

KHANNA & PANCHMIA

CHARTERED ACCOUNTANTS

303/304, Shyam Kamal “D”, Tejpal Road, Vile Parle East, Mumbai-400 057

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INDEPENDENT AUDITORS’ REPORT

**To the Members of
ICA Pidilite Private Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **ICA Pidilite Private Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other comprehensive Income) the Cash Flow Statement and the statement of changes in the Equity for the year then ended and a summary of the 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 Ind AS 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 Standard prescribed under section 133 of the Act read together with the Companies (Indian Accounting Standard) Rules, 2015, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, total comprehensive income, its cash flows and changes in the equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Responsibilities for the Audit of the Standalone Ind AS 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 independence requirements that are relevant to our audit of the Standalone Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Information Other than the Standalone Ind AS Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the Standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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.

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

Auditor's Responsibility for the Audit of Standalone Ind AS Financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 And AS 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 Ind AS 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 controls 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 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) 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.
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration under the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under section 197 of the Act is not applicable.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 35 to the Standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

For **Khanna & Panchmia**
Chartered Accountants
Firm Reg. No. 136041W

Place: Mumbai
Date: 03rd May 2021
UDIN # 21038987AAAAFC6514

Devendra Khanna
Partner
Membership No. 038987

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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.
 - b) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (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 such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee, which are covered by the provisions of section 185 and 186 of the Companies Act 2013. Hence, reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to 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 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.
- (vii) (a)According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Goods and Services Tax, Custom duty, Excise duty, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they become payable.

(b) According to information and explanations given to us and the records of the Company examined by us, in our opinion, there were no dues which have not been deposited in respect of Income tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax on account of any dispute except as mentioned below-

Name of Statute	Nature of Dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty and Penalty	24,44,65,267	2016-17 to 2018-19	Cestat

- (viii) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to Bank. The Company has not taken loans from any financial institutions and government nor issued any debentures.
- (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 Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officer/employees has been noticed or reported during the year nor have we been informed about any such case by the Management.
- (xi) According to information and explanations given to us, the Company has not paid/provided any managerial remuneration requiring approvals as mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under clause 3(xi) of the Order is not applicable.
- (xii) As the Company is not Nidhi Company, the reporting under clause 3(xii) of the 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 3(xiv) of the order 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 persons connected with him 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-IA of the Reserve Bank of India Act, 1934.

**For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W**

**Place: Mumbai
Date: 03rd May 2021
UDIN # 21038987AAAAFC6514**

**Devendra Khanna
Partner
Membership No. 038987**

Annexure "B" to the Independent Auditor's Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls 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 **ICA Pidilite Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 (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 information and explanations given to us, the Company has, in all materials respects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 2021 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.

**For Khanna & Panchmia
Chartered Accountants
Firm Reg. No. 136041W**

**Place: Mumbai
Date: 03rd May 2021
UDIN # 21038987AAAAFC6514**

**Devendra Khanna
Partner
Membership No. 038987**

ICA PIDILITE PRIVATE LIMITED
Statement of Profit and Loss For The Year Ended 31st March 2021.

(Amount in Rs.)

Particulars	Note No.	For the year ended	
		For the year ended	For the year ended
		31st March 2021	31st March 2020
INCOME			
Revenue from Operations	25	1,78,21,49,406	1,85,44,94,371
Other Income	26	81,44,548	30,13,203
Total Income		1,79,02,93,954	1,85,75,07,574
EXPENSES			
Cost of Materials Consumed	27	93,38,56,349	89,20,80,112
Purchases of Stock-in-Trade (Traded goods)	28	9,24,89,295	18,92,97,409
Changes in inventories of Finished Goods, Work-in-Progress and St Work-in-Progress and Stock-in-Trade	29	(2,59,35,368)	(1,90,95,373)
Employee Benefits Expense	30	25,59,45,402	24,46,54,613
Finance Costs	31	37,95,926	51,13,269
Depreciation and Amortization Expense	32	22,47,49,874	22,88,57,008
Other Expenses	33	25,48,90,929	29,61,06,541
Total Expenses		1,73,97,92,407	1,83,70,13,577
Profit / (Loss) before Exceptional Items and Tax (Add) / Less : Exceptional Items (net)		5,05,01,546	2,04,93,996
Profit / (Loss) before Tax		5,05,01,546	2,04,93,996
Tax Expense			
Current Tax			
Deferred Tax		1,32,76,756	51,91,961
Net Tax expense		1,32,76,756	51,91,961
Profit/ (Loss) for the year		3,72,24,790	1,53,02,035
Other Comprehensive Income Items that will not be reclassified to profit or loss			
Actuarial Gains/(Losses)	34	(7,65,471)	(18,49,374)
Income tax relating to items that will not be reclassified to profit or loss	34	1,92,654	4,80,837
Total Other Comprehensive Income		(5,72,817)	(13,68,537)
Total Comprehensive Income		3,66,51,973	1,39,33,498
Earnings per share			
Basic (Rs.)	37	5.10	2.09
Diluted (Rs.)	37	5.10	2.09
Face Value of Share (Re)		10.00	10.00
Significant Accounting Policies	1 to 2		
See accompanying notes forming part of the financial statements	3 to 48		
In terms of our Report attached For Khanna & Panchmia Chartered Accountants Firm Reg.No:136041W DEVENDRA KHANNA A KHANNA Devendra Khanna Partner Membership No. 38987		FOR AND ON BEHALF OF THE BOARD OF DIRECTORS BHARAT TILAKRAJ PURI Digitally signed by BHARAT TILAKRAJ PURI Date: 2021.05.03 20:57:37 +05'30' BHARAT PURI Director	PRABHA KAR JAIN Digitally signed by PRABHAKAR JAIN Date: 2021.05.03 20:59:23 +05'30' PRABHAKAR JAIN Director
			Charmi atul kanojia Digitally signed by Charmi atul kanojia Date: 2021.05.03 20:50:49 +05'30' Company Secretary
Place: Mumbai Date : 3rd May 2021			

