11th August, 2020

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P. J. Tower,
Dalal Street, Fort
Mumbai - 400 001
Stock Code – 500331

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code - PIDILITIND

Dear Sir,

Sub: Notice of 51st Annual General Meeting and Annual Report

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Notice of 51st Annual General Meeting (AGM) and the Annual Report of the Company for the financial year 2019-20.

The AGM is scheduled to be held on Thursday, 10th September, 2020 at 3:00 p. m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The Notice of AGM along with the Annual Report for the financial year 2019-20 is also available on the website of the Company.

This is for your information and records.

Thanking You,

Yours faithfully,
For Pidilite Industries Limited

Puneet Bansal
Company Secretary

Encl as above

Pidilite Industries Limited
Ramkrishna Mandir Road
Andheri - E, Mumbai 400059, India
T + 91 22 2835 7000
F + 91 22 2835 7853
www.pidilite.com

Regd. Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point

CIN : L24100MH1969PLC014336

Notice

NOTICE is hereby given that the 51st ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, 10th September 2020 at 3.00 p.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a. the audited financial statements of the Company for the financial year ended 31st March 2020 together with the reports of Board of Directors and Auditors' thereon;
   b. the audited consolidated financial statements of the Company for the financial year ended 31st March 2020 together with the report of Auditors' thereon.
2. To confirm the payment of Interim Dividend, as the final dividend, on equity shares for the financial year 2019-20.
3. To appoint a Director in place of Shri A B Parekh (DIN: 00035317), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, the following resolution as a Special Resolution for appointing a Director in place of Shri N K Parekh, who retires by rotation and being eligible, offers himself for re-appointment:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Rule 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri N K Parekh (DIN: 00111518), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Bharat Puri (DIN: 02173566) as the Managing Director of the Company, for a further period of 5 (five) years with effect from 10th April 2020, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice."

   "RESOLVED FURTHER THAT Shri Bharat Puri, Managing Director be in charge of the general management of the Company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors."

   "RESOLVED FURTHER THAT Shri Bharat Puri will be a Key Managerial Personnel of the Company as per the provisions of Section 203(1)(i) of the Act."

   "RESOLVED FURTHER THAT Shri Bharat Puri will be a non rotational Director and shall not be liable to retire by rotation during his term as the Managing Director."

   "RESOLVED FURTHER THAT the Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of the business of the Company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee(s) thereof."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary terms of appointment and remuneration so as not to exceed the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri Bharat Puri."

   "RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites, allowances and commission payable to Shri Bharat Puri, Managing Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year as per Section 197, Schedule V and other applicable provisions of the Act."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

6. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri A N Parekh (DIN: 00111366), as a Whole Time Director of the Company, for a further period of 5 (five) years with effect from 1st July 2020, whose period of office is liable to determination by retirement of Directors by rotation, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice."

   "RESOLVED FURTHER THAT Shri A N Parekh, Whole Time Director shall work under the superintendence, control and direction of the Board of Directors."

   "RESOLVED FURTHER THAT Shri A N Parekh, Whole Time Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary such terms and conditions of re-appointment and remuneration so as to not to exceed the limits specified in Schedule V and other applicable sections of the Act or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri A N Parekh."

   "RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances and commissions payable to Shri A N Parekh, Whole Time Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year as per Section 197, Schedule V and other applicable provisions of the Act."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

7. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Debabrata Gupta (DIN: 01500784) who was appointed as an Additional Director of the Company pursuant to the recommendation of Nomination and Remuneration Committee, in terms of Section 161 of the Act by the Board of Directors with effect from 1st March 2020 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

8. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to the appointment of Shri Debabrata Gupta (DIN: 01500784) as a Whole Time Director of the Company designated as "Director-Operations" of the Company, for a period of 3 (three) years with effect from 1st March 2020, whose period of office shall be liable to determination by retirement of Directors by rotation, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice."

   "RESOLVED FURTHER THAT Shri Debabrata Gupta, Whole Time Director shall work under the superintendence, control and direction of the Board of Directors."

   "RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances payable to Shri Debabrata Gupta, Whole Time Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year as per Section 197, Schedule V and other applicable provisions of the Act."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and/ or modify the terms and conditions of appointment including remuneration and perquisites payable to Shri Debabrata Gupta in such manner as may be agreed to between the Board and Shri Debabrata Gupta within and in accordance with the limits prescribed in Schedule V to the Act or in accordance with the changes that may be effected in that Schedule."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors."

"RESOLVED FURTHER THAT Shri Debabrata Gupta, Whole Time Director shall function as "Director-Operations" and apart from other duties that are entrusted to him from time to time, he shall be in overall charge of all the factories of the Company (both existing and which may be set up in future) including factories situated in the State of Maharashtra, Gujarat, Himachal Pradesh, Telangana, Assam, Union Territory of Daman or any other State or Union Territory in India."

9. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), or re-enactment thereof for the time being in force) and pursuant to the recommendation by Nomination and Remuneration Committee, Shri Sanjeev Aga (DIN: 00022065), who was appointed as an Independent Director of the Company for five consecutive years from 46th Annual General Meeting (AGM) upto the conclusion of 51st AGM and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second consecutive term commencing from the conclusion of 51st AGM up to 31st March 2025 and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

10. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors M/s. V J Talati & Co., Cost Accountants, (Registration No. 00213) appointed by the Board of Directors of the Company, on the recommendation of Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021, be paid the remuneration as set out in the explanatory statement annexed to the Notice convening this meeting and the same is hereby ratified and approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 17th June 2020

PUNEET BANSAL
COMPANY SECRETARY

Registered Office:
Regent Chambers, 7th floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
Tel : 91 22 2835 7000
Fax : 91 22 2821 6007
E-mail : investor.relations@pidilite.co.in
Website : www.pidilite.com
CIN : L24100MH1969PLC014336

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (the MCA) has, vide its circular dated 5th May 2020 read with circulars dated 8th April 2020 and 13th April 2020 (collectively referred to as "**MCA Circulars**") permitted the holding of the annual general meetings (AGM/ Meeting) through Video Conferencing ("VC") or other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") and MCA Circulars, the 51st Annual General Meeting (**the AGM**) of the Company is being held through VC/ OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members are requested to send to the Company a scanned copy (PDF/JPG Format), certified copy of the Board Resolution/ Authorisation authorizing their representative to attend and vote on their behalf through remote evoting at investor.relations@pidilite.co.in. The said Resolution/Authorisation shall also be sent to the Scrutinizer by email through its registered email address to shethmm_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
5. A statement pursuant to Section 102(1) of the Act, setting out all material facts relating to item nos. 4 to 10 of the Notice is annexed herewith and the same should be taken as part of this Notice.
6. Notes given in the Notice to the extent applicable also forms part of the Explanatory Statement.
7. Members seeking any information with regard to the accounts, inspection of documents or any matter to be placed at the AGM, are requested to write to the Company on or before 1st September 2020 through email on queries_documents@pidilite.com. The same will be replied by the Company suitably.
8. Since the AGM will be held through VC/ OAVM, the Route Map of the venue of AGM is not annexed in this Notice.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.pidilite.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL https://www.evoting.nsdl.com
10. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. In accordance with the provisions of Regulation 36(3) of SEBI Listing Regulations and applicable provisions of Secretarial Standard-2, a brief profile of Shri A B Parekh, Shri N K Parekh, Shri Bharat Puri, Shri A N Parekh, Shri Debabrata Gupta and Shri Sanjeev Aga, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of committees of directors, their shareholding and relationships between directors inter se and other information, is set out and the same forms part of this Notice.
12. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 4th September 2020 to Thursday, 10th September, 2020 (both days inclusive) for the purpose of the AGM.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN as well as bank details to their Depository Participants and Members holding shares in physical form shall submit their PAN as well as bank details to the Company/ TSR Darashaw Consultants Private Limited, the Company's Registrar & Share Transfer Agents (Company's R & T Agents).
14. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's R & T Agents for assistance in this regard.
15. The Members are requested to inform of any changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details viz. name of the bank and branch details, bank account number, MICR code, IFSC, etc., immediately to:

(i) Company's R & T Agents in case of shares held in Physical Form or

(ii) Depository Participants (DP) in case of shares held in Electronic Form.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.

17. Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary Form SH-13 can be obtained from the Company's R & T Agents.

18. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's R & T Agents in case the shares are held by them in physical form.

19. Members are requested to send their queries, if any, at least ten days in advance of the date of holding AGM through email on queries_documents@pidilite.com. The same will be replied by the Company suitably.

20. A. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/ unpaid dividend up to the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in the prescribed form to the Registrar of Companies, Maharashtra.

B. The Company has transferred unclaimed/ unpaid dividend (including the Interim Dividend declared during the Financial Year 2001-2002) in respect of Financial Years ended 31st March 1995 to 31st March 2012 to the Investor Education and Protection Fund (IEPF).

C. Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were made applicable with effect from 7th September 2016, also contain similar provisions for transfer of such amounts to IEPF. Accordingly, all unclaimed/unpaid dividend, as well as the principal redemption amount of preference shares, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

D. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more as referred to in the said section read with the relevant Rules, have been transferred to the IEPF Demat Account.

E. The Company has sent notice to all the Members whose dividends for the financial year ending 31st March 2013 are lying unpaid/ unclaimed against their name. Members are requested to claim the same. As mentioned in the said notice, in case the dividends are not claimed by 14th August 2020, necessary steps will be initiated by the Company to transfer the shares and dividend held by the concerned Members to IEPF, without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

F. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5.

G. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 6th August 2019 (date of last AGM) on the website of the Company (www.pidilite.com) and also on the Ministry of Corporate Affairs website.

Members who have not yet encashed their Dividend Warrants for the years ended 31st March 2013 to 31st March 2020 including interim dividend declared on 5th March 2020 are requested to contact the R & T Agents, M/s. TSR Darashaw Consultants Private Ltd., Unit: Pidilite Industries Limited, 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011.

21. In March 2008, some of the members of Vinyl Chemicals (India) Limited (VCIL) were allotted 6% Secured Redeemable Preference Shares of ₹ 10 each (Preference Shares) by the Company pursuant to the Scheme of Demerger of VAM Manufacturing Unit of VCIL into the Company. The said Preference Shares were redeemed on 5th September 2008 and the Company had despatched Preference Dividend-cum-Redemption Warrants to all Preference Shareholders without surrender of the Preference Share Certificates. The unclaimed preference shares redemption amount and the dividend pertaining to the same has been transferred to IEPF and hence no claim shall lie in respect thereof against the Company.

22. Voting through electronic means/ballot paper

I. In compliance with provisions of Section 108 of the Act and Rules issued thereunder and Regulation 44 of SEBI Listing Regulations,

Members are provided with the facility to cast their vote by electronic means through the remote e-voting platform as well as venue e-voting on the date of AGM has been provided by National Securities Depository Limited (NSDL) on all resolutions set out in this Notice. Resolutions passed by the Members through e-voting is/are deemed to have been passed, as if they have been passed at the AGM.

II. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

III. The instructions for e-voting are as under:

i. **Step 1** - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow instructions mentioned below in this notice.

vi. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

iii. Select "EVEN" of the Company.

iv. Now you are ready for e-Voting as the Voting page opens.

v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

vi. Upon confirmation, the message "Vote cast successfully" will be displayed.

vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for registration of email id for obtaining Annual Report and updation of bank account mandate for receipt of dividend:

Physical Holding	Send a signed letter to the Company's R & T Agents providing Folio No., name of shareholder along with copy of PAN (self attested) and email-id details for registering email address.
	For updating bank account mandate, hard copies of the following documents are to be sent to R & T Agents: a. Signed letter mentioning your Name, Folio Number, complete address and following details relating to Bank Account in which the dividend is to be received: i) Name and Branch of Bank and Bank Account type; ii) Bank Account Number allotted by your Bank after implementation of Core Banking Solutions and; iii) 11 digit IFSC Code. b. Cancelled cheque in original bearing the name of the Member or first holder, in case shares are held jointly; c. Self-attested copy of the PAN Card and; d. Self-attested copy of any document (viz. Aadhar Card, Driving License, Election Identity Card, Passport) for address verification of the Member as registered with the Company/ R & T Agents.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM remains same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

General Guidelines for shareholders

i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shethmm_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

iv. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 3rd September 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

v. The remote e-voting period shall commence on Sunday, 6th September 2020 at 9.00 a.m. and would end on Wednesday, 9th September 2020 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 3rd September 2020 (cut-off date) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/modify it subsequently or cast the vote again.

vi. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on 3rd September 2020, the cut off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
4. Members are advised to join the Meeting using stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches and disturbance during the meeting.
5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at queries_documents@pidilite.com from 5th September 2020 (9:00 a.m. IST) to 7th September 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.

VII. Shri M M Sheth, Practising Company Secretary (Membership No. FCS 1455 CP No. 729) or failing him, Smt. Ami M Sheth (Membership No. ACS 24127 CP No. 13976) have been appointed as the 'Scrutinizer' to scrutinize remote e-voting process and also e-voting at the AGM in a fair and transparent manner.

VIII. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first scrutinise the votes cast at the AGM, thereafter unlock the votes cast through remote e-voting and shall make not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

IX. The Results alongwith the Scrutinizer's Report shall be placed on the Company's website www.pidilite.com and on the website of NSDL within 48 hours of conclusion of the 51st AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the 'Act')

Item No. 4

This statement is provided, though strictly not required as per section 102 of the Act.

Shri N K Parekh (Vice-Chairman) (DIN: 00111518), is due to retire by rotation and being eligible offers himself for re-appointment as a Non-Executive Director of the Company.

In terms of the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) in past, members have approved, by passing Special Resolution by means of Postal Ballot as well as in the 50th AGM held on 6th August 2019, continuation of tenure of directorship of Shri N K Parekh as Non-Executive Director.

Shri N K Parekh has been serving as a Director of the Company since 1969 and is a promoter of the Company. It would be in interest of the Company to continue to avail his services as a Non-Executive Director of the Company.

A brief profile of Shri N K Parekh as stipulated under Regulation 36(3) of Listing Regulations is given in this Notice.

Shri N K Parekh and his relative Shri A N Parekh are interested in this resolution.

Save and except above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the Special Resolution for approval by the Members.

Item No. 5

In accordance with the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 5th March 2020 have, subject to approval of the Members, re-appointed Shri Bharat Puri (DIN: 02173566) as the Managing Director of the Company for a further period of 5 years with effect from 10th April 2020 on the following terms and conditions:

A. **Salary:**

Salary of ₹ 5,37,00,000/- (Rupees Five Crore Thirty Seven Lakhs only) per annum with first increment due on 1st April 2021.

B. **Special Allowance:**

An amount of ₹ 1,55,00,000/- (Rupees One Crore Fifty Five Lakhs only) per annum.

C. **Variable Pay:**

An amount not exceeding 60% of basic salary.

D. **Perquisites/ Benefits/ Allowances:**

i. Contribution to Provident Fund, payment of Superannuation/ Gratuity:

a. Contribution to Provident Fund as per rules of the Company.

b. Superannuation benefits as per rules of the Company.

c. Gratuity payment as per rules of the Company.

ii. Other Perquisites/ Allowances:

Following Perquisites/ Allowances shall not exceed an amount of ₹ 1,20,00,000 (Rupees One Crore Twenty Lakhs only) per annum, on a cost to company basis:

a. Residential Accommodation:

The Company shall provide rent free furnished accommodation to Shri Bharat Puri or shall give House Rent Allowance of an amount not exceeding 20% of Salary.

b. Reimbursement of gas, electricity, water.

c. Furnishings/ Furnitures/ Equipments and Home Appliances.

d. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family.

e. Reimbursement of membership fees/ subscription for 2 clubs in India.

f. Medical and Personal Accident Insurance.

g. Company's car/s with driver.

h. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family.

i. Other Allowances as may be approved by the Board from time to time.

The Board will decide the increment upto a ceiling of 15% of the amounts specified in Item No. A, B, C and D above. Subsequent increment will become due on 1st April every year and the Board will decide the increment upto 15% of the amounts specified in Item No. A, B, C and D above and drawn in the immediate previous year.

iii. Following perquisites/benefits over and above the ceiling prescribed in (D)(ii) above:

a. Telephone and other communication facilities at residence.

b. Encashment of unavailed earned leave as per rules of the Company.

iv. In addition to the above remuneration, the Company, subject to necessary approvals, shall offer the Managing Director stock options.

E. **Commission:**

Shri Bharat Puri shall be entitled to commission of an amount of 0.25% of the net profits of the Company, to be determined by the Board from time to time based on the net profits of the Company subject to overall ceiling laid down in Sections 197 and 198 of the Companies Act, 2013.

Shri Puri, aged 59 years, is a graduate in Commerce and has completed his Post Graduate Diploma in Business Administration from the Indian Institute of Management-Ahmedabad. He has vast experience of over 37 years in the field of Sales, Marketing and General Management in leading FMCG Companies viz. Asian Paints, Cadbury, Kraft Foods and Mondelez International, both in India and abroad. Last remuneration drawn by Shri Puri is as approved by the Members earlier. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri Puri is given as an annexure to this Notice and forms part of this explanatory statement.

Shri Puri is a fit and proper person for the post of Managing Director. The terms and conditions of his re-appointment are fair and reasonable. It would be in the interest of the Company to continue to avail services of Shri Puri as a Managing Director.

The above may be treated as written memorandum setting out the terms of re-appointment of Shri Puri u/s 190 of the Act. The Members approval is required for the above under Schedule V and other applicable provisions of the Companies Act, 2013.

Except Shri Puri, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board of Directors recommends this Resolution for approval by the Members.

Item No. 6

Shri A N Parekh (DIN: 00111366) was appointed as the Whole Time Director from 1st July 2015 to 30th June 2020. The Board of Directors of the Company, at their meeting held on 17th June 2020 have, subject to the approval of Members, re-appointed Shri A N Parekh as Whole Time Director for a further period of 5 (five) years with effect from 1st July 2020 on the following terms and conditions, based on the recommendation of Nomination and Remuneration Committee:

A. **Salary:**

Salary of ₹ 4,44,148 (Rupees Four Lakhs Forty Four Thousand One Hundred and Forty Eight Only) per month with first increment due on 1st October 2020 (for the period from 1st October, 2020 to 31st March 2021). The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide increment upto 15% of salary drawn in the immediate previous year.

B. **Commission:**

Shri A N Parekh shall be entitled to commission, the amount of it shall be determined by the Board from time to time based on the net profits of the Company subject to overall ceiling laid down in Sections 197 and 198 of the Companies Act, 2013.

C. **Special Allowance:**

The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to annual salary.

D. **Perquisites/Benefits/ Allowances:**

i. Residential Accommodation:

The Company shall provide rent free furnished accommodation to Shri A N Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.

ii. a. Contribution to Provident Fund as per rules of the Company.

b. Superannuation benefits as per rules of the Company.

c. Gratuity payment as per rules of the Company.

iii. Other Perquisites/ Allowances:

Following Perquisites/ Allowances shall not exceed an amount equivalent to the annual salary:

a. Reimbursement of gas, electricity, water.

b. Furnishings/ Furnitures/ Equipments and Home Appliances.

c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family.

d. Reimbursement of membership fees/ subscription for 2 clubs in India.

e. Medical and Personal Accident Insurance.

f. Other Allowances as may be approved by the Board from time to time.

iv. Following perquisites/ benefits over and above the ceiling prescribed in (D)(iii) above:

a. Company's car/s with driver/s and/or other suitable conveyance facilities.

b. Telephone and other communication facilities at residence.

c. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family. (Family shall mean spouse, children and parents).

d. Encashment of unavailed earned leave as per rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri A N Parekh, aged 48 years, is a Chemical Engineer with qualification of B.S. Chem Engg (U.S.A) having experience of 26 years. Last remuneration drawn by Shri A N Parekh is as approved by the Members earlier. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri A N Parekh is given as an annexure to this Notice and forms part of this explanatory statement.

Shri A N Parekh is a fit and proper person for the post of Whole Time Director. The terms and conditions of his re-appointment are fair and reasonable. It would be in the interest of the Company to continue to avail services of Shri A N Parekh as Whole Time Director.

The above may be treated as written memorandum setting out the terms of re-appointment of Shri A N Parekh u/s 190 of the Act. The Members' approval is required for the above under Schedule V and other applicable provisions of the Companies Act, 2013.

Shri A N Parekh and his relative Shri N K Parekh are interested in this resolution.

Save and except above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise), in any way, in this resolution.

The Board recommends this resolution for approval by the Members.

Item No. 7

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Debabrata Gupta (DIN: 01500784) as an Additional Director of the Company with effect from 1st March 2020.

In terms of the provisions of Section 161(1) of the Act, Shri Debabrata Gupta would hold office up to the date of the ensuing Annual General Meeting.

Shri Debabrata Gupta, aged 57 years, has a multi-industry experience of over 30 years with noted corporates like Hindustan Unilever Limited, Coca Cola India, Reckitt Benckiser (India) Private Limited, USV Private Limited and UPL Limited. Shri Gupta, an alumni of IIT Kharagpur, has had a long and successful career which brings a very rich suite of experience that will certainly enrich Company's Manufacturing Operations Function. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri Gupta is given as an annexure to this Notice and forms part of this explanatory statement.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Gupta for the office of Director of the Company.

Shri Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Nomination and Remuneration Committee has recommended the appointment of Shri Gupta as a Director.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that, Shri Gupta be appointed as a Director of the Company.

Except, Shri Debabrata Gupta, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

The Board recommends this Resolution for approval by the Members.

Item No. 8

The Board of Directors of the Company at their meeting held on 29th January 2020 have, subject to the approval of Members, appointed Shri Debabrata Gupta (DIN: 01500784) as a Whole Time director of the Company, designated as Director-Operations for a period of 3 (three) years from 1st March 2020, on the following terms and conditions based on the recommendation of Nomination and Remuneration Committee.

