a final dividend of ₹ 8.50 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.</p> <p>During the year ended 31<sup>st</sup> March 2020, the Company had paid Final Dividend of ₹</p>	

(₹ in crores)

23 Other Equity		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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
<b>TOTAL</b>	<b>5,542.14</b>	<b>4,404.80</b>

23.1 Capital Reserve		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>0.34</b>	<b>0.34</b>

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

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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>0.50</b>	<b>0.50</b>

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.

(₹ in crores)

23.4 Cash Subsidy Reserve		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>0.95</b>	<b>0.95</b>

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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning of the year</b>	<b>0.25</b>	<b>0.24</b>
Add : Additions during the year	0.01	0.01
<b>Closing Balance</b>	<b>0.26</b>	<b>0.25</b>

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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>0.15</b>	<b>0.15</b>

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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Employees Stock Options Outstanding</b>		
<b>Balance at the beginning of the year</b>	<b>16.95</b>	<b>29.38</b>
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)
<b>Closing Balance (A)</b>	<b>56.65</b>	<b>16.95</b>
<b>Deferred Employees Stock Options Cost</b>		
<b>Balance at the beginning of the year</b>	<b>(6.06)</b>	<b>(19.73)</b>
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
<b>Closing Balance (B)</b>	<b>(31.23)</b>	<b>(6.06)</b>
<b>Closing Balance (A+B)</b>	<b>25.42</b>	<b>10.89</b>

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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning of the year</b>	<b>28.83</b>	14.36
Add/ (Less) : Exchange difference arising on transitory foreign operations	<b>(10.51)</b>	14.47
<b>Closing Balance</b>	<b>18.32</b>	<b>28.83</b>

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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Balance at the beginning and end of the year</b>	<b>1,335.38</b>	<b>1,335.38</b>

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.

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

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

- i) Secured term loan for international subsidiaries at 5.25% p.a (9% - 11.97% as at 31<sup>st</sup> 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 31<sup>st</sup> March 2020). The maturity date for international subsidiaries varies from July 2022 to October 2024 which is repayable in monthly/ quarterly installments.

(₹ in crores)

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

**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 31<sup>st</sup> March 2020) and for international subsidiaries at 5.48% to 9.92%, (11.50% - 12.43%, LIBOR + 2.7% p.a. as at 31<sup>st</sup> March 2020). The group working capital demand loan is secured by receivables, inventories, outstanding monies and other assets.
- ii) Secured bank overdra for domestic subsidiaries carries interest rate of 8.20% p.a. (8.9% p.a. as at 31<sup>st</sup> March 2020) and for international subsidiaries at T-Bill rate + 1.5% (AWPLR + 0.35% p.a. as at 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March 2020).
- ii) Unsecured bank overdra 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 31<sup>st</sup> March 2020).

(₹ in crores)

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

27 Other Financial Liabilities - Non-Current		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Retention money payable	<b>13.33</b>	6.79
Employees related liabilities	<b>0.30</b>	0.47
<b>TOTAL</b>	<b>13.63</b>	<b>7.26</b>

(₹ in crores)

28	Other Financial Liabilities - Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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
	<b>TOTAL</b>	<b>1,034.04</b>	<b>668.74</b>

29	Provisions - Non-Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Provision for Employee Benefits</b>		
	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 Benefits	5.91	5.29
	Others (refer Note 55)	0.67	0.79
	<b>TOTAL</b>	<b>57.98</b>	<b>51.95</b>

30	Provisions - Current	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	<b>Provision for Employee Benefits</b>		
	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 Benefits	2.74	1.85
	Provision for warranty expenses (refer Note 55)	3.02	4.76
	<b>TOTAL</b>	<b>24.96</b>	<b>21.59</b>

(₹ in crores)

31	Other Current Liabilities	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Statutory remittances	84.51	79.40
	Advance from customers	28.29	41.10
	Other liabilities	1.93	1.84
	<b>TOTAL</b>	<b>114.73</b>	<b>122.34</b>

32	Current Tax Liabilities (net)	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
	Provision for Tax (net of Advance Tax)	25.02	8.67
	<b>TOTAL</b>	<b>25.02</b>	<b>8.67</b>