ICA PIDILITE PRIVATE LIMITED
Balance Sheet as at 31st March, 2021

Particulars	Note No.	(Amount in Rs.)	(Amount in Rs.)
		As at 31.03.2021	As at 31.3.2020
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	87,86,43,354	92,09,50,063
(b) Right of Use of Assets	3a	2,01,22,087	3,59,91,086
(c) Capital Work-In-Progress		12,63,157	15,18,549
(d) Goodwill	4	2,07,86,534	2,07,86,534
(e) Other Intangible Assets	5	84,41,36,792	99,72,51,186
(f) Financial Assets			
(i) Others	6	1,34,37,563	1,34,79,773
(g) Income Tax Assets (net)	7	8,25,657	45,712
(h) Deferred Tax Assets (net)	8	2,71,88,577	4,02,72,680
(i) Other Non current Non financial Assets	9	16,76,182	2,66,730
Total Non Current Assets		1,80,80,79,904	2,03,05,62,312
Current Assets			
(a) Inventories	10	34,27,89,123	27,43,76,977
(b) Financial Assets			
(i) Investments	11	3,10,23,450	4,50,96,376
(ii) Trade Receivables	12	51,26,55,405	39,57,23,913
(iii) Cash and cash equivalents	13	28,20,53,432	5,56,01,708
(iv) Loans	14	42,03,675	48,38,576
(c) Other Current Assets	15	4,16,22,126	5,05,10,845
Total Current Assets		1,21,43,47,210	82,61,48,396
TOTAL ASSETS		3,02,24,27,114	2,85,67,10,708
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	7,30,56,000	7,30,56,000
(b) Other Equity	17	2,40,51,83,358	2,36,85,31,385
Total Equity		2,47,82,39,358	2,44,15,87,385
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	18	74,57,947	1,21,38,832
(b) Provisions	19	1,48,14,965	1,12,37,482
Total Non Current Liabilities		2,22,72,911	2,33,76,314
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
Total outstanding dues of micro and small enterprises	20	12,73,07,930	7,53,50,245
Total outstanding dues of others	20	17,65,81,529	10,65,92,389
(ii) Lease Liabilities	21	1,48,01,978	2,55,33,459
(iii) Others	22	19,40,33,497	17,72,85,587
(b) Other Current Liabilities	23	78,80,776	58,64,753
(c) Provisions	24	13,09,135	11,20,576
Total Current Liabilities		52,19,14,845	39,17,47,009
TOTAL EQUITY AND LIABILITIES		3,02,24,27,114	2,85,67,10,708

Corporate Information & Significant Accounting Policies 1 to 2
See accompanying notes forming part of the financial statements .

In terms of our Report attached
For Khanna & Panchmia

Chartered Accountants
Firm Reg.No:136041W
DEVENDR
A
KHANNA
Date: 2021.05.03
21:06:43 +05'30'
Devendra Khanna
Partner
Membership No. 38987

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT
TILAKRAJ
PURI
Digitally signed by
BHARAT TILAKRAJ
PURI
Date: 2021.05.03
20:57:55 +05'30'

PRABHA
KAR JAIN
Digitally signed by
PRABHAKAR
JAIN
Date: 2021.05.03
20:59:55 +05'30'

BHARAT PURI
Director

PRABHAKAR JAIN
Director

Charmi atul
kanojia
Digitally signed by
Charmi atul kanojia
Date: 2021.05.03
20:51:49 +05'30'

Company Secretary

Place: Mumbai
Date : 3rd May 2021

Place: Mumbai
Date : 3rd May 2021

ICA PIDILITE PRIVATE LIMITED

STATEMENT OF CASH FLOW

Particulars	For the year ended 31st March 2021		For the year ended 31st March 2020	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		5,05,01,546		2,04,93,996
Adjustments for:				
Depreciation and amortization expense	22,47,49,874		22,88,57,008	
Earout Reversal	-		0	
Provision for employee benefits				
Provision for warranty expense				
Interest income	-		0	
Unrealised foreign exchange loss				
Net gain on sale of Current Investments	(3,03,022)		(3,95,832)	
Provision for Doubtful Debts	41,87,864		37,95,639	
Finance costs	37,95,926		51,13,269	
		23,24,30,642		23,73,70,083
Operating profit before working capital changes		28,29,32,188		25,78,64,080
Movement in working capital:				
<i>(Increase) / decrease in operating assets:</i>				
Inventories	(6,84,12,146)		6,88,91,213	
Trade receivables	(12,11,19,356)		(53,87,759)	
Other financial Current assets	6,34,901		(24,90,201)	
Other financial Non Current assets	42,210		(14,06,397)	
Other Current Assets	88,88,720		5,21,87,283	
Other non current assets	(14,09,452)		24,97,107	
		(18,13,75,123)		11,42,91,245
<i>Increase / (decrease) in operating liabilities:</i>				
Trade payables	12,19,46,824		(14,02,66,628)	
Lease Liability	(1,07,31,481)		2,55,33,459	
Other Current Financial liabilities	1,67,47,910		(5,87,70,776)	
Other Current Liabilities	22,04,583		(24,05,788)	
Other Non-Current Liabilities	(11,03,403)		1,56,69,781	
Other Non Current Financial liabilities				
		12,90,64,434		(16,02,39,952)
Cash generated from / (used in) operations		23,06,21,499		21,19,15,373
Net income tax paid	(7,79,945)	(7,79,945)	44,49,371	44,49,371
Net cash used in operating activities (A)		22,98,41,553		21,63,64,744
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital Right to use of Assets	(1,05,84,568)		(2,64,79,002)	
Profit on sale of investments	(26,19,813)		(5,01,65,358)	
Interest received	3,03,022		3,95,832	
Interest received	-		-	
Sales/(Purchase) in Investment	1,33,07,455		(4,67,64,083)	
Realisation/Investment in Deposits/Realisaton	-	4,06,096	-	(12,30,12,610)
Net cash used in investing activities (B)		4,06,096		(12,30,12,610)
C. Cash flow from financing activities				
Net Proceeds from Issue of equity share capital	-		-	
Share issue expenses paid	-		-	
Net Proceeds from short-term borrowings	-		-	
Finance costs	(37,95,926)		(51,13,269)	
		(37,95,926)		(51,13,269)
Net cash generated from financing activities (C)		(37,95,926)		(51,13,269)
Net increase in Cash and cash equivalents (A+B+C)		22,64,51,724		8,82,38,865
Cash and cash equivalents at the beginning of the year		5,56,01,708		(3,26,37,157)
Cash and cash equivalents at the end of the year (Refer Note 13)		28,20,53,432		5,56,01,708

In terms of our Report attached

For Khanna & Panchmia

Chartered Accountants

DEVENDRA KHANNA
 Digitally signed
 by DEVENDRA
 KHANNA
 Date: 2021.05.03
 21:07:25 +05'30'

Devendra Khanna
 Partner
 Membership No. 38987

Place: Mumbai
 Date : 3rd May 2021

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT
 TILAKRAJ
 PURI
 Digitally signed by
 BHARAT TILAKRAJ PURI
 Date: 2021.05.03 20:58:26
 +05'30'

BHARAT PURI
 Director

PRABHAKAR JAIN
 Digitally signed by
 PRABHAKAR JAIN
 Date: 2021.05.03
 20:58:48 +05'30'

PRABHAKAR JAIN
 Director

Charmi atul
 kanojia
 Digitally signed by
 Charmi atul kanojia
 Date: 2021.05.03
 20:53:22 +05'30'

Company Secretary

ICA PIDILITE PRIVATE LIMITED

Statement of changes in Equity
For the year ended 31st March,2021

(Amount in Rs.)