I. **Salary:**

Salary of ₹ 6,00,000/- (Rupees Six Lakhs Only) per month with first increment due on 1st April 2021. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide increment upto 15% of salary drawn in the immediate previous year.

II. **Allowances:**

₹ 5,96,750/- (Rupees Five Lakh Ninety Six Thousand Seven Hundred Fifty Only) per month and the increment will be subject to a ceiling of 15% per annum.

III. **Perquisites:**

i. Housing: House Rent Allowance of ₹ 3,00,000/- per month which may be revised from time to time as per rules of the Company as applicable to senior employees.

ii. Car Allowance (including driver allowance and fuel allowance) of ₹ 1,02,500/- per month which may be revised from time to time as per rules of the Company.

iii. Employee Stock Option Plan (ESOP) as may be granted from time to time.

IV. **Other Benefits:**

Other Benefits shall include use of telephone for the Company's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the Company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the Company (including but not limited to gratuity, medical benefits, leave entitlement, encashment of leave) in accordance with the schemes of the Company.

V. **Other Perquisites:**

Other Perquisites (including allowances not covered above) in such form and to such extent as may be decided by the Managing Director subject to a ceiling of ₹ 7,00,000/- (Rupees Seven Lakh Only) per annum.

The increment will be determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

In accordance with the resolution, within the aforesaid limits, the amount of salary and perquisites payable to Shri Gupta (including the types and amount of each type of perquisite) will be decided by the Managing Director from time to time as he may deem fit in his absolute discretion.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

Shri Gupta, aged 57 years, has a multi-industry experience of over 30 years with noted corporates like Hindustan Unilever Limited, Coca Cola India, Reckitt Benckiser (India) Private Limited, USV Private Limited and UPL Limited. Shri Gupta, an alumni of IIT Kharagpur, has had a long and successful career which brings a very rich suite of experience that will certainly enrich Company's Manufacturing Operations Function. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a brief profile of Shri Gupta is given as an annexure to this Notice and forms part of this explanatory statement.

Shri Gupta is a fit and proper person for the post of Whole Time Director. The remuneration payable to him is fair and reasonable. The proposed remuneration payable is within the limits specified in Schedule V of the Companies Act, 2013. The Members' approval is required for the same under Schedule V and other applicable provisions of the Companies Act, 2013.

The above may be treated as written memorandum setting out the terms of appointment of Shri Gupta u/s 190 of the Act.

Except Shri Debabrata Gupta, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned, financially or otherwise, in this resolution.

The Board recommends this resolution for approval by the Members.

Item No. 9

Shri Sanjeev Aga (DIN: 00022065) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to the conclusion of 51st AGM.

Shri Aga has been associated with the Company since 2011. Considering the expertise and rich experience of Shri Aga and his valuable contributions to the Company, the Nomination and Remuneration Committee and the Board, at their meetings held on 17th June 2020, have recommended the re-appointment of Shri Sanjeev Aga as an Independent Director for a second consecutive term from the conclusion of the 51st AGM upto 31st March 2025.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Shri Aga would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Shri Aga as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term commencing from the conclusion of 51st AGM up to 31st March 2025 on the Board of the Company.

Shri Aga is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Shri Aga stating that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Shri Aga fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Details of Shri Aga are provided in the "Annexure" to the Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. Copy of draft letter of appointment of Shri Aga setting out the terms and conditions of appointment is available for inspection by the Members through electronic mode, on the basis of request being sent on queries_documents@pidilite.com.

Shri Aga is interested in this resolution with regard to his re-appointment. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution, as set out in Item No. 9 of the Notice, for approval by the Members.

Item No. 10

The Board, on the recommendation of Audit Committee has approved the appointment and remuneration of an amount not exceeding ₹ 1,73,500/- (Rupees One Lakh Seventy Three Thousand Five Hundred Only), plus applicable taxes, for the financial year ending 31st March 2021 payable to the Cost Auditor M/s. V J Talati & Co., Cost Accountants to conduct the audit of the cost records of the Company for the aforesaid financial year. In accordance with the provisions of Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board, has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution, as set out in the Item No. 10 of the Notice, for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution for approval by the Members.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 17th June 2020

PUNEET BANSAL
COMPANY SECRETARY

Registered Office:
Regent Chambers, 7th floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
Tel : 91 22 2835 7000
Fax : 91 22 2821 6007
E-mail : investor.relations@pidilite.co.in
Website : www.pidilite.com
CIN : L24100MH1969PLC014336

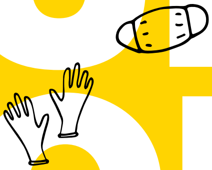
ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

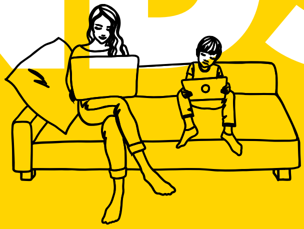
[under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Resolution/ Item No	3	4	5	6	7 & 8	9
Name of Director	**Shri A B Parekh**	**Shri N K Parekh**	**Shri Bharat Puri**	**Shri A N Parekh**	**Shri Debabrata Gupta**	**Shri Sanjeev Aga**
Age	62 years	82 years	59 years	48 years	57 years	68 years
Date of first appointment on the Board	26/06/1985	28/07/1969	28/05/2008	01/07/2005	01/03/2020	29/07/2011
Qualification	B.Chem (Engg.), M.B.A (USA)	B.Sc., B.Sc (Tech), M.S. Chem. Engg. (USA)	MBA from the Indian Institute of Management, Ahmedabad	B. S. Chem. Engg. (U.S.A)	Alumni of IIT Kharagpur	Graduate in Physics from St. Stephen's College and Post Graduate from the Indian Institute of Management, Kolkata
Experience (including expertise in specific functional area)/ Brief Resume	For details, please refer to the Corporate Governance Report	For details, please refer to the Explanatory statement to the AGM Notice.				
Terms and Conditions of appointment/ re-appointment	Whole-time Director liable to retire by rotation	Non- Executive Director liable to retire by rotation	Managing Director not liable to retire by rotation	Whole-time Director liable to retire by rotation	Whole-time Director designated as Director-Operations liable to retire by rotation	Independent Director for second consecutive term of 5 years up to 31st March 2025
Remuneration last drawn (FY 2019-20)	For details, please refer to the Corporate Governance Report.					
Remuneration proposed to be paid	As approved by the Members at the Annual General Meeting held on 30th August 2018	As per Remuneration Policy	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto	As per the resolution at Item No. 6 of the Notice convening this Meeting read with explanatory statement thereto	As per the resolution at Item No. 8 of the Notice convening this Meeting read with explanatory statement thereto	As per Remuneration Policy
Other Companies in which he is a Director excluding Section 8 companies and Private Companies	1. Vinyl Chemicals (India) Ltd. 2. Fevicol Company Ltd. 3. Parekh Marketing Ltd. 4. Building Envelope Systems India Ltd.	1. Vinyl Chemicals (India) Ltd. 2. Fevicol Company Ltd. 3. Parekh Marketing Ltd. 4. Kalva Marketing and Services Ltd.	1. Tata Consumer Products Ltd. (formerly known as Tata Global Beverages Ltd.) 2. ICA Pidilite Pvt. Ltd. (Deemed Public Company)	1. Nina Percept Pvt. Ltd. (Deemed Public Company)	None	1. UFO Moviez India Ltd. 2. Mahindra Holidays & Resorts India Ltd. 3. Larsen & Toubro Infotech Ltd. 4. Larsen & Toubro Ltd.

Resolution/ Item No	3	4	5	6	7 & 8	9
Name of Director	**Shri A B Parekh**	**Shri N K Parekh**	**Shri Bharat Puri**	**Shri A N Parekh**	**Shri Debabrata Gupta**	**Shri Sanjeev Aga**
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company	For details, please refer to the Corporate Governance Report.					
Chairperson/ Membership of the Committee(s) of Other Boards excluding Section 8 companies and Private Companies	None	1. Vinyl Chemicals (India) Ltd. Chairman of Committee: • Corporate Social Responsibility Committee Member of Committees: • Nomination and Remuneration Committee • Stakeholders Relationship Committee 2. Parekh Marketing Ltd. Chairman of Committee: • Corporate Social Responsibility Committee Member of Committee: • Nomination and Remuneration Committee	1. Tata Consumer Products Ltd. (formerly known as Tata Global Beverages Ltd.) Chairman of Committee: • Risk Management Committee Member of Committees: • Audit Committee • Nomination & Remuneration Committee 2. ICA Pidilite Pvt. Ltd. Member of Committee: • Nomination & Remuneration Committee	1. Nina Percept Pvt. Ltd. Member of Committees: • Audit Committee • Nomination & Remuneration Committee	None	1. UFO Moviez India Ltd. Chairman of Committee: • Audit Committee Member of Committee: • Nomination and Remuneration Committee 2. Mahindra Holidays & Resorts India Ltd. Member of Committees: • Audit Committee • Risk Management Committee 3. Larsen & Toubro Ltd. Member of Committees: • Audit Committee • Risk Management Committee
Number of Meetings of the Board attended during the year	For details, please refer to the Corporate Governance Report.					
Shareholding in the Company as on 31st March 2020	4,74,33,489 Equity Shares	5,42,73,688 Equity Shares	3,10,000 Equity Shares	30,76,918 Equity Shares	Nil	798 Equity Shares
Relationship with other Directors, Manager or Key Managerial Personnel, if any	Related to Shri M B Parekh, Executive Chairman of the Company	Related to Shri A N Parekh, Whole Time Director of the Company	None	Related to Shri N K Parekh, Director of the Company	None	None