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

\*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 flows are affected 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 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Contracted Price	7,964.46	7,941.25
Reduction towards variable consideration components*	(713.54)	(687.09)
<b>Revenue Recognised</b>	<b>7,250.92</b>	<b>7,254.16</b>

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

(₹ in crores)

<b>34 Other Income</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Interest on:</b>		
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
<b>Dividend on:</b>		
Investments in Mutual Funds and Others (at FVTPL)	1.13	11.59
<b>Other Non-Operating Income:</b>		
Windmill Income	1.35	3.21
Insurance claim received	7.47	0.46
Liabilities no longer required written back	0.32	1.59
Rental Income from Leases	2.18	1.38
Net gain arising on financial assets designated as at FVTPL	40.26	109.79
Profit on Sale of Assets (net)	-	2.67
Miscellaneous Income	9.85	6.28
<b>TOTAL</b>	<b>79.40</b>	<b>149.43</b>
<b>35 Cost of Materials Consumed</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> 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
<b>TOTAL</b>	<b>3,017.82</b>	<b>2,997.71</b>
<b>36 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Inventories at the end of the year</b>		
Stock-in-Trade	156.29	111.30
Work-in-Progress	94.98	78.75
Finished Goods	375.70	312.62
<b>Total (A)</b>	<b>626.97</b>	<b>502.67</b>
<b>Acquisition under Business Combinations (refer Note 52B)</b>		
Stock-in-Trade	3.48	-
Finished Goods	2.50	-
<b>Total (B)</b>	<b>5.98</b>	<b>-</b>
<b>Inventories at the beginning of the year</b>		
Stock-in-Trade	111.30	118.63
Work-in-Progress	78.75	84.02
Finished Goods	312.62	321.24
<b>Total (C)</b>	<b>502.67</b>	<b>523.89</b>
<b>TOTAL (C+B-A)</b>	<b>(118.32)</b>	<b>21.22</b>

(₹ in crores)

<b>37 Employee Benefits Expense</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> 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
Staff Welfare Expenses	23.96	28.21
<b>TOTAL</b>	<b>980.86</b>	<b>927.22</b>
<b>38 Finance Costs</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Interest expense on:</b>		
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
<b>TOTAL</b>	<b>37.23</b>	<b>33.60</b>
<b>39 Depreciation, Amortisation and Impairment Expense</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> 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
<b>TOTAL</b>	<b>200.66</b>	<b>169.92</b>



(₹ in crores)

<b>40 Other Expenses</b>			
		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> 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
<b>TOTAL</b>		<b>1,254.56</b>	<b>1,388.73</b>
<b>a. Details of Payments to Auditors of Parent and Subsidiaries (net of taxes)</b>			
a) Auditor		2.20	2.01
b) Tax Makers		0.38	0.21
c) Other Services		0.42	0.33
d) Reimbursement of Expenses		0.02	0.02
<b>TOTAL</b>		<b>3.02</b>	<b>2.57</b>
<b>41 Exceptional Items</b>			
		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> 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	-
<b>TOTAL</b>		<b>3.62</b>	<b>55.19</b>

<b>42 a) Associates and Joint Ventures</b>				
<b>A. (i) Details of Associate</b>				
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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Vinyl Chemicals (India) Ltd	Trading in chemicals	India	40.64%	40.64%
(₹ in crores)				
<b>(ii) Financial information in respect of Associate</b>				
Particulars			For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Group's share of profit			4.62	3.03
Group's share of Other Comprehensive Income			-	-
<b>Group's share of Total Comprehensive Income</b>			<b>4.62</b>	<b>3.03</b>
<b>(iii) Reconciliation with carrying amount of investment</b>				
			As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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
<b>Total Investment</b>			<b>28.11</b>	<b>25.30</b>
<b>B. (i) Details of Associate</b>				
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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Aapkapainter Solutions Private Limited	Painting and Waterproofing Solutions	India	28.89%	-
(₹ in crores)				
<b>(ii) Financial information in respect of Associate</b>				
Particulars			For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Group's share of loss			(0.64)	-
Group's share of Other Comprehensive Income			-	-
<b>Group's share of Total Comprehensive Income</b>			<b>(0.64)</b>	<b>-</b>