a. Equity Share Capital	Amount
Balance at March 31, 2019	7,30,56,000
<u>Changes in equity share capital during the year</u>	
- Issue of equity shares during the year	-
Balance at March 31, 2020	7,30,56,000
<u>Changes in equity share capital during the year</u>	
- Issue of equity shares during the year	-
Balance at March 31, 2021	7,30,56,000

(Amount in Rs.)

b. Other Equity	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance at March 31, 2019	2,48,65,92,000	(13,19,94,113)	2,35,45,97,887
Profit /(Loss) for the year		1,53,02,035	1,53,02,035
On Issue of equity shares during the year	-		-
Other comprehensive income for the year, net of income tax	-	(13,68,537)	(13,68,537)
Balance at March 31, 2020	2,48,65,92,000	(11,80,60,615)	2,36,85,31,385
Profit /(Loss) for the year		3,72,24,790	3,72,24,790
On Issue of equity shares during the year	-		-
Other comprehensive income for the year, net of income tax	-	(5,72,817)	(5,72,817)
Balance at March 31, 2021	2,48,65,92,000	(8,14,08,642)	2,40,51,83,358

1.0 Corporate Information

ICA Pidilite Private Limited (Referred to as "The company" is engaged in the business of Woodcoatings & Woodfinishes.

The Company is a Private Limited company incorporated and domiciled in India and having its registered office situated at 403 / 404, 4th floor, Satellite Silver Building, Near Marol Metro Station, Andheri Kurla Road, Andheri (East), Mumbai – 400059.. The company is a Joint venture between Pidilite Industries Ltd (PIL Group) and Industria Chimica Adritica Spa (ICA), Italy, wherein PIL group is holding 50% of its Share holding and 45% of share holding is held by ICA, Italy

In May 2018, the company has acquired the Woodfin Business from Pidilite Industries Ltd.

2.0 Significant Accounting Policies

2.1 Basis of preparation and presentation

The 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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

a. Certain Financial Assets / Liabilities – at Fair value

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Rupee.

2.2 Revenue recognition

Revenue is recognised when the company performance obligation is satisfied. The primary performance obligation is satisfied upon shipment or dispatch of products to the customers, which is also when the control of products is transferred. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the Fair Value of the consideration received or receivable, net of returns, rebates and discounts.

Sale of goods

Revenue from sale of goods is recognised when all significant risk and rewards of ownership of the goods are transferred to the buyer, which generally coincides with dispatch of goods. It excludes GST. It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

2.3 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the company'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. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

2.4 Taxation

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

2.5.1 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.

2.5.2 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or 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.

2.6 Property, plant and equipment

2.6.1 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, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of such self-constructed item includes professional fees. Such properties are classified 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.

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 recognised in profit or loss in the year of occurrence.

2.6.2 Depreciation

Depreciation is provided 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. 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.

Based on the technical evaluation, the Company estimates useful lives of items of property, plant and equipment which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. Estimated useful lives of the property, plant and equipment are as follows:

Type of Assets	Useful Life
Buildings	30 years
Plant & Machinery	1-20 Years
Vehicles	8-10 Years
Furniture & Fixtures	5-10 Years
Office Equipments	3-6 Years

2.7 Intangible Assets

2.7.1 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are reported at cost less accumulated amortisation & accumulated impairment losses, if any.

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.

2.7.2 Useful lives of intangible assets

Estimated useful lives of the Intangible assets are as follows:

Type of Assets	Useful Life
Trade Mark	10 Years
Computer Software	3-6 Years
Technology Transfer	10 Years
Business Right in the Form of Technical Knowledge for Product Usage	10 Years
Non Compete Fees	10 Years
Commercial knowhow	10 Years
Commercial Right in the Form of Marketing Exclusivity	10 Years

2.7.3 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 asset 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.

2.8 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 an 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 immediately in profit or loss.

2.9 Inventories

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

Cost of inventories is determined on weighted average basis. 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.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions (excluding retirement benefits & Earn out Compensation) are not discounted to their present value and 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.

Contingent liabilities are not recognised but disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed in the Notes to the Financial Statements, where an inflow of economic benefits is probable.

2.11 Financial instruments

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

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 immediately in profit or loss.

2.11.1 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 FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.11.2 Impairment of financial assets

The Company applies expected credit loss model for recognizing impairment loss on financial assets like trade receivables, financial assets measured at amortised cost, lease receivables and other contractual rights to receive cash or other financial assets. 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.

2.11.3 Financial Liabilities

All financial liabilities are measured at amortised cost using effective interest method at the end of subsequent reporting periods. Interest expense is included in the Finance costs line item.

2.11.4 Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired.

2.11.5 Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.12 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short- term investments net of bank overdrafts with an original maturity of three months or less.

2.13 Employee benefits

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Employee Medical Insurance and Anniversary Awards.

2.13.1 Defined contribution plans

The Company's contribution to Provident Fund 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.

2.13.2 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. Re-measurement, 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. Re-measurement 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.

2.13.3 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 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 up to the reporting date.

2.14 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. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements. 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. The effect of change in an accounting estimate is recognised prospectively in the period of change, if the change affects that period only or in the period of the change and future periods if the change affects both current and future periods.

2.15 Critical accounting judgements and key sources of estimation uncertainty

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.

3.0 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

3.1 Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

3.2 The Company's lease asset classes primarily consist of leases for plant and machinery 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 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 Company 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 recognized 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 discount edusing 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.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The Company has used the following practical expedients when applying the modified retrospective approach to leases previously classified as operating leases applying Ind AS 17.

- Applied single discount rate to a portfolio of leases with reasonably similar characteristics.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IndAS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under annual standalone financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.65%

3.2 Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements.

3. Property, plant and equipment

(Amount in Rs.)

Carrying amounts of:	31st March 2021	31st March 2020
Freehold land	10,49,51,000	10,49,51,000
Building & Civil	38,49,21,339	39,81,03,659
Plant & Machinery	36,37,91,623	38,97,86,957
Vehicles	19,21,196	22,06,441
Furniture & Fixtures	1,36,65,066	1,55,17,729
Office Equipments	93,93,131	1,03,84,277
Total	87,86,43,354	92,09,50,063

Cost (Gross Block)	Free holdLand	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance as at 1st April, 2019	10,49,51,000	41,90,28,795	41,74,95,373	24,72,528	1,94,98,834	1,40,03,448	97,74,49,978
Acquisitions		66,48,686	2,72,76,373	6,07,994.54	20,60,725	29,15,169	3,95,08,948
Disposal / Adjustment		(64,75,803)	(88,06,536)	(18,960)	(22,724)	(98,771)	(1,54,22,793)
Balance at March 31, 2020	10,49,51,000	41,92,01,679	43,59,65,210	30,61,563	2,15,36,834	1,68,19,846	1,00,15,36,133
Acquisitions	-	96,612	63,19,660	250	1,90,050	18,81,235	84,87,807
Balance at March 31, 2021	10,49,51,000	41,92,98,291	44,22,84,870	30,61,813	2,17,26,884	1,87,01,081	1,01,00,23,940