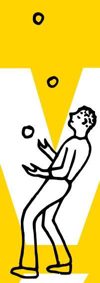
BUILDING BONDS



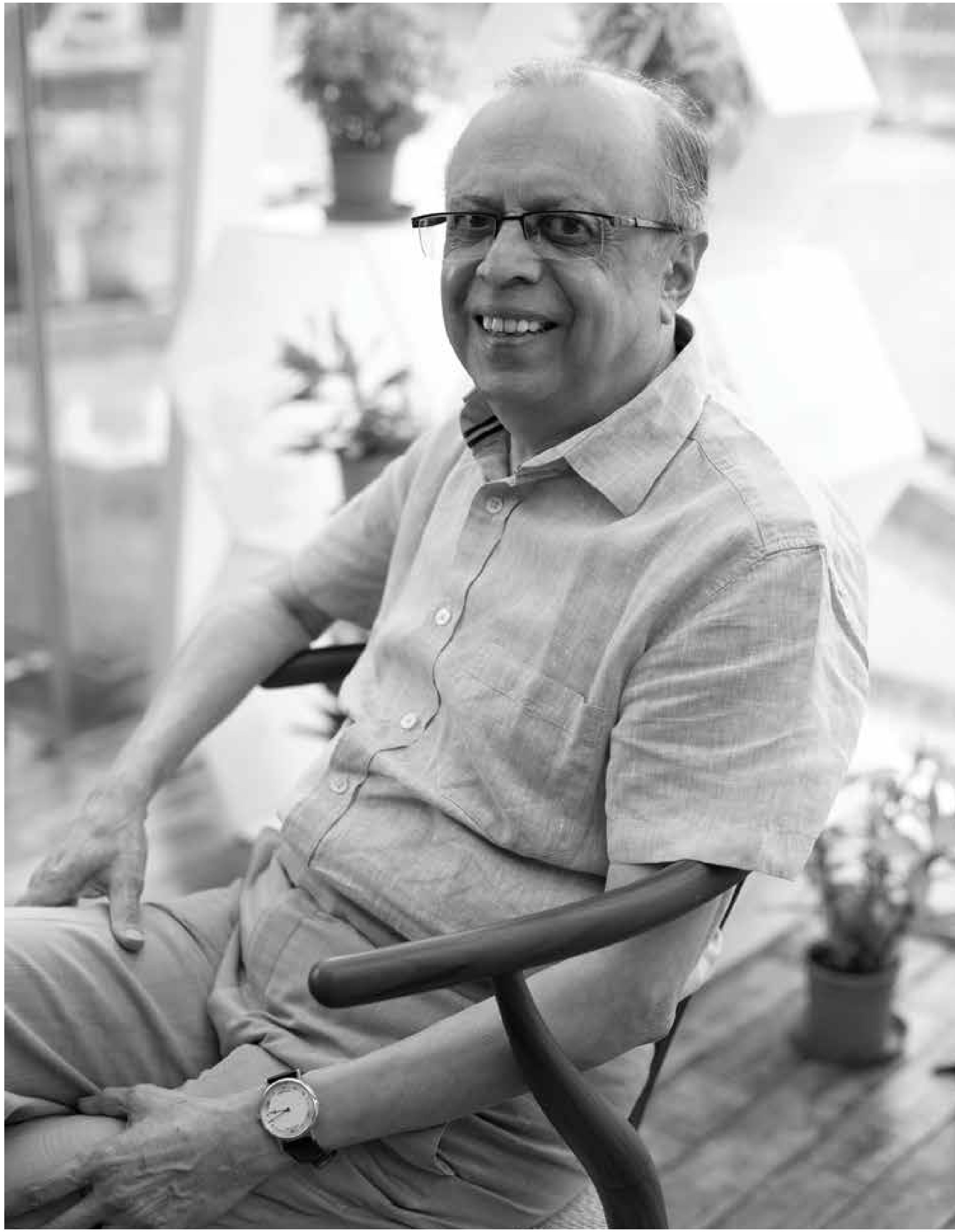


Pidilite

ANNUAL REPORT
2019-20



IN NEW WAYS



In the past few months of lock-down, we have focused our energy on finding new ways of working based on our core philosophy of building bonds. Our partners, employees, and loyal community of users including carpenters, masons, plumbers are now connected virtually and are working enthusiastically to adopt to new ways of working.

We dedicate this Report to our PIDILITE PARIVAAR that has bonded together so strongly in these trying times.

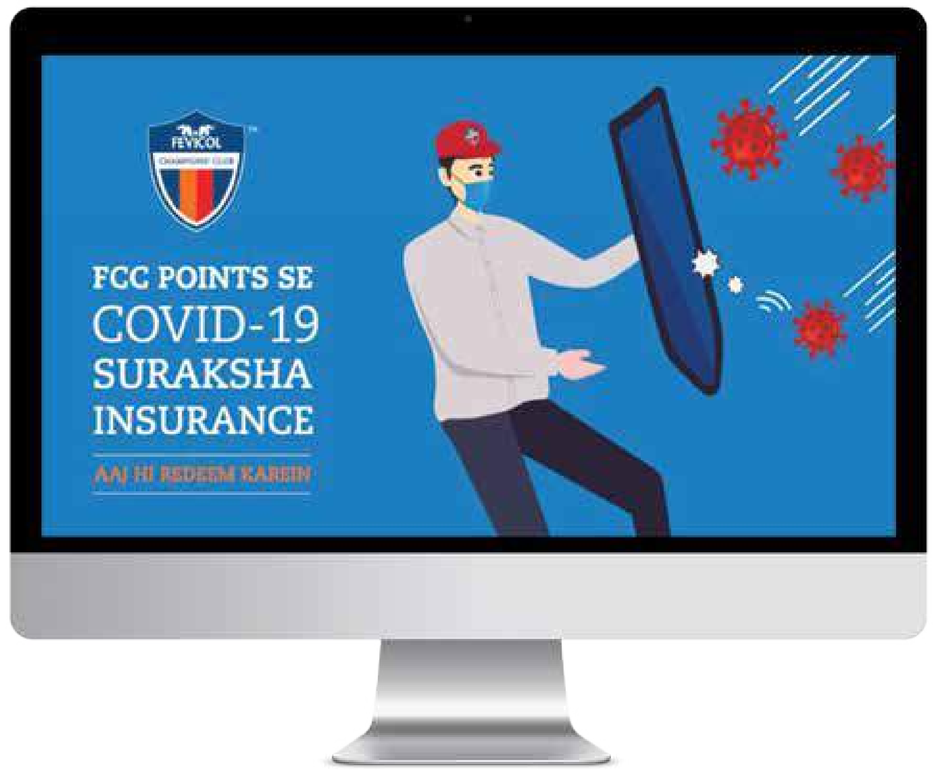
M B Parekh
Chairman

NEW WAYS

Adapting to new ways of working has been a challenging yet inspiring journey, thanks to the collaborative efforts of our partners. They continue to rise above their roles to meet the new normal and learn from every hit and miss. As both employees and stakeholders realise the power of virtual collaboration, everyone seems to be engaging better, with every passing day. Change is continuous. It teaches us to be agile and flexible.

STAYING CONNECTED ALWAYS

During times of physical distancing, communication is the key. Our partners are a part of our `Parivaar' and enquiring after their health and health of their families is a natural extension of our culture. Our teams have been communicating on COVID precautions and safety measures that need to be followed at shops and places of work.



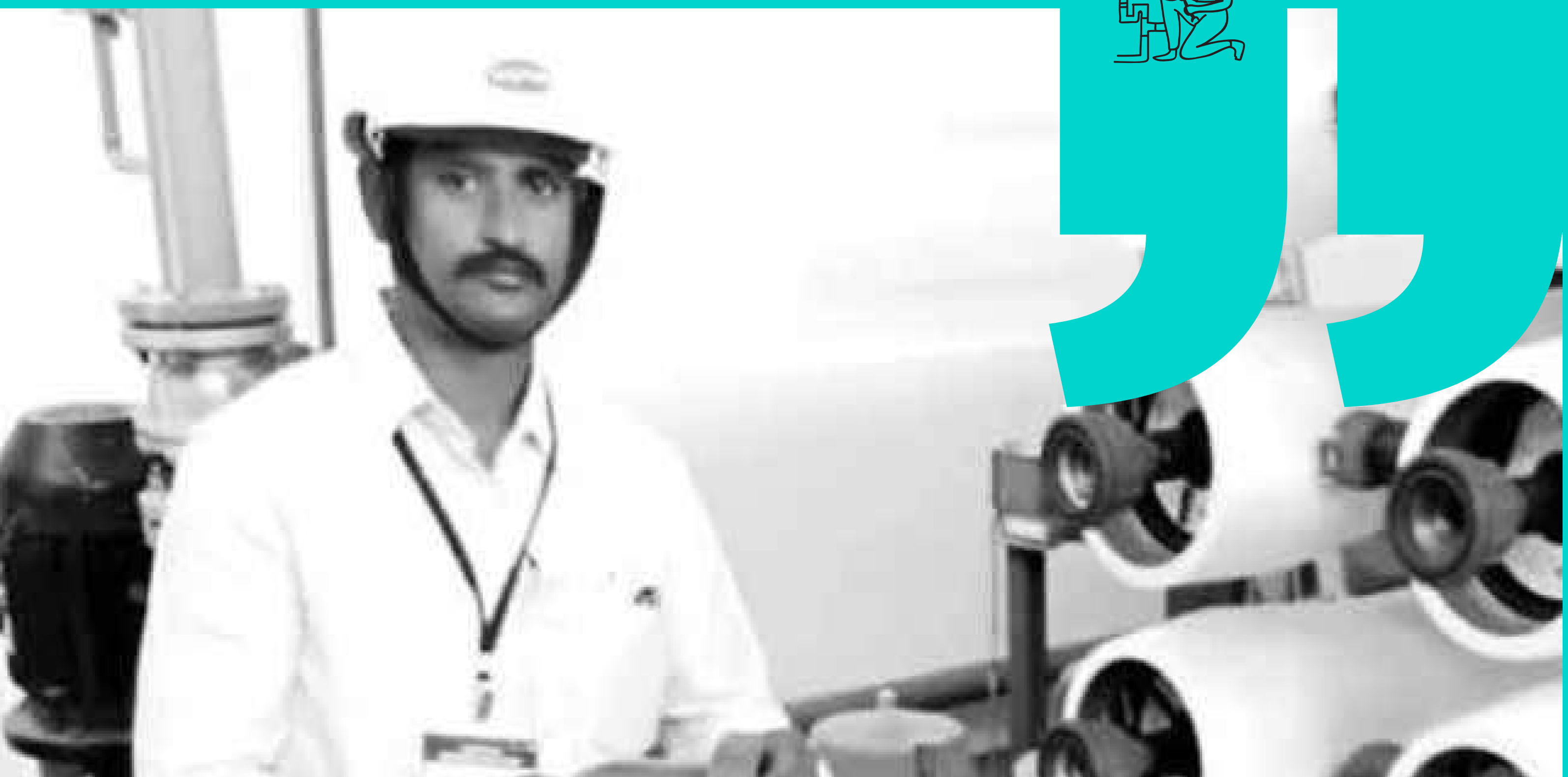
HELPING HANDS FOR REASSURANCE

Health and Safety are of utmost importance in current times. We created guidelines for our masons, carpenters and dealers to help them operate safely. Providing them with personal protection kits and health insurance has helped build their confidence to restart work safely.

OF WORKING

"I work as an assistant plumber in Vizag. My daily livelihood was lost because of the lockdown and I was worried about supporting my family amid this crisis. I did not expect that any Company will come to the plumber community's rescue in this pandemic. While no other company has interacted personally with us during the lockdown, Pidilite officials have been in touch with us since the first week of lockdown to remain apprised of our well-being. Pidilite officials did not just interact with us over call, they also met us and distributed essential grocery items to help us make ends meet. I am thankful to Pidilite for thinking about us during this crisis."**

MR. RAVI KUMAR
PLUMBER

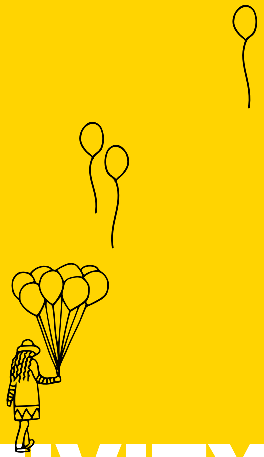


DIGITALLY UPSKILLING OUR PARTNERS

As everyone adapts to new way of working, it's also the best time to upgrade our knowledge. We used digital platforms to empower our users and partners with training modules on basic and advanced waterproofing techniques, online product demos and COVID-19 safety guidelines. This helped our partners feel better equipped to restart work.