(₹ in crores)

<b>(iii) Reconciliation with carrying amount of investment</b>			
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
Net assets excluding dividend adjustment	3.38	-	
Share in accumulated Profits/Reserves (%)	23.89	-	
Share in accumulated Profits/Reserves	(0.64)	-	
Investment in Equity Share Capital	5.00	-	
<b>Total Investment</b>	<b>4.36</b>	<b>-</b>	

**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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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)

<b>(ii) Financial information in respect of Joint Venture</b>			
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	
Group's share of profit/(loss)	-	-	
Group's share of Other Comprehensive Income	-	-	
<b>Group's share of Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	

**42 b) Non-Controlling Interest**

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Balance at the beginning of the year	215.65	207.15
Share of Profit/(Loss) for the year	(5.08)	5.63
Share of Other Comprehensive Income for the year	0.36	0.12
<b>Non-Controlling Interests arising on the acquisition of:</b>		
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	-
<b>Additional Non-Controlling interests arising on increase in capital of:</b>		
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	-
<b>Change in Group Interest:</b>		
Nina Percept Pvt Ltd	(4.49)	-
Pidilite Lanka (Pvt) Ltd	(0.69)	-
<b>Dividend paid to Non-Controlling interests</b>		
Bamco Supply and Services Ltd	-	(0.39)
<b>TOTAL</b>	<b>240.04</b>	<b>215.65</b>

**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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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
<b>TOTAL</b>	<b>(5.08)</b>	<b>5.63</b>	<b>0.36</b>	<b>0.12</b>	<b>240.04</b>	<b>215.65</b>

(₹ in crores)

<b>43 Contingent Liabilities and Commitments</b>		
	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>A) Contingent liabilities not provided for:</b>		
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	<b>60.05</b>	59.96
b) Excise Duty and Service Tax claims disputed by the Group relating to issues of classifications	<b>49.69</b>	51.12
c) Sales Tax (VAT, LBT, Entry Tax and GST) claims disputed by the Group relating to issues of declaration forms and classifications	<b>158.23</b>	167.08
d) Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, open access charges, etc.)	<b>19.73</b>	6.64
2. Guarantees given by Banks in favour of Government and others *	<b>53.16</b>	57.60
* Guarantees given are for business purpose.		
<b>B) Commitments:</b>		
a) Estimated amount of contracts, net of advances, remaining to be executed on Property, Plant and Equipment, investments and not provided for	<b>180.42</b>	206.10
b) For other commitments, refer Note 50 (E) (ii) Financial instruments, Note 45 and Note 54 Leases.		

<b>44 Research &amp; Development Expenditure</b>		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Capital expenditure included in Property, Plant and Equipment	<b>3.69</b>	2.52
Revenue expenditure charged to Consolidated Statement of Profit and Loss	<b>68.62</b>	70.20
<b>TOTAL</b>	<b>72.31</b>	<b>72.72</b>

**45** (a) During the financial 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 waterproofing 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 effect from 17<sup>th</sup> 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 settled by the Company to the Seller as of 31<sup>st</sup> March 2021. A balance amount of ₹ 3.22 crores including Holdback Amount is payable by the Company to the Seller after settlement of the unrealised Net Working Capital.

An amount of the identified Net Working Capital, i.e. Receivables, Inventories, Retention Monies receivables, etc which was not fully realised by 15<sup>th</sup>

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**49 Employee Stock Option Scheme****a) Details of Employee Share Options**

In the Annual General Meeting of the Company held on 24<sup>th</sup> 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 specified 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 2<sup>nd</sup> 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 fixed by the Board or Committee. 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 Committee. 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 8 <sup>th</sup> 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 11 <sup>th</sup> 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 30 <sup>th</sup> 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 23 <sup>rd</sup> 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 13 <sup>th</sup> May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
6 Granted on 29 <sup>th</sup> 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 5 <sup>th</sup>					