Accumulated depreciation	Free holdLand	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance as at 1st April, 2019	-	78,37,181	1,49,83,469	6,30,381	41,22,570	36,48,334	3,12,21,935
Depreciation expense		1,34,30,880	3,13,41,154	2,25,211	19,03,852	28,11,937	4,97,13,033
Disposal / Adjustment	-	(1,70,040)	(1,46,370)	(469)	(7,316)	(24,702)	(3,48,897)
Balance at March 31, 2020	-	2,10,98,020	4,61,78,253	8,55,122	60,19,105	64,35,569	8,05,86,070
Depreciation expense	-	1,32,78,932	3,23,14,995	2,85,495	20,42,713	28,72,381	5,07,94,515
Balance at March 31, 2021	-	3,43,76,952	7,84,93,247	11,40,617	80,61,819	93,07,950	13,13,80,585

Carrying amount (Net Block)	Free holdLand	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance as at 1st April, 2019	10,49,51,000	41,11,91,615	40,25,11,904	18,42,148	1,53,76,264	1,03,55,113	94,62,28,044
Additions	-	66,48,686	2,72,76,373	6,07,995	20,60,725	29,15,169	3,95,08,948
Adjustment/Disposal		(64,75,803)	(88,06,536)	(18,960)	(22,724)	(98,771)	(1,54,22,793)
Depreciation expense	-	1,32,60,840	3,11,94,784	2,24,742	18,96,536	27,87,235	4,93,64,136
Balance at March 31, 2020	10,49,51,000	39,81,03,659	38,97,86,957	22,06,441	1,55,17,729	1,03,84,277	92,09,50,063
Additions	-	96,612	63,19,660	250	1,90,050	18,81,235	84,87,807
Depreciation expense	-	1,32,78,932	3,23,14,995	2,85,495	20,42,713	28,72,381	5,07,94,515
Balance at March 31, 2021	10,49,51,000	38,49,21,339	36,37,91,623	19,21,196	1,36,65,066	93,93,131	87,86,43,354

ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements.

4. Goodwill (Amount in Rs.)

	31st March 2021	31st March 2020
Cost	2,07,86,534	2,07,86,534
Accumulated impairment losses		
Total	2,07,86,534	2,07,86,534

Cost	31st March 2021	31st March 2020
Balance at beginning of year	2,07,86,534	2,07,86,534
Additional amounts recognised during the year	-	-
Balance at end of year	2,07,86,534	2,07,86,534

5. Other Intangible assets

Carrying amounts of	31st March 2021	31st March 2020
Trade Mark	21,93,91,512	25,38,33,632
Computer Software	1,63,26,958	1,95,66,787
Technical Knowhow	25,31,87,333	29,78,13,823
Non Compete Fees	25,41,096	30,41,096
Commercial knowhow	22,34,43,904	26,83,18,711
Commerical Right in the Form of Marketing Exclusivity	12,92,45,989	15,46,77,140
	84,41,36,792	99,72,51,189

Cost (Gross block)	Trade Mark	Computer Software	Technical Knowhow	Non Compete Fees	Commercial knowhow- Distribution Network	Commerical Right in the Form of Marketing Exclusivity	Total
Balance as at 1st April, 2019	34,44,21,207	2,93,00,606	44,62,64,907	50,00,000	44,87,48,073	25,43,11,508	1,52,80,46,301
Other Additions	-	8,74,300	-	-	-	-	8,74,300
Balance at March 31, 2020	34,44,21,207	3,01,74,906	44,62,64,907	50,00,000	44,87,48,073	25,43,11,508	1,52,89,20,601
Other Additions	-	23,52,152	-	-	-	-	23,52,152
Balance at March 31, 2021	34,44,21,207	3,25,27,057	44,62,64,907	50,00,000	44,87,48,073	25,43,11,508	1,53,12,72,752

Accumulated amortisation and impairment	Trade Mark	Computer Software	Technical Knowhow	Non Compete Fees	Commercial knowhow- Distribution Network	Commerical Right in the Form of Marketing Exclusivity	Total
Balance as at 1st April, 2019	5,61,45,455	54,79,303	10,38,24,594	14,58,904	12,52,39,337	7,42,03,220	36,63,50,813
Amortisation expense	3,44,42,120	51,28,816	4,46,26,490	5,00,000	5,51,90,025	2,54,31,148	16,53,18,599
Balance at March 31, 2020	9,05,87,575	1,06,08,119	14,84,51,084	19,58,904	18,04,29,362	9,96,34,368	53,16,69,412
Amortisation expense	3,44,42,120	55,91,980	4,46,26,490	5,00,000	4,48,74,807	2,54,31,151	15,54,66,548
Balance at March 31, 2021	12,50,29,695	1,62,00,099	19,30,77,574	24,58,904	22,53,04,169	12,50,65,519	68,71,35,960

Carrying amount (Net Block)	Trade Mark	Computer Software	Technical Knowhow	Non Compete Fees	Commercial knowhow- Distribution Network	Commerical Right in the Form of Marketing Exclusivity	Total
Balance as at 1st April, 2019	28,82,75,752	2,38,21,303	34,24,40,313	35,41,096	32,35,08,736	18,01,08,288	1,16,16,95,488
Other Additions	-	8,74,300	-	-	-	-	8,74,300
Amortisation expense	3,44,42,120	51,28,816	4,46,26,490	5,00,000	5,51,90,025	2,54,31,148	16,53,18,599
Balance at March 31, 2020	25,38,33,632	1,95,66,787	29,78,13,823	30,41,096	26,83,18,711	15,46,77,140	99,72,51,192
Other Additions	-	23,52,152	-	-	-	-	23,52,152
Amortisation expense	3,44,42,120	55,91,980	4,46,26,490	5,00,000	4,48,74,807	2,54,31,151	15,54,66,548
Balance at March 31, 2021	21,93,91,512	1,63,26,958	25,31,87,333	25,41,096	22,34,43,904	12,92,45,989	84,41,36,792

5. Right of use assets

Carrying amounts of	As at 31st March 2021	As at 31st March 2020
Other Building	1,94,58,182	3,50,52,746
Plant & equipment	6,63,905	9,38,340
TOTAL	2,01,22,087	3,59,91,086

Cost (Gross block)	Other Building	Plant & equipment	Total
Balance at March 31, 2019	-	-	-
Other Additions	4,89,51,832	12,13,526	5,01,65,357
Other Deletions	-	-	-
Balance at March 31, 2020	4,89,51,832	12,13,526	5,01,65,357
Other Additions	37,48,826	-	37,48,826
Other Deletions	11,29,013	-	11,29,013
Balance at March 31, 2021	5,15,71,644	12,13,526	5,27,85,170

Accumulated amortisation and impairment	Other Building	Plant & equipment	Total
Balance at March 31, 2019	-	-	-
Amortisation expense	1,38,99,086	2,75,186	1,41,74,272
Balance at March 31, 2020	1,38,99,086	2,75,186	1,41,74,272
Amortisation expense	1,82,14,377	2,74,434	1,84,88,811
Balance at March 31, 2021	3,21,13,463	5,49,620	3,26,63,083

Carrying amount (Net Block)	Other Building	Plant & equipment	Total
Balance at March 31, 2019	-	-	-
Additions	4,89,51,832	12,13,526	5,01,65,357
Amortisation expense	1,38,99,086	2,75,186	1,41,74,272
Balance at March 31, 2020	3,50,52,746	9,38,340	3,59,91,086
Additions	37,48,826	-	37,48,826
Other Deletions	11,29,013	-	11,29,013
Amortisation expense	1,82,14,377	2,74,434	1,84,88,811
Balance at March 31, 2021	1,94,58,182	6,63,905	2,01,22,087

ICA Pidlite Pvt.Ltd
Notes forming part of financial statements.