BUILDING BONDS... FROM A DISTANCE!

The Delhi A team successfully put up a unique Fevicol display drive that garnered a lot of appreciation from all. Huge drums of Fevicol were used to create a 'social distancing' wall at the shop entrance, encouraging customers to maintain required distance. The drive titled 'Fevicol ka Border Mazboot Hai' ensured strong brand equity and a big shout out of the availability of stock everywhere.



CREATIVITY DOES

Creativity is the best antidote to crisis. To keep our consumers engaged while staying at home, we launched 'Fevicreate Crafting Memories' – a campaign in association with an online digital community Momspresso. This craft- centred campaign generated a reach of **12 million consumers** during the lockdown. We have engaged with crafts teachers across the country by providing content for conducting online 'summer camps.'

NOT STOP

LEARNING FROM SCM SUPERHEROES

A motivated Supply Chain Management (SCM) team of superheroes faced their challenges by tracking daily updates of drivers/ transporters and monitored their safety by distributing thermoguns and sanitisers.

Our safety and hygiene protocols at warehouses gave workers the confidence to resume work. In the absence of public transportation, the warehouse staff displayed high level of commitment by using their own bicycles/ bikes to reach work.

TRULY INSPIRING : COVID CHAMPIONS & WARRIORS

So many of our Pidilite employees, along with their loved ones, walked the extra mile to help those in need during the lockdown. From helping out contractor's families to distributing food packets, they lead by example.

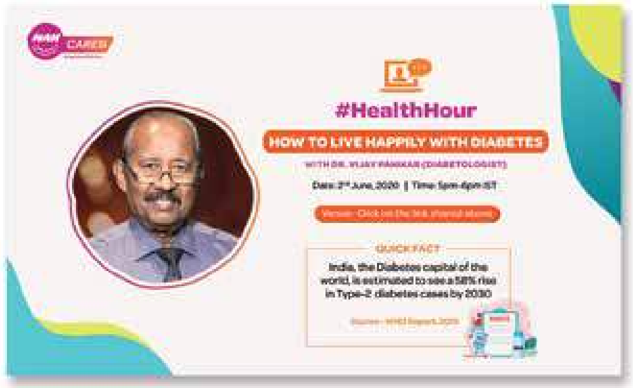
Our Champions & Warriors received widespread appreciation for their proactive efforts.

EMBRACING

We moved towards a model of working that has truly adapted to the social, economic and technological influences of the current need of our times. These new ways of working have made us adapt positively in how we innovate and communicate. We are embracing digital transformation, not just to survive but to thrive and collaborate effectively, which has led to greater ownership and thrust to better ourselves every day.

UPSKILL AND UPGRADE

The Learning Management System on HRKwik enabled and delivered value-creating learning programmes for employees during lockdown. The focus was on re-skilling at the division level as well as upskilling through new modules to develop additional skills. These modules reached an average adoption percentage of over 90% and effectiveness score of over 70%. This has depicted that we are willing to learn during these VUCA (volatile, uncertain, complex, ambiguous) times.



LEARNING AND DISCOVERING

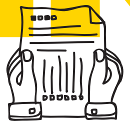
Various employee engagement programmes were conducted online, to help employees stay active and creative while at home. Creative sessions on hobbies, photography, food, movies, kitchen gardening etc. helped employees discover new passions. Holistic well-being sessions on nutrition and fitness as well as mental health were helpful for all. These online workshops received excellent response and participation from far and wide.

"I joined Pidilite in August 2019 as a TSI. In my 6-year career across three organisations, Pidilite has been the best in terms of culture and employee centricity. Here everyone is treated with respect and is given a stable and healthy environment to work. Seniors have constantly motivated me to learn and achieve targets. Even in times of crisis like the COVID-19 pandemic, Pidilite has gone ahead and released all our incentives and salaries on time. Precautionary instructions and constant health updates taken by seniors make me feel like I am part of one caring family."

VIJAYDURGA PRASAD
TSI

A NEW CULTURE

TABLE OF CONTENTS



COMPANY INFORMATION

BOARD OF DIRECTORS

M B PAREKH
Executive Chairman

N K PAREKH
Vice Chairman

BHARAT PURI
Managing Director

A B PAREKH
Whole-Time Director

A N PAREKH
Whole-Time Director

DEBABRATA GUPTA
Whole-Time Director
(w.e.f 01.03.2020)

B S MEHTA
Director

SANJEEV AGA
Director

UDAY KHANNA
Director

MEERA SHANKAR
Director

VINOD DASARI
Director

PIYUSH PANDEY
Director

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

REGISTERED OFFICE
Regent Chambers
7th Floor, Jamnalal Bajaj Marg
208, Nariman Point
Mumbai 400 021

REGISTRAR & TRANSFER AGENT
TSR Darashaw Consultants
Private Limited
6-10, Haji Moosa Patrawala
Ind. Estate 20, Dr. E Moses Road
Mahalaxmi, Mumbai 400 011

COMPANY SECRETARY
Puneet Bansal

CHIEF FINANCIAL OFFICER
Pradip Menon
(w.e.f 18.11.2019)

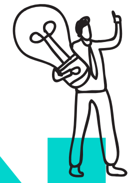
INTERNAL AUDITORS
Mahajan & Aibara

AUDITORS
Deloitte Haskins & Sells LLP

SOLICITORS & ADVOCATES
Wadia Ghandy & Co

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

UNDER-STANDING



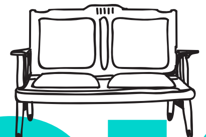
Many new multimedia brand campaigns were rolled out for Fevicol, Fevikwik, Dr. Fixit, Roff that won hearts of our customers, won accolades and had a positive impact on business. Digital marketing initiatives, in the form of social media, digital videos and performance marketing campaigns, aimed to increase brand engagement with millennials, were further scaled up with campaigns for Fevicol, Dr. Fixit, Fevistik and Roff. The end user engagement programmes, such as Fevicol Champions Club, Fevicryl 'Humsafar' and brand activations for 'Fevicreate' continued to reach a wider audience with participation in key industry events.

MULTIMEDIA CAMPAIGNS

FEVICOL

BRAND CAMPAIGN OF THE YEAR

A multimedia campaign commemorating 60 years of Fevicol was launched. The creative showcased the journey of a sofa created with Fevicol that withstood the test of time while transitioning through multiple households and generations. It was a much-lauded creative reaching over 10.5 crore views on TV and over 11 crore views on digital.

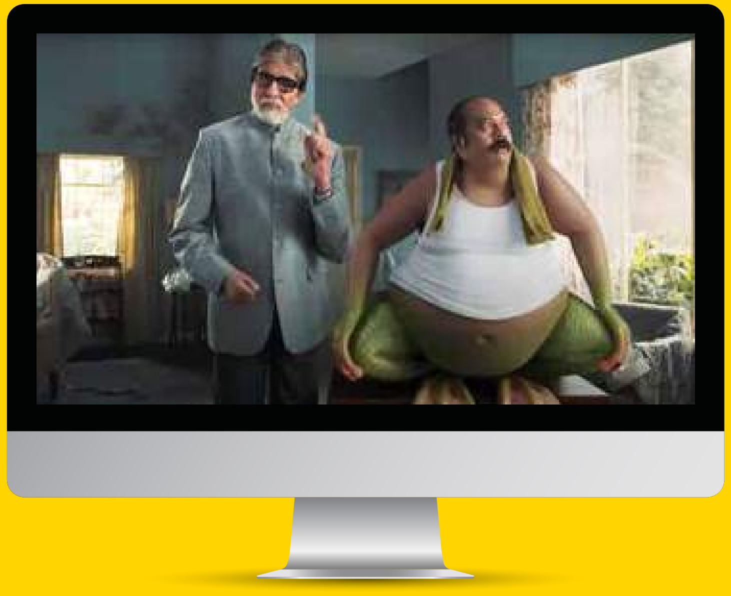


WHAT STICKS

MULTIMEDIA CAMPAIGNS

DR. FIXIT
WATER CREATURES

The Dr. Fixit 'Water creatures' campaign featuring Mr. Amitabh Bachchan, communicated the importance of right waterproofing for homes.



FEVIKWIK
PHENKO NAHI JODO

Fevikwik launched a new multimedia campaign 'Phenko Nahi Jodo' that drove home the culture of repairing instead of discarding, showcasing 'smart people' who repair. The campaign was launched with two television films featuring iconic characters – 'Kabaadiwalli' and 'Gappuji'.

ROFF
KYUNKI ROFF MEIN HAIN MAGAR KI JAKAD

Roff launched a multi-media campaign in Karnataka with the route of 'Fix Tiles with Roff, not with cement', supported by the tagline, 'Kyunki Roff mein hain magar ki jakad.'

DR. FIXIT
LEAK-FREE HOMES

Pidilite Specialty Chemicals Bangladesh Private Limited (PSCBL) launched a holistic campaign featuring Bangladesh cricketer, Mr. Mustafa Mortaza to improve adoption of Dr. Fixit Jodi (LW & URP) for leak-free homes in new construction.

DIGITAL COMMUNICATION & INITIATIVES

FEVICOL

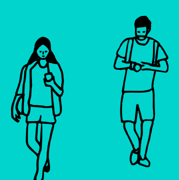
Fevicol has an active online presence that continues to leverage our signature brand humour to promote powerful social media campaigns on topical subjects throughout the year. This includes spreading awareness on basic protocols to follow during the pandemic, takes on international affairs, and so on.

DR. FIXIT WEBSITE

To keep up with the ever evolving technology platforms, Dr. Fixit relaunched its website making it more consumer friendly by having elements like a chat bot, GPS-enabled dealer and contractor locators and an expert sub-application to help find the right product for the various leakage problems – all this within a couple of clicks.

FEVISTIK KIDS

A digital campaign was done to promote 'Fevistik Kids', a variant that provides precise application of glue on paper by way of being a coloured adhesive. The message was delivered through humorous videos, introducing the brand idea to consumers.



NEW PRODUCTS LAUNCH

The year saw us introducing several new products each addressing a distinct end-user need.

Roff Powerflex is a high strength tile adhesive for external cladding and large size tiles and stones that was introduced in the Indian market to a positive response.

New Fevicol Marine is an industry-first in India, offering superior water resistance and Aqua Repel Technology in white adhesives.
The improved formulation offers 40% more water resistance than before.

Sealants category saw the launch of two variants of Neutral Silicon Sealants - Feviseal Neutral and Feviseal Weatherproof and Acrylic Sealants – Feviseal Multipurpose and Feviseal Doors and Windows.

NEW PRODUCTS LAUNCH

Fevicryl Premium Fabric Glue is a quality fabric adhesive that dries 20% faster than regular ones through better bond strength.