## c) Movements in Share Options during the year

	During the year ended 31 <sup>st</sup> March 2021		During the year ended 31 <sup>st</sup> 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 8 <sup>th</sup> November 2017)	-	₹ 1	2,400	₹ 1
- ESOP 2016 (granted on 30 <sup>th</sup> 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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>Financial Assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
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
<b>Measured at amortised cost</b>		
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
<b>Total Financial Assets</b>	<b>2,414.04</b>	<b>3,120.14</b>
<b>Financial Liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
Derivative liabilities towards foreign exchange forward contracts	0.66	0.42
<b>Measured at amortised cost</b>		
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
<b>Total Financial Liabilities</b>	<b>2,376.70</b>	<b>1,577.60</b>

## (C) Financial risk management objectives

The Group's Treasury functions provide services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial 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 fluctuations 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 financial instruments, including derivative financial instruments, for speculative purposes.

## (D) Market risk

The Group's activities expose it primarily to the financial 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)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Amounts recoverable / (advance) in foreign currency on account of the following:</b>				
EUR	24,72,137.16	7,99,474.10	21.28	6.65
USD	1,38,65,843.08	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	-
<b>Amounts (payable)/ advance in foreign currency on account of the following:</b>				
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 31<sup>st</sup> March 2021 (₹ 44,400 as at 31<sup>st</sup> 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 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Impact on profit or loss for the year (a)</b>	<b>(1.21)</b>	1.17

(₹ in crores)

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

(₹ in crores)

	JPY impact	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Impact on profit or loss for the year (c)</b>	<b>(0.01)</b>	(0.01)

- (a) This is mainly attributable to the exposure of outstanding USD receivables and payables at the end of the reporting period.
- (b) This is mainly attributable to the exposure of outstanding EUR receivables and payables at the end of the reporting period.
- (c) This is mainly attributable 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 reflect 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 netted off 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 settlement of these contracts on maturity are by actual delivery of the hedged currency for settling 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)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> 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)	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
USD - Buy	110.34	45.58	(0.48)	1.77
EUR - Buy	-	64.82	-	(0.44)
<b>TOTAL</b>			<b>(0.48)</b>	1.33

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

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

**(F) Credit risk management**

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

The Group has adopted a policy of only dealing with counterparties that have sufficiently 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 financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial 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 difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial 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 financial 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 sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

**(i) Liquidity risk tables**

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

The tables include both interest and principal cash flows. To the extent that interest flows are floating 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
<b>As at 31<sup>st</sup> March 2021</b>					
<b>Non-interest bearing</b>					
- Trade Payables	1,006.74	-	-	1,006.74	<b>1,006.74</b>
- Other Financial Liabilities	890.62	13.63	-	904.25	<b>904.25</b>
	1,897.36	13.63	-	1,910.99	<b>1,910.99</b>
- Lease Liabilities (undiscounted)	34.95	65.20	48.47	148.62	<b>108.39</b>
<b>Fixed interest rate instruments</b>					
- Trade/ Security Deposit received	134.05	-	-	134.05	<b>134.05</b>
<b>Variable interest rate instruments</b>					
- Borrowings	201.51	12.39	-	213.90	<b>213.90</b>
- Current Maturity of Term Loan	8.71	-	-	8.71	<b>8.71</b>
<b>Derivative liabilities towards foreign exchange forward contracts</b>	0.66	-	-	0.66	<b>0.66</b>
<b>As at 31<sup>st</sup> March 2020</b>					
<b>Non-interest bearing</b>					
- 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
<b>Fixed interest rate instruments</b>					
- Trade/ Security Deposit received	123.93	-	-	123.93	123.93
<b>Variable interest rate instruments</b>					
- Borrowings	143.99	25.13	-	169.12	169.12
- Current Maturity of Term Loan	7.10	-	-	7.10	7.10
<b>Derivative liabilities towards foreign exchange forward contracts</b>	0.42	-	-	0.42	0.42
<b>Gross obligation towards acquisition</b>	-	81.23	-	81.23	81.23