6 Other Financial Assets-Non Current		
	As at 31.03.2021	As at 31.3.2020
Unsecured, considered good		
Security deposits	1,34,37,563	1,34,79,773
TOTAL	1,34,37,563	1,34,79,773
7 Income Tax Assets (net) Non Current		
	As at 31.03.2021	As at 31.3.2020
Advance Income Tax (Net of Provisions)-Non Current	8,25,657	45,712
TOTAL	8,25,657	45,712
8 Deferred Tax Assets (Net)		
	As at 31.03.2021	As at 31.3.2020
Deferred Tax Assets (net)	2,71,88,577	4,02,72,680
TOTAL	2,71,88,577	4,02,72,680
9 Other Non current Non financial Assets		
	As at 31.03.2021	As at 31.3.2020
Advance to Capital Vendors	16,76,182	2,66,730
TOTAL	16,76,182	2,66,730
10 Inventories (At lower of cost and net realizable value)		
	As at 31.03.2021	As at 31.3.2020
Raw Material & Packing Material *	13,45,31,796	9,20,55,018
Stock in Trade	6,05,72,411	6,60,10,370
Finished Goods	14,76,84,917	11,63,11,589
TOTAL	34,27,89,123	27,43,76,977
* Includes Goods in transit.		
11 Financial Assets - Investments - Current		
	As at 31.03.2021	As at 31.3.2020
Current Investments (at fair value)		
Units of ICICI Prudential Overnight Fund Direct Plan Growth	-	4,50,96,376
Units of ICICI Prudential Liquid- Direct Growth	3,10,23,450	-
TOTAL	3,10,23,450	4,50,96,376
12 Trade Receivables		
	As at 31.03.2021	As at 31.3.2020
Unsecured, considered good	51,26,55,405	39,57,23,913
Considered Doubtful	2,67,89,119	2,26,01,255
	53,94,44,524	41,83,25,168
Less: Allowances for Expected Credit Loss	2,67,89,119	2,26,01,255
TOTAL	51,26,55,405	39,57,23,913

The average credit period on sales of goods is 60 days. No interest is charged on trade receivables.

ICA Pidlite Pvt.Ltd

13 Cash and Cash Equivalents

	As at 31.03.2021	As at 31.3.2020
Cash on Hand	40,923	43,210
Balances with banks		
In Fixed Deposits	22,29,62,199	2,75,19,140
In Current Account	5,90,50,310	2,80,39,358
TOTAL	28,20,53,432	5,56,01,708
Cash and cash equivalents as above	28,20,53,432	5,56,01,708
Cash Credit with ICICI Bank as per notes no.20	-	-
Balance as per cash flow statement	28,20,53,432	5,56,01,708

14 Loans

	As at 31.03.2021	As at 31.3.2020
Unsecured		
Loans to Staff	42,03,675	48,38,576
Considered Doubtful	-	5,03,099
	42,03,675	53,41,675
Less: Allowances for Expected Credit Loss	-	5,03,099
TOTAL	42,03,675	48,38,576

15 Other Current Assets(Non Financial)

	As at 31.03.2021	As at 31.3.2020
Unsecured, considered good		
Prepaid Expenses	20,47,059	31,12,527
Balances with Government Authorities	3,19,68,173	2,98,56,476
Advance to Suppliers/others	76,06,894	1,75,41,842
TOTAL	4,16,22,126	5,05,10,845

ICA Pidilite Pvt.Ltd
Notes forming part of financial statements.

16 Equity Share Capital

	As at 31.03.2021	As at 31.3.2020
Authorised Capital :		
90,00,000 Equity Shares of Rs.10 each (90,00,000 Equity shares @ Rs.10 Each)	9,00,00,000	9,00,00,000
TOTAL	9,00,00,000	9,00,00,000
Issued, Subscribed and Paid up Capital :		
73,05,600 Equity Shares of Rs10 each, fully paid-up (73,05,600/ Equity shares of Rs 10 each,fully paid up)	7,30,56,000	7,30,56,000
TOTAL	7,30,56,000	7,30,56,000

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

	As at 31.03.2021		As at 31st March 2020	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	73,05,600	7,30,56,000	73,05,600	7,30,56,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	73,05,600	7,30,56,000	73,05,600	7,30,56,000

b. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of 10/- per share. Each holder of equity shares is entitled to one vote per shares.

c. Details of shareholders holding more than 5% shares in the Company:

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Ltd	35,94,964	49.21%	35,94,964	49.21%
Industria Chimica Adritica Spa	32,87,520	45.00%	32,87,520	45.00%

d. No equity shares were allotted without payment being received in cash.

e. The Company does not have any stock option plans. The parent company M/s.Pidilite Industries Ltd (PIL) however provide ESOP to certain Employees of the company. Refer Note.No.30

17 Other Equity

	As at 31.03.2021	As at 31.3.2020
Securities Premium Account		
Balance as per last financial statements	2,48,65,92,000	2,48,65,92,000
Add : Premium on Shares issued during the year	-	-
Closing Balance	2,48,65,92,000	2,48,65,92,000
Retained Earnings		
Balance as per last financial statements	(11,80,60,615)	(13,19,94,113)
Add: Profit / (Loss) for the year	3,66,51,973	1,39,33,498
Closing Balance	(8,14,08,642)	(11,80,60,615)
TOTAL	2,40,51,83,358	2,36,85,31,385

18 Lease Liabilities

	As at 31.03.2021	As at 31.3.2020
Non Current Borrowings	74,57,947	1,21,38,832
TOTAL	74,57,947	1,21,38,832

ICA Pidilite Pvt.Ltd
Notes forming part of financial statements.