Chemifix Kids Glue, an acquired white adhesive brand in **Sri Lanka**, was relaunched with a new look. This year a variant, Chemifix Kids Glue for students was also introduced and supported by a school connect programme, reaching out to 15,000+ students. This helped strengthen Pidilite's Art Material and Stationary range in Sri Lanka.

M Seal PV Seal Solvents unveiled the new age cyclic polymer **CoEx** packs this year. They offer first in market benefits, such as an easy-to-open, pilfer-proof cap, 3-years shelf life, among others. The solvents are ASTM certified and low on VOC.

Fevicol Elephant, the new product in the Epoxy Adhesive category in **Sri Lanka,** is popular in furniture workshops, by way of offering a fast setting proposition of 2 hours.

Fevicol Microprotect the new product launched in Middle East, helps in maintaining indoor air quality by preventing anti-microbial activity on internal surfaces of HVAC ducts.

AWARDS

Awards are never our goal, but they encourage our teams and partners to do great work that creates business impact.

India Business Leader Awards (IBLA)

Fevicol 60-year commemorative campaign was conferred with the 'Brand Campaign of the Year' award at the **CNBC-TV18 India Business Leader Awards (IBLA) 2020**. It also won the Marketing Campaign of the Year at the ABP Awards and Corporate Image Gold at the Primetime Awards.

EFFIES

Fevikwik 'Phenko Nahi Jodo' campaign was recognised across platforms, bagging 2 Silver and 1 Bronze medal in **EFFIES 2020**. It also won the Marketing Campaign of the Year in ABP 2019 and Primetime Gold Award in the Best Television Advertisement category.

DOD (Drivers of Digital) Awards Sammie's (Social Samosa) Awards

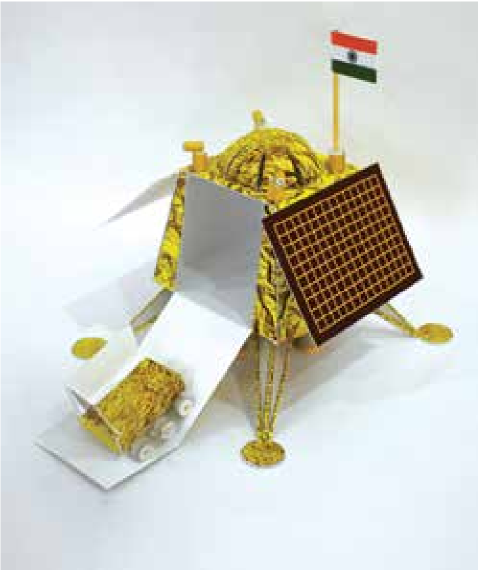
Fevicryl and its digital agency partner, Schbang won two awards for the Best Digital Campaign for Kalastar, a 360° take to help enthusiasts understand fabric colours better. The response was overwhelming, with 16,278 entries into the contest.

PIDILITE RECEIVING THE IBLA AWARD

BRAND ACTIVATIONS

Innovative on-ground activations are important for us to connect with our consumers and end-users to strengthen brand loyalty.

Fevicreate 1 lakh Chandrayaans – Around the same time that the Chandrayaan-2 mission was in progress, Fevicreate conceived Chandrayaan-2 crafting sheets, gratuitously circulated across schools. The initiative helped over 1 lakh children make their own version of Chandrayaan-2.



Fevicryl Humsafar our first barcode-enabled loyalty programme for end-users, Zardozi karigars and middlemen was launched. It offers perks like gifts through points redemptions, chance to participate in designer tie-up initiatives, health camps and so on. A total of 19,000 users enrolled themselves in the programme.

Fevicreate participated in **Kala Ghoda Art Festival** where a 10-feet horse was installed on Rampart Row. This was the festival's showstopper and was co-created by children and citizens of Mumbai. They stuck embellishments on the installation during the nine days of the festival.

PERFORMING

key performance indicators (standalone)

PROFIT AND LOSS METRICS

Net Sales (₹ in crores)

6,290 | 4.0% ↑

FY2019-20	6,290
FY2018-19	6,047
FY2017-18	5,309
FY2016-17	4,837
FY2015-16	4,703

EBITDA (₹ in crores)

1,485 | 14.4% ↑

FY2019-20	1,485
FY2018-19	1,298
FY2017-18	1,294
FY2016-17	1,229
FY2015-16	1,121

Profit After Tax (excluding exceptional items) (₹ in crores)

1,161 | 18.5% ↑

FY2019-20	1,161
FY2018-19	979
FY2017-18	955
FY2016-17	868
FY2015-16	774

Earnings Per Share (EPS) (₹)

22.8 | 18.1% ↑

FY2019-20	22.8
FY2018-19	19.3
FY2017-18	18.8
FY2016-17	16.9
FY2015-16	15.1

Book Value Per Share (₹)

87.9 | 6.7% ↑

FY2019-20	87.9
FY2018-19	82.4
FY2017-18	70.2
FY2016-17	66.3
FY2015-16	51.7

Dividend Per Share (DPS) (₹)

7.00* | 7.7% ↑

FY2019-20	7.00*
FY2018-19	6.50
FY2017-18	6.00
FY2016-17	4.75
FY2015-16	4.15

*interim dividend considered as final dividend for FY 2019-20

↑↓ Y-O-Y Growth/Degrowth

BALANCE SHEET METRICS

Net Current Assets (₹ in crores)

1,847 | (5.8)% ↓

FY2019-20	1,847
FY2018-19	1,960
FY2017-18	1,775
FY2016-17	1,880
FY2015-16	1,046

Reserves (₹ in crores)

4,414 | 6.7% ↑

FY2019-20	4,414
FY2018-19	4,136
FY2017-18	3,513
FY2016-17	3,348
FY2015-16	2,599

Return on Average Net Worth (%)

26.8 | 156 bps ↑

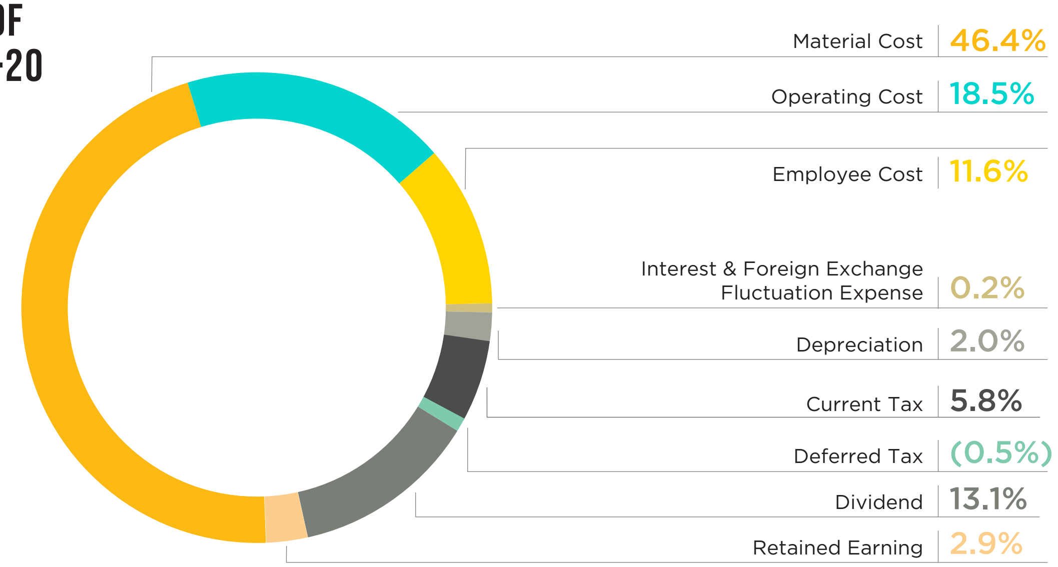
FY2019-20	26.8
FY2018-19	25.3
FY2017-18	27.4
FY2016-17	28.7
FY2015-16	31.0

Return on Average Capital Employed (%)

34.2 | (58 bps) ↓

FY2019-20	34.2
FY2018-19	34.7
FY2017-18	37.4
FY2016-17	41.1
FY2015-16	44.0

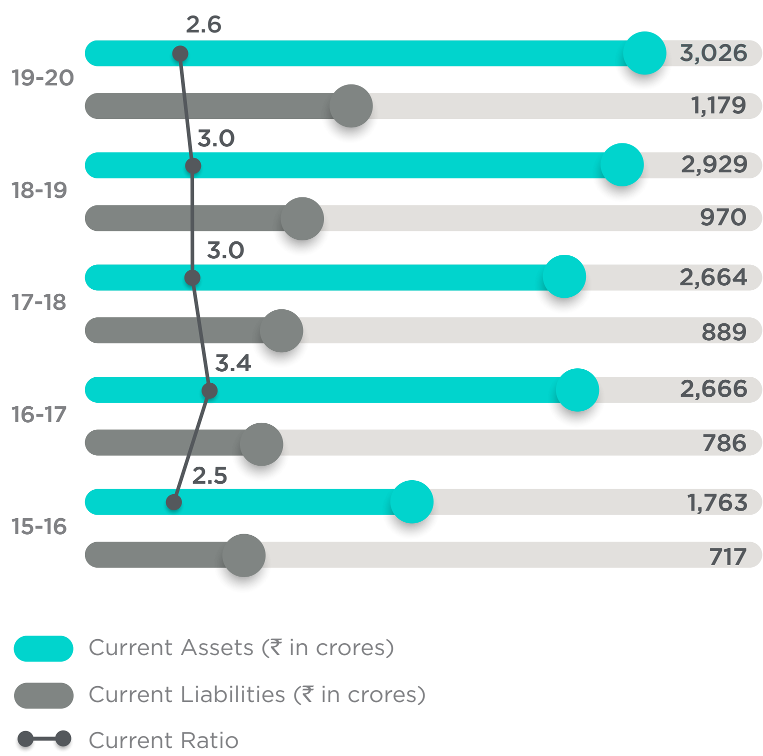
DISTRIBUTION OF REVENUE 2019-20



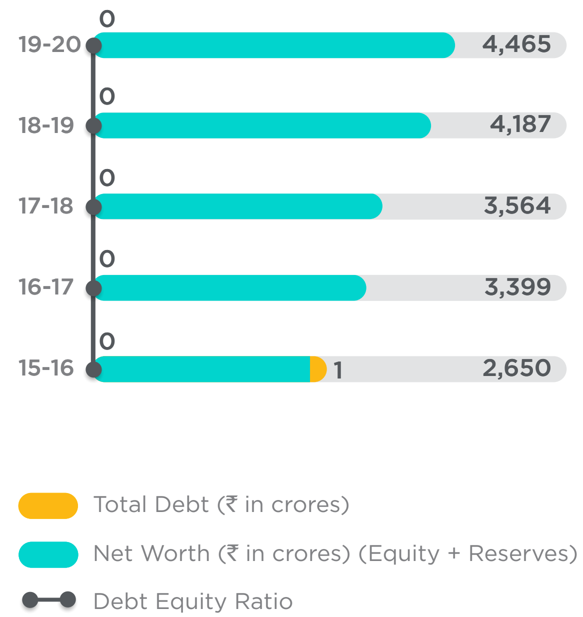
WITH PURPOSE

key performance indicators (standalone)