**(H) Fair value measurements**

This note provides information about how the Group determines fair values of various financial assets and financial 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 financial assets and financial 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 financial assets and financial 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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020		
1 Investment in Mutual/Alternate Investment Funds, Preference Shares, Debentures and Bonds	<b>Various listed funds - aggregate fair value of ₹ 343.13 crores</b>	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	<b>Assets - ₹ 0.18 crores and liabilities - ₹ 0.66 crores</b>	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	<b>Liabilities - ₹ NIL</b>	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	<b>Aggregate fair value of ₹ 139.13 crores</b>	Aggregate fair value of ₹ 122.48 crores	Level 3	Fair value is derived considering recent financial rounds of investment
5 Investment in Promissory Notes	<b>Aggregate fair value of ₹ 3.68 crores</b>	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 financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



**51 Employee Benefits**

The Group has classified various employee benefits as under:

**(A) Defined Contribution Plans**

- (a) Provident Fund
- (b) Superannuation Fund
- (c) State Defined 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 Defined 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 specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

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

	2020-21	2019-20
<b>Total</b>	( )	

(₹ in crores)

		31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
		Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
<b>(iv)</b>	<b>Expenses recognised in the Consolidated Statement of Profit and Loss</b>				
1	Current Service Cost	9.20	0.59	7.65	0.54
2	Past Service Cost	-	(0.01)	-	-
3	Interest cost on benefit obligation (net)	(0.37)	0.27	(0.17)	0.23
<b>4</b>	<b>Total Expenses recognised in the Consolidated Statement of Profit and Loss</b>	<b>8.83</b>	<b>0.85</b>	<b>7.48</b>	<b>0.77</b>
<b>(v)</b>	<b>Remeasurement Effects recognised in Other Comprehensive Income for the year</b>				
<b>1</b>	<b>Actuarial (Gains)/Loss arising from changes in:</b>				
	- demographic assumption	(0.06)	(0.03)	0.16	(0.04)
	- financial 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	-
<b>3</b>	<b>Recognised in Other Comprehensive Income</b>	<b>1.46</b>	<b>(0.47)</b>	<b>14.28</b>	<b>0.35</b>
<b>(vi)</b>	<b>Actual return on plan assets</b>	<b>4.78</b>	<b>-</b>	<b>5.26</b>	<b>-</b>
<b>(vii)</b>	<b>Sensitivity Analysis</b>				
	Defined Benefit Obligation				
	<b>Discount Rate</b>				
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
	<b>Salary Increase Rate</b>				
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
	<b>Note on Sensitivity Analysis</b>				
1	Sensitivity analysis for each significant actuarial assumptions of the Group which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected 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.				
<b>(viii)</b>	<b>Expected Future Cashflows</b>				
	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
<b>(ix)</b>	<b>Average Expected Future Working Life (yrs)</b>	<b>12.82</b>	<b>6.11</b>	<b>14.76</b>	<b>6.06</b>

<b>52A Subsidiaries</b>				
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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> 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. 16 <sup>th</sup> September 2019)	India	50.00%	50.00%	
ae. Pidilite C-Techos Pvt Ltd (w.e.f. 18 <sup>th</sup> September, 2019)	India	60.00%	60.00%	
af. Pidilite Litokol Pvt Ltd (w.e.f. 7 <sup>th</sup> October 2019) [refer Note 56(c)]	India	60.00%	60.00%	
ag. Pidilite Grupo Puma Manufacturing Ltd (PGPML)* (w.e.f. 13 <sup>th</sup> January 2020) [refer Note 56(d)]	India	50.00%	50.00%	
ah. Nina Percept (Bangladesh) Pvt Ltd*** (w.e.f. 29 <sup>th</sup> January 2020) [refer Note 56(b)]	Bangladesh	71.81%	71.81%	
ai. Pidilite C-Techos Walling Ltd (w.e.f. 5 <sup>th</sup> 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. 28 <sup>th</sup> 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. 4 <sup>th</sup> 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	28 <sup>th</sup> 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 Carpenter and Araseal	3 <sup>rd</sup> November 2020	100%	2,196.46

(₹ in crores)

2 Consideration transferred			
	2020-21	2020-21	
	Tenax Pidilite India Pvt Ltd	Pidilite Adhesives Pvt Ltd	
Cash	68.72	1,988.15	
Contingent consideration (i)	15.94	208.31	
<b>Total (A)</b>	<b>84.66</b>	<b>2,196.46</b>	