19 Provisions

	As at 31.03.2021	As at 31.3.2020
Provision for Employee Benefits (Refer Note 39)		
Gratuity	1,06,69,739	81,16,107
Compensated absences	41,45,226	31,21,375
TOTAL	1,48,14,965	1,12,37,482

20 Trade Payables

	As at 31.03.2021	As at 31.3.2020
Total Outstanding dues to Micro Enterprises & Small Enterprises (Refer Note 40)	12,73,07,930	7,53,50,245
Total Outstanding dues to creditors other than Micro Enterprises & Small Enterprises	17,65,81,529	10,65,92,389
TOTAL	30,38,89,459	18,19,42,634

21 Lease Liabilities

	As at 31.03.2021	As at 31.3.2020
Current Borrowings	1,48,01,978	2,55,33,459
TOTAL	1,48,01,978	2,55,33,459

22 Other Current Financial Liabilities

	As at 31.03.2021	As at 31.3.2020
Trade/ Security Deposit received	10,75,000	-
Liabilities for Expenses	18,38,20,240	16,92,06,871
Employee related liabilities	56,48,669	29,67,090
Payables on purchase of fixed assets	34,89,588	51,11,626
TOTAL	19,40,33,497	17,72,85,587

23 Other Current Non Financial Liabilities

	As at 31.03.2021	As at 31.3.2020
Advance from customers	9,09,490	10,52,713
Statutory Remittances*	69,71,287	48,12,039
TOTAL	78,80,776	58,64,753

* includes TDS & GST

24 Current Provisions

	As at 31.03.2021	As at 31.3.2020
Provision for Employee Benefits (Refer Note 39)		
Gratuity	6,83,022	4,92,848
Compensated absences	6,26,113	6,27,728
TOTAL	13,09,135	11,20,576

ICA Pidilite Pvt.Ltd
Notes forming part of financial statements.

25 Revenue From Operations

		(Amount in Rs.)	
		For the year ended	For the year ended
		31.03.2021	31.3.2020
Revenue From Operations (Gross)			
Sale of Products			
Finished Goods		1,65,29,95,901	1,59,79,72,580
Traded Goods		12,70,55,358	25,44,17,111
	TOTAL (A)	1,78,00,51,259	1,85,23,89,691
Other Operating Revenue			
Scrap Sales		20,98,147	21,04,679
	TOTAL (B)	20,98,147	21,04,679
Revenue from operations (Gross) (A+B)			
	TOTAL	1,78,21,49,406	1,85,44,94,371

26 Other Income

		(Amount in Rs.)	
		For the year ended	For the year ended
		31.03.2021	31.3.2020
Interest on:			
Bank Deposit		29,97,917	1,97,022
Net Gain on Sale of :			
Current Investments		3,03,022	3,95,832
Other Non-Operating Income:			
Sales of Power Generated		1,35,901	42,756
Comission Received		5,28,596	6,94,549
Net gain/(loss) arising on financial assets / Liabilities designated as at FVTPL		6,25,572	9,810
Miscellaneous Income		35,53,540	16,73,234
	TOTAL	81,44,548	30,13,203

27 Cost of Materials Consumed

		(Amount in Rs.)	
		For the year ended	For the year ended
		31.03.2021	31.3.2020
Inventory at the beginning of the year			
		9,20,55,018	18,00,41,604
Add : Purchases *			
		97,63,33,127	80,40,93,527
		1,06,83,88,145	98,41,35,131
Less : Inventory at the end of the year *			
		13,45,31,796	9,20,55,018
	TOTAL	93,38,56,349	89,20,80,112

* Includes Goods in transit

Details of Materials Consumed

		For the year ended	For the year ended
		31.03.2021	31.3.2020
Chemicals		93,38,56,349	89,20,80,112
	TOTAL	93,38,56,349	89,20,80,112

28 Details of Purchase of Stock in Trade

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Chemicals	9,24,89,295	18,92,97,409
TOTAL	9,24,89,295	18,92,97,409

29 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Inventories at end of the year		
Stock-in-Trade	6,05,72,411	6,60,10,370
Finished Goods	14,76,84,917	11,63,11,589
(A)	20,82,57,327	18,23,21,959
Inventories at beginning of the year		
Stock-in-Trade	6,60,10,370	8,70,93,190
Finished Goods	11,63,11,589	7,61,33,395
(B)	18,23,21,959	16,32,26,586
(B)-(A)	-2,59,35,368	(1,90,95,373)
TOTAL	(2,59,35,368)	(1,90,95,373)

30 Employee Benefits Expense

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Salaries and Wages	23,82,60,672	22,67,04,451
Contribution to Provident and Other Funds	1,02,44,410	95,10,966
Gratuity	27,73,137	19,51,681
ESOP*	-	11,23,537
Staff Welfare Expenses	44,77,803	53,63,978
TOTAL	25,52,99,111	24,46,54,613

* ESOP given by Parrent Company to our employee. The value of cross charges shown above

31 Finance Costs

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Interest expense on:		
Interest on lease liabilities	27,15,023	27,84,868
Others	10,80,903	23,28,401
TOTAL	37,95,926	51,13,269

32 Depreciation and Amortization Expense

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Depreciation on Tangible Assets (Refer Note 3)	5,07,94,515	4,93,64,135
Amortization of Intangible Assets (Refer Note 5)	15,54,66,548	16,53,18,600
Depreciation on right of use assets (Refer note 3a)	1,84,88,811	1,41,74,272
TOTAL	22,47,49,874	22,88,57,008

33 Other Expenses

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Clearing, Forwarding and Octroi Duty	3,53,06,814	3,55,00,227
Rent	33,27,421	71,83,526
Rates and Taxes	13,28,794	67,288
Insurance	40,02,031	40,73,002
License fees	43,564	1,58,600
Repairs & Maintenance		
Buildings	5,12,289	7,18,438
Machinery	21,56,668	28,44,253
Others(Repairs)	21,13,259	23,18,882
Directors' Fees	4,40,000	-
Advertisement and Publicity	10,74,00,971	10,98,99,049
Legal, Professional and Consultancy fees	49,80,807	78,87,796
Donations	4,70,000	5,13,146
Communication Expenses	45,58,423	74,74,437
Printing and Stationery	12,18,312	17,63,199
Travelling and Conveyance Expenses	2,28,67,722	3,62,49,257
Bad Debts	10,32,401	2,29,442
Provision for Doubtful Debts	41,87,864	37,95,639
Processing and Packing Charges	3,04,82,838	3,92,11,870
Brokerage & Commission	-	1,51,446
Payments to Auditor	10,69,000	10,62,500
Corporate Social Responsibility Expenses (Refer Note 47)	-	-
Net gain/(loss) arising on financial assets/Liabilities designated as at FVTPL	-	-
Net loss on foreign currency transactions and translation	5,34,455	42,53,894
Miscellaneous expenses	1,19,92,887	1,31,30,377
Contract Expenses	1,55,10,700	1,76,20,274
TOTAL	25,55,37,220	29,61,06,541

34 Other Comprehensive Income

(Amount in Rs.)