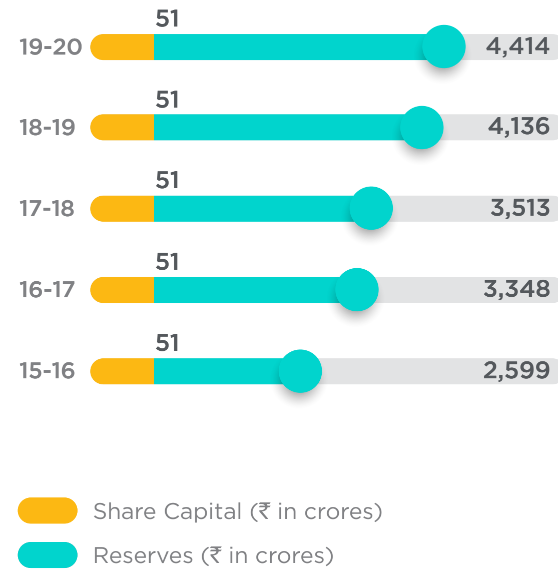
CURRENT RATIO



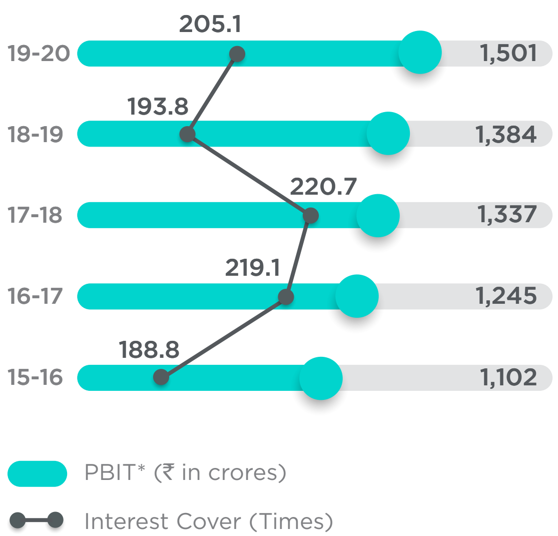
DEBT EQUITY RATIO



VALUE ADDITION TO BUSINESS THROUGH RESERVES

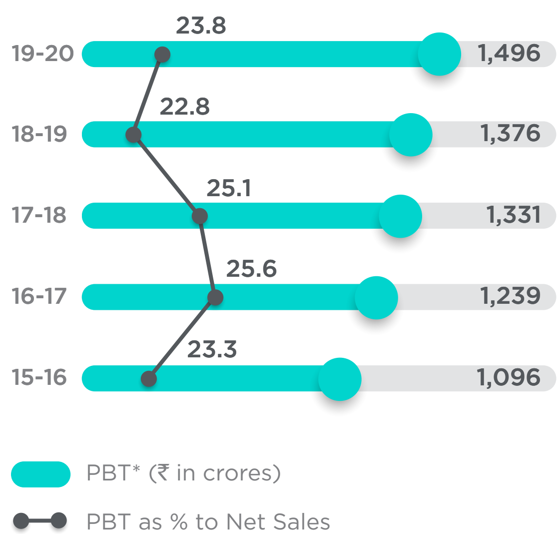


PBIT & INTEREST COVER



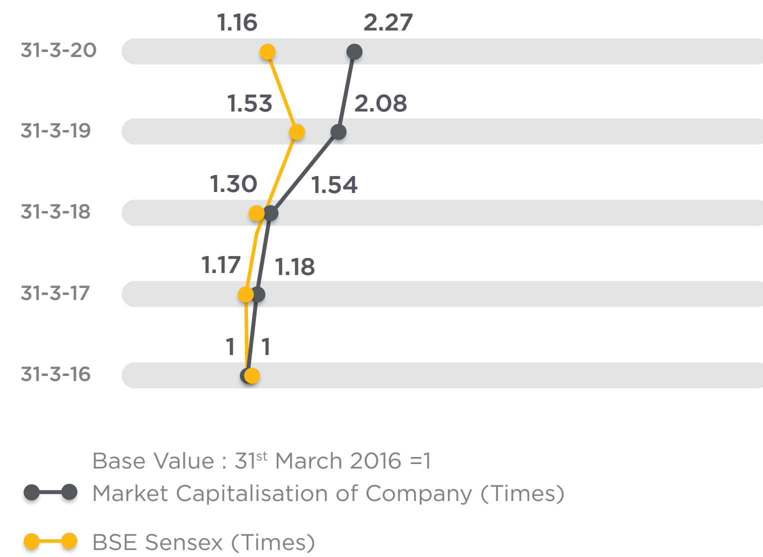
* PBIT excludes exceptional items

PBT & PBT AS % TO NET SALES



* PBT excludes exceptional items

GROWTH IN MARKET CAPITALISATION OF COMPANY AND BSE SENSEX SINCE 31ST MARCH 2016



FINANCIAL REVIEW

Consolidated Financials

Consolidated Net Sales grew by

3.1%

"EBITDA" (earnings before Interest, Taxes, Depreciation, Exceptional items and foreign exchange differences) before non-operating income, increased by

14.8%

Profit Before Tax (PBT) grew by

9.5%

PBT - excluding exceptional items* grew by

12.2%

Profit After Tax (PAT) grew by

20.8%

PAT - excluding exceptional items* grew by

24.4%

* Exceptional item represents impairment loss on plant and machinery at Dahej Elastomer Project amounting to ₹ 55 crores in current period and impairment in value of investments amounting to ₹ 18 crores in previous period.

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

9.6%

EBITDA grew by

107.9%

due to higher sales and better gross margin due to softer input cost.

Domestic subsidiaries sales declined by

8.2%

EBITDA de-grew by

8.3%

on account of lower sales and hence higher absorption of fixed cost.

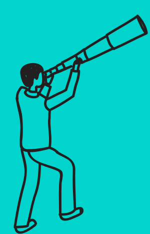
FINANCIAL REVIEW

Standalone Financials

As a result of the nation-wide lockdown declared in March 2020, the standalone net sales in the last ten days of the quarter, and of the year, were lower than the same period last year by around ₹ 150 crores. This is equivalent to around 11 % of Q4 net sales last year.

Lower sales in the last ten days of the quarter and the year resulted in last quarter's standalone net sales growth reducing from around 9.6% as on 21st March 2020 to (4.3%)* as on quarter end. The year's standalone net sales growth reduced from around 7.1% as on 21st March 2020 to 4.0%* as on year end. The consequent impact on standalone EBITDA growth is estimated at a reduction of 29.0% for last quarter and 6.0% for the year.

* Audited numbers, all other numbers are not reviewed/ audited by auditors.



For the year, sales volume and mix grew by

1.7%

and EBITDA, excluding non-operating income improved by

14.4%

Profit Before Tax (PBT) and exceptional items grew by

8.7%

Excluding exceptional items+ in current year and income from inter-company transfer of intangible assets and dividend income from subsidiaries, in last year, PBT grew by

12.7%

Profit After Tax (PAT) grew by

12.5%

Excluding exceptional items+ in current year and income from inter-company transfer of intangible assets and dividend income from subsidiaries and effect of tax thereon, in last year, PAT grew by

23.3%

+ Exceptional item represents impairment loss on plant and machinery at Dahej Elastomer Project amounting to ₹ 55 crores and impairment in value of investments of a subsidiary amounting to ₹ 4 crores.

PERFORMANCE BY INDUSTRY SEGMENT (STANDALONE)

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

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

Business to Business segment covers products, such as Industrial Adhesives, Industrial Resins, Construction Chemicals (Projects), Organic Pigments, Pigment Preparations, etc. and caters to various industries like packaging, joineries, textiles, paints, printing inks, paper, leather, etc.