- (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			
	2020-21	2020-21	
	Tenax Pidilite India Pvt Ltd	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	
<b>Total Assets Acquired (B)</b>	<b>25.71</b>	<b>1,505.46</b>	

(₹ in crores)

	2020-21	2020-21
	Tenax Pidilite India Pvt Ltd	Pidilite Adhesives Pvt Ltd
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
<b>Total Liabilities taken over (C)</b>	<b>0.26</b>	<b>349.89</b>
<b>Net Assets Acquired (D) = (B)-(C)</b>	<b>25.45</b>	<b>1,155.57</b>
<b>Goodwill (E) = (A) - (D)</b>	<b>59.21</b>	<b>1,040.89</b>

**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 attributed to Tenax Pidilite India Pvt Ltd skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately.

For the period 29<sup>th</sup> May to 31<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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 its 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 attributed to Pidilite Adhesives Pvt Ltd skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately.

For the period 4<sup>th</sup> November to 31<sup>st</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> April 2020.

The financial statements for the year ended 31<sup>st</sup> 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 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	
Deferred Tax Assets (net)	(16.59)	(13.00)	
Deferred Tax Liabilities (net)	398.03	82.29	
<b>TOTAL</b>	<b>381.44</b>	<b>69.29</b>	

## a 2020-21

Deferred tax (Assets)/ Liabilities in relation to:						
	Opening Balance	Acquisition under Busi- ness Combi- nation (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 financial 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 Benefits	(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)
<b>TOTAL</b>	<b>69.29</b>	<b>315.68</b>	<b>(3.52)</b>	<b>(0.28)</b>	<b>0.27</b>	<b>381.44</b>

## b 2019-20

Deferred tax (Assets) / Liabilities in relation to:						
	Opening Balance	Acquisition under Busi- ness Combi- nation (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 financial 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 Benefits	(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)
<b>TOTAL</b>	<b>109.42</b>	<b>-</b>	<b>(36.27)</b>	<b>(3.58)</b>	<b>(0.25)</b>	<b>69.29</b>

(₹ in crores)

2. Income Taxes relating to Continuing Operations		
a Income Tax recognised in Consolidated Statement of Profit and Loss		
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Current Tax</b>		
In respect of the current year	399.88	384.00
In respect of prior years	-	(0.01)
<b>TOTAL</b>	<b>399.88</b>	<b>383.99</b>

**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 effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash flows




**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

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%
Pidilite 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%
Pageel 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 31<sup>st</sup> 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

**Information on Associates**

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

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

**Information on Joint Venture**

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

Name of Joint Venture	Plus Call Technical Services LLC
	(₹ in crores)
1 Latest unaudited Balance Sheet Date	<b>31<sup>st</sup> March 2021</b>
2 Share of Joint Venture held by the Company at the year end	
• Number	<b>57</b>
• Amount of Investment in Joint Venture	<b>0.21</b>
• Extent of Holding %	<b>40.00%</b>
3 Description of how there is significant influence	<b>Not Applicable</b>
4 Reason why Joint Venture is not consolidated	<b>refer Note 2.5</b>
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 OfficerPlace: Mumbai  
Date: 12<sup>th</sup> May 2021



*Obhoy: Fearless*

বিপদে মোরে রক্ষা করো  
এ নহে মোর প্রার্থনা,  
বিপদে আমি না যেন করি ভয়।  
দুঃখতাপে ব্যথিত চিতে  
নাই বা দিলে সাহুনা,  
দুঃখে যেন করিতে পারি জয়।

সহায় মোর না যদি জুটে  
নিজের বল না যেন টুটে,  
সংসারেতে ঘটিলে ক্ষতি,  
লভিলে শুধু বঞ্চনা  
নিজের মনে না যেন মানি ক্ষয়।

রবীন্দ্রনাথ ঠাকুর

It is not my prayer that you save me from all perils  
I pray that I should not fear when faced with odds

Console me not when I am torn with misery  
Grant me instead the will to win against grief

If no help comes forth, let my strength not crumble  
When losses abound and I am deprived of everything  
Let my heart not take this as defeat

*Rabindranath Tagore*