	For the year ended 31.03.2021	For the year ended 31.3.2020
Actuarial (Gains)/losses	7,65,471	18,49,374
Tax effect on Other Comprehensive Income	(1,92,654)	(4,80,837)
	5,72,817	13,68,537

ICA PIDILITE PRIVATE LIMITED

Notes forming part of financial statements.

35 Contingent Liabilities and Commitments

		(Amount in Rs.)	
		As at	As at
		31st March, 2021	31st March, 2020
A) Contingent liabilities not provided for:			
1	Guarantees given by Banks in favor of Customs Authorities For clearing goods under provisional assessment.	6,19,52,000	6,19,37,000
2	Claims against the Company not acknowledge as Debts comprise:		-
	a. Custom Duty claim disputed by the Company related to classification.	8,33,21,202	8,33,21,202
	b. Custom Duty claim disputed by the Company related to Valuation	5,09,18,435	5,09,18,435
	c. Additional fine and penalty imposed on company,director and CEO	11,02,25,631	11,02,25,631
B) Commitments:			
(a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for	12,63,059	21,04,558
(b)	Other Commitments - Non Cancellable Operating Leases (Refer Note 42)	NIL	NIL

36 Segment information

The Company has determined its operating segment as Selling of Woodcoatings & Woodfinishes products., based on the information reported to the chief operating decision maker (CODM i.e. Managing Director of the Company) in accordance with the requirements of Indian Accounting Standard 108 - 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

37 Earnings Per Share (EPS)

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

		(Amount in Rs.)	
		As at	As at
		31st March 2021	31st March, 2020
Basic and Diluted:			
Total Operations for the year / period			
	Profit for the year	3,72,24,790	1,53,02,035
	Weighted average number of equity shares for calculating basic and diluted EPS	73,05,600	73,05,600
	Par value per share	10	10
	Earning per share (Basic and Diluted)	5.10	2.09

ICA PIDILITE PRIVATE LIMITED

Notes forming part of financial statements.

38 Related Party Transactions

List of Related Parties

(i) **Holding Company**
Pidilite Industries Ltd

(ii) **Company having significant influence**
Industria Chimica Adritica Spa (ICA)

(iii) **Key Management Personnel**

- | | |
|------------------------|----------|
| a. Shri Bharat Puri | Director |
| b. Shri Prabhakar Jain | Director |
| c. Andrea Paniccia | Director |

Transactions with Related Parties are as follows :

	Nature of Transaction	2020-2021			2019-2020		
		Remuneration to Directors	Pidilite Industries Ltd	ICA	Remuneration to Directors	Pidilite Industries Ltd	ICA
a	Sales /Works Contract Income (Excluding Taxes)	NIL	56,07,46,815	5,28,596	NIL	48,67,86,737	6,94,549
b	Purchase of Brand & Technology Rights	NIL	NIL	NIL	NIL	-	NIL
c	Purchases and Other Services						
	Purchase of Materials/SAP AMC	NIL	1,07,93,510	10,27,97,732	NIL	36,91,996	14,50,01,996
	Services/Reimbursement	NIL	5,62,035	-	NIL	8,76,690	39,453
	ESOP	NIL	(4,56,912)	NIL	NIL	11,23,536	NIL
	Sitting Fees	4,40,000					
d	Outstanding Balances :						
	- Debtors including advances	NIL	8,11,96,858	4,63,799	NIL	5,19,43,391	NIL
	- Creditors	NIL	(71,41,878)	(6,62,35,143)	NIL	(39,89,247)	(2,11,92,419)
	- Net Receivable/(Payable)	NIL	7,40,54,980	(6,57,71,344)	NIL	4,79,54,144	(2,11,92,419)
e	Equity issued	NIL	-	-	NIL	-	-
f	Security Premium	NIL	-	-	NIL	-	-

39 Employee Benefits

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined benefit plans – as per actuarial valuation

(Amount in Rs.)

Particulars	31st March 2021	31st March 2020
Change in the present value of defined benefit obligation		
1 Present value of defined benefit obligation at the beginning of the year	86,08,955	52,58,907
3 Current service cost	22,13,684	15,67,365
4 Interest cost/income	5,59,453	3,84,316
5 Remeasurements (gains)/ losses included in OCI		
Actuarial (gains)/ losses arising from changes in demographic assumption	-	2,067
Actuarial (gains)/ losses arising from changes in financial assumption	(2,46,395)	8,20,508
Actuarial (gains)/ losses arising from changes in experience adjustment	10,11,866	10,30,933
6 Past Service cost	-	-
7 Benefits paid	(7,94,802)	(4,51,007)
8 Present value of defined benefit obligation at the end of the year	1,13,52,761	86,08,955

Net Asset/(Liability) recognised in the Balance Sheet as at

1 Present value of defined benefit obligation as at 31st March	1,13,52,761	86,08,955
2 Fair value of plan assets as at 31st March	-	-
3 Surplus/(Deficit)	1,13,52,761	86,08,955
4 Current portion of the above	6,83,022	4,92,848
5 Non current portion of the above	1,06,69,739	81,16,107

Actuarial assumptions

1 Discount rate	6.88%	6.69%
2 Attrition rate	Up to Service 5 years – 13.66%, Between Service 5 years to 10 years 7.68%, thereafter 4.56%	Up to Service 5 years – 13.66%, Between Service 5 years to 10 years 7.68%, thereafter 4.56%
3 Salary Escalation	Next 2 years 8.50%, thereafter 6.50%	First 2 Years 8.5%, thereafter 6.5%

Expense recognised in the Statement of Profit and Loss for the year ended

1 Current service cost	22,13,684	15,67,365
2 Interest cost on benefit obligation (Net)	5,59,453	3,84,316
3 Total expenses included in employee benefits expense	27,73,137	19,51,681

Recognised in other comprehensive income for the year

1 Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
2 Actuarial (gains)/ losses arising from changes in financial assumption	(2,46,395)	8,20,508
3 Actuarial (gains)/ losses arising from changes in experience adjustment	10,11,866	10,30,933
4 Return on plan asset	-	-
5 Recognised in other comprehensive income	7,65,471	18,51,441

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's contribution to Provident Fund and Employees State Insurance Scheme aggregating Rs.1,02,44,410/- has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

40 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	12,73,07,930	11,89,65,403
(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	6,15,852	3,12,821
(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	-	-
TOTAL	12,79,23,781	11,92,78,224

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.

41 Details of Payments to Auditor

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Audit fees	5,00,000	5,00,000
Tax Audit	1,20,000	1,20,000
Other Services:		
(Transfer Pricing Audit Fees)	30,000	30,000
(Limited Review)	1,95,000	2,25,000
Others	2,24,000	1,87,500
	10,69,000	10,62,500

42 Operating Lease

b) General description of the leasing arrangement:

- i) Leased Assets : Office space.
- ii) Future lease rentals are determined on the basis of agreed terms.
- iii) At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing.

The Company has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 18 months and may be renewed for a further period based on mutual agreement of the parties.