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

CONSUMER & BAZAAR

Branded Consumer & Bazaar segment contributed

79.9%

of the sales of the Company and grew by

5.4%

with volume and mix growing by

1.9%

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

52.6%

of the sales of the Company and grew by

4.1%

Construction and Paint Chemicals contributed

19.2%

of the sales of the Company and grew by

12.1%

Art & Craft Materials etc. contributed

8.1%

of the sales of the Company and declined by

1.0%

BUSINESS TO BUSINESS

Business to Business segment contributed

18.7%

of the sales of the Company and grew by

4.9%

with volume and mix growing by

3.9%

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

6.1%

of sales of the Company and grew by

0.5%

Industrial Resins, Construction Chemicals (Projects) etc. contributed

6.4%

of the sales of the Company and grew by

0.2%

Pigments and Preparations contributed

6.2%

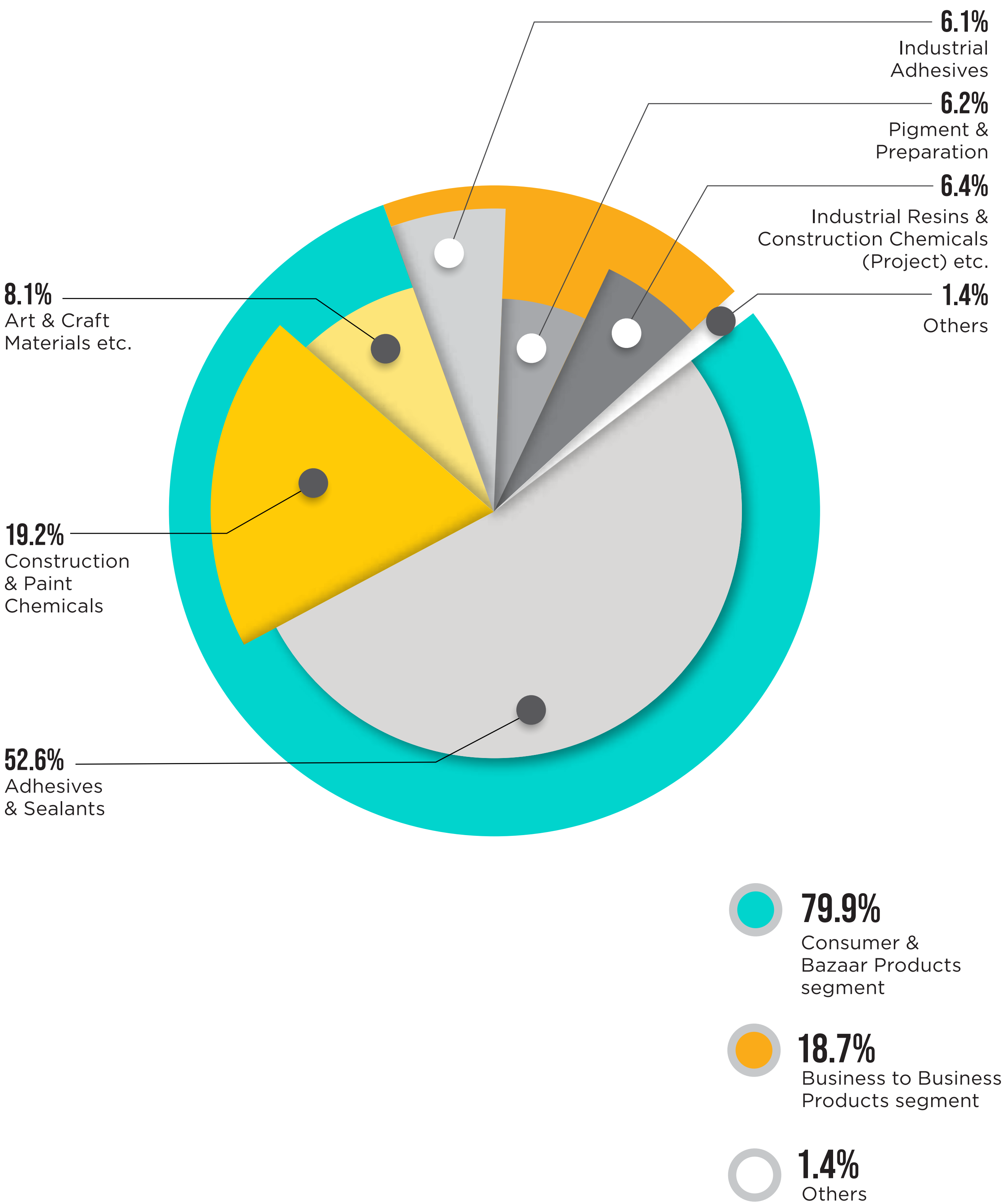
of the sales of the Company and grew by

15.6%

OTHERS

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

BUSINESS SEGMENT/ PRODUCT CATEGORY %



HUMAN RESOURCES

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

The Company's 'Happy and Healthy' (HAH) movement saw unique participation levels of 65%, a rise of more than 20% over the last year. New categories were introduced to engage employees more inclined towards mental or indoor activities like carrom, quiz and badminton.

To further strengthen the Learning and Development programmes, PACE, the signature programme for R&D managers was added to the existing bouquet of signature programmes for Sales and Marketing. Capstone, our programme for middle management saw its second batch successfully complete the course.

To strengthen the assessment process, the Company introduced a multi-rater stakeholder feedback process with the intention to bring in greater transparency and accountability in our managers.

The Human Resource Management System Workline has been strengthened with the implementation of multiple paperless processes across employee, self service areas of communication and relocation reimbursements, manage personal compensation and tax and personal profile updates. Additionally, to help digitise our hiring process, the integration of the Application Tracking System (ATS) has been a key step in garnering pre- and post-hiring intelligence.

Safety of our employees is of paramount importance and this was reflected both during the onset and living through the COVID-19 pandemic. The Company has reset the ways of working keeping a long-term view in mind and is moving swiftly to a digitally enabled workforce which has learning, safety and agility as the cornerstones of recasting the way we work.

The total number of employees as on 31st March 2020 is 6,064.

OUTLOOK

Current Year Outlook

During the first half of FY 2020-21, economic activity may remain subdued due to a number of factors, such as social distancing, subdued demand and labour shortage. Recovery in economic activity is expected to begin in second half of FY 2020-21 depending on how effectively the country is able to contain the virus. Overall there remains significant uncertainty about the duration of the pandemic and the consequent downside risks to domestic growth.

Continued slowdown in the construction industry and economic growth can negatively impact sales growth for current year.

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

The Company's major international subsidiaries are in Bangladesh, Sri Lanka, USA, Brazil, Thailand, Egypt and Dubai. Various initiatives are being taken to increase sales and market share in Bangladesh and Sri Lanka. The US subsidiary plans to maintain its focus on Retail and E-Commerce. The Brazil subsidiary is taking initiatives for continued growth in sales and margins. The business environment in these countries remain subdued as they all face the ongoing impact of the pandemic and consequent lockdown.

Outlook on Opportunities, Threats, Risks and Concerns

The Indian economy provides a large opportunity to the Company to market its differentiated products.

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

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

COVID-19 related slowdown may impact the performance of the Company and its subsidiaries.

MISCELLANEOUS

The Company's Net Worth (Equity capital + Reserves) has grown from ₹ 2,650 crores as on 31st March 2016 to ₹ 4,465 crores as on 31st March 2020, giving a Compounded Annual Growth Rate (CAGR) of 13.93%.

The market capitalisation of the Company on 31st March 2020 was ₹ 68,935 crores and has grown at a CAGR of 30.36 % since the IPO in 1993.

OTHER MATTERS

The following matters are elaborated in the Directors' Report

- Risks and concerns
- Internal control systems and their adequacy

CAUTIONARY STATEMENT

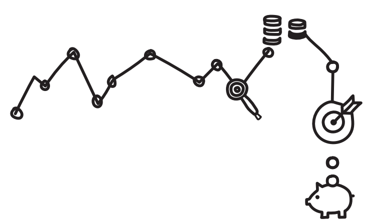
Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ.

COMPUTATION OF EVA

EVA	=	Net Operating Profit After Tax (NOPAT) - Weighted average cost of capital employed.
NOPAT	=	Net profit after tax + post tax interest cost at actual.
Weighted average cost of capital employed	=	(Cost of equity x average shareholder funds) + (cost of debt x average debt).
Cost of equity	=	Risk-free return equivalent to yield on long term Government of India (GOI) securities (taken @ 7.54%) + market risk premium (assumed @ 6.01%) x beta variant for the Company **(taken at 0.75),** where the beta is a relative measure of risk associated with the Company's shares as against the stock market as a whole.
Cost of debt	=	Effective interest applicable to Pidilite based on an appropriate mix of short, medium and long term debt, net of taxes.

Item	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
1. Risk Free Return on Long Term GOI Securities	7.5%	6.5%	7.2%	7.3%	7.5%
2. Cost of Equity	12.9%	9.2%	11.4%	13.1%	12.0%
3. Cost of Debt (Post Tax)	0.0%	0.0%	0.0%	0.0%	0.0%
4. Effective Weighted Average Cost of Capital	12.8%	9.2%	11.4%	13.1%	12.0%
Economic Value Added (₹ in crores)					
5. Average Debt	3	1	0	0	0
6. Average Equity (Shareholder Funds)	2,500	3,025	3,482	3,875	4,326
7. Average Capital Employed (Debt + Equity)	2,503	3,026	3,482	3,875	4,326
8. Profit After Tax (as per P&L account)	774 #$	868 #$	955 $	979 $	1161 #$
9. Interest (as per P&L account, net of Income Tax)	4	4	4	5	10
10. Net Operating Profit After Tax (NOPAT)	778	872	959	984	1171
11. Weighted Average Cost of Capital (4x7)	322	278	397	509	521
12. Economic Value Added (10-11)	456	594	563	475	650
13. EVA as a % of Average Capital Employed (12 ÷ 7)	18.2%	19.6%	16.2%	12.3%	15.0%

Profit After Tax excludes exceptional items.
$ Profit is after tax but before Other Comprehensive Income.



10 years' financial performance

(₹ in crores)

	I GAAP					IND AS					
Highlights	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**CAGR %**
Operating Results											
Sales and Other Income	2,530	3,017	3,615	4,169	4,724	5,134	5,409	5,627	6,285***	6,484	11.0%
Manufacturing & Other Expenses	2,036	2,483	2,939	3,448	3,918	3,942	4,070	4,197	4,796	4,847	10.1%
Operating Profit	494	534	676	721	806	1,192	1,339	1,430	1,490	1,637	14.2%
Interest (Net)	27	21	8	10	10	6	6	6	7	13	(7.4%)
Depreciation	44	48	53	69	108	88	90	91	100	126	12.3%
Profit from Ordinary Activities	423	465	615	642	688	1,098	1,243	1,333	1,383	1,498	15.1%
Exceptional Item	25	13	(6)	6	18	27	94	-	-	59	10.1%
Foreign Exchange Difference - Expense/(Income)	1	8	1	5	2	1	4	2	6	2	9.3%
Profit-Before Tax	397	444	620	631	668	1,070	1,145	1,331	1,376	1,437	15.4%
Current Tax	94	105	156	160	156	299	363	403	438	369	16.4%
Deferred Tax	(1)	4	3	2	11	24	8	19	11	(33)	57.2%
Profit-After Tax for the year	304	335	461	469	501	747	774	909	927	1102	15.4%
Add: Prior Year's Tax Provision written back	-	-	-	-	-	-	-	46	53	-	-
Profit-After Tax	304	335	461	469	501	747 $	774 $	955$	979$	1,102$	15.4%
Dividend on Equity Shares	103 *	112 *	156 *	162 *	179 *	404 ****	31 ****	293****	364****	827****	26.1%
Retained Earning	**201**	**223**	**305**	**307**	**322**	**343**	**743**	**662**	**615**	**275**	**3.5%**
Financial Position											
Capital-Equity	51	51	51	51	51	51	51	51	51	51	0.0%
Reserve (Less Revaluation Reserve & Misc. Expenditure)	1,088	1,327	1,682	1,988	2,298	2,599	3,348	3,513	4,136	4,414	16.8%
Net Worth	1,139	1,378	1,733	2,039	2,349	2,650	3,399	3,564	4,187	4,465	16.4%
Borrowings	287	264	60	8	6	1	-	-	-	-	-
Deferred Tax Liability (Net)	41	45	48	51	55	75	84	103	113	76	7.1%
Funds Employed	**1,467**	**1,687**	**1,841**	**2,098**	**2,410**	**2,726**	**3,483**	**3,667**	**4,300**	**4,541**	**13.4%**
Fixed Assets **											
Gross Block	1,205	1,343	1,469	1,637	2,005	1,775	1,856	1,975	2,110	2,538	8.6%
Depreciation	431	476	527	594	716	707	790	871	930	1041	10.3%
Net Block	774	867	942	1,043	1,288	1,068	1,066	1,104	1,180	1,497	7.6%
Investments in - Overseas Subsidiaries	233 #	239 #	260 #	315 #	341 #	355 #	270 #	303#	330#	327#	3.9%
- Others	167	94	287	259	360 ***	748	1,523	1,483	1,860	1,496	27.6%
Net Current Assets	293	487	352	481	421 ***	555	624	777	930	1,220	17.2%
Total Assets	**1,467 #**	**1,687**	**1,841**	**2,098**	**2,410**	**2,726**	**3,483**	**3,667**	**4,300**	**4,541**	**13.4%**

The Company transitioned into Ind AS from 1st April 2015

* Includes Tax on Dividend

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

\# After deducting provision for diminution.

\- Less than ₹ 1 crore

*** Previous years' figures regrouped

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

$ Profit is after tax but before Other Comprehensive Income

(₹ in crores)

	I GAAP					IND AS				
Highlights	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Funds Flow										
Sources										
Internal Generation	373	400 <	511 <	546	638	886	967	1,066	1,091	1,259
Increase in Capital & Reserve on conversion of FCCB	-	15	50	-	-	-	-	-	-	-
Increase in Equity Share Capital	-	-	-	-	-	- ~	- ~	- ~	- ~	- ~
Increase in Loans	-	-	-	8	-	-	-	-	-	-
Decrease in Investment-Others	99	73	-	35	-	-	-	283	-	102
Decrease