Non cancellable operating lease commitments.	(Amount in Rs.)	
Future minimum lease payments	For the year ended 31st March, 2021	For the year ended 31st March, 2020
not later than one year	-	-
later than one year and not later than five years	-	-
later than five years	-	-

43 Financial Instrument

1 Capital Management

The Company does not have any debt as on 31st March 2021

2 Categories of financial instruments

	31st March 2021	31st March 2020
Financial assets		
Measured at Fair Value through Profit or Loss		
Forward foreign exchange contracts	-	-
Measured at amortised cost	-	-
Cash and bank balances	28,20,53,432	5,56,01,708
Other financial assets	89,06,71,653	72,00,35,842
Financial liabilities		
Measured at Fair Value through Profit or Loss	-	-
Measured at amortised cost	20,19,14,273	18,31,50,339

3 Financial risk management objectives

Liquidity risk management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial assets are higher than liabilities as on 31st March 2020

Credit risk management

Credit risk refers to risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has reputed customers due to which credit risk is very less.

4 Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The Company enters into forward foreign exchange contracts to manage its exposure to foreign currency risk of imports.

5 Foreign currency sensitivity analysis

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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.

Particulars	FC value in Foreign Currency		FC value in INR	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Amounts payable in foreign currency on account of the following:				
EUR	7,79,780	2,55,109	6,71,07,884	2,11,86,690
USD	2,39,617	67,474	1,76,16,632	56,03,669

The Company is mainly exposed to the EUR.

The following table details the Company's sensitivity to a 2% increase and decrease against the relevant foreign currencies. 2% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

	EUR/USD impact	
	31st March 2021	31st March 2020
Impact on profit or loss for the year (ii)	16,94,490	5,35,807

(i) This is mainly attributable to the exposure to outstanding Euro receivables and 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.

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 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 are determined (in particular, the valuation technique(s) and inputs used).

Financial assets / financial liabilities	Fair value as at		Fair value hierarchy	valuation technique(s) and key input(s)
	31/03/2021	31/03/2020		
Investment in Mutual Funds	Various listed funds fair value of Rs. 3.09 Crores	Various listed funds fair value of Rs. 4.51 Crores	Level 1	Quoted bid prices in active market

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Inventories	34,27,89,123	34,27,89,123	27,43,76,977	27,43,76,977
Trade Receivables	51,26,55,405	51,26,55,405	39,57,23,913	39,57,23,913
Cash and cash equivalents	28,20,53,432	28,20,53,432	5,56,01,708	5,56,01,708
Loans	42,03,675	42,03,675	48,38,576	48,38,576
Others Current Assets (incl. Advance to Suppliers)	-	-	-	-
Others (Non current Assets)	1,34,37,563	1,34,37,563	1,34,79,773	1,34,79,773
Total	1,15,51,39,198	1,15,51,39,198	74,40,20,947	74,40,20,947
Financial liabilities				
Financial liabilities held at amortised cost				
Other Financial Liabilities	19,40,33,497	19,40,33,497	17,72,85,587	17,72,85,587
Other Current Liabilities (Statutory Remittance)	78,80,776	78,80,776	58,64,753	58,64,753
Provisions	13,09,135	13,09,135	11,20,576	11,20,576
Total	20,32,23,408	20,32,23,408	18,42,70,915	18,42,70,915

Note 44 : Leases

Impact of adoption of Ind AS 116 on the statement of profit and loss :

Particulars	For the year ended March 31, 2021
Interest on lease liabilities (Refer Note 31)	27,15,023
Depreciation of Right-of-use assets (Refer Note 36)	1,84,88,811
Income on account of Modification impact	- 11,29,013
Deferred tax (credit)	- 4,12,268
Impact on the statement of profit and loss for the period	1,96,62,553

Expenses related to short term lease incurred during the year	36,20,688
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Extract of Note 47 from Standalone financials:

As at 31st March 2021	Less than 1 year	1-5 years	More than 5 Years	Total	Carrying Amount
Lease Liability (undiscounted)	1,62,91,990	74,41,114	-	2,37,33,104	2,22,59,925

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures

The Company has remeasured the lease liability using the revised lease payments and the discount rate originally applied to the lease, resulting in a decrease in the lease liability of Rs.11,29,013/- and corresponding ROU asset of Rs.11,29,013/-, the net difference has been accounted for as a negative interest cost in profit or loss.

45 Taxes**1 Deferred Tax****a 2020-21**

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit and Loss	Closing balance
Fixed Assets	(14,25,41,546)	(9,81,456)	(14,35,23,003)
Lease Liability	97,94,796	(41,92,418)	56,02,378
Provision for Gratuity, Leave encashment etc	33,76,000	5,67,118	39,43,118
Business Loss	16,30,44,546	(93,78,619)	15,36,65,927
Other Current Assets	58,76,326	8,65,959	67,42,285
Investments	(3,243)	(1,57,340)	(1,60,583)
Total	3,95,46,878	-1,32,76,756	2,62,70,123

Tax on OCI	7,25,801	1,92,654	9,18,455
Total	4,02,72,679	-1,30,84,102	2,71,88,577

b 2019-20

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit and Loss	Closing balance
Fixed Assets	(10,88,06,986)	(3,37,34,560)	(14,25,41,546)
Lease Liability	-	97,94,796	97,94,796
Provision for Gratuity, Leave encashment etc	22,05,235	11,70,765	33,76,000
Business Loss	14,64,51,823	1,65,92,723	16,30,44,546
Other Current Assets	48,89,460	9,86,866	58,76,326
Investments	(692)	(2,551)	(3,243)
Total	4,47,38,839	-51,91,961	3,95,46,878

Tax on OCI	2,44,964	4,80,837	7,25,801
Total	4,49,83,803	-47,11,124	4,02,72,679

2 Income Tax**a Income tax recognised in profit or loss Year**

	As at 31st March 2021	As at 31st March 2020
Current tax		
In respect of the current year	-	-
In respect of prior years	-	-
Deferred tax		
In respect of the current year	1,32,76,756	51,91,961
Total income tax expense recognised in the current year relating to continuing operations	1,32,76,756	51,91,961

b The income tax expense for the year can be reconciled to the accounting profit as follows:

	As at 31st March 2021	As at 31st March 2020
Profit before tax from operations	2,04,93,996	2,04,93,996
	26.00%	26.00%
Income tax expense calculated	-	-
Effect of expenses that are not deductible in determining taxable profit	33,20,788	27,90,021
Effect of the Company being taxed at lower tax rate (minimum alternate tax) as the profits under tax laws are lower than the book profits	-	-
Others	99,55,967	24,01,940
	1,32,76,756	51,91,961
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	1,32,76,756	51,91,961

46 Event after reporting period

No such event is to report.

47 Corporate Social Responsibility

The company does not meet the applicability criteria as per Section 135 of the Companies Act, 2013.

48 Approval of financial statements

The financial statements were approved for issue by the board of directors on 3rd May 2021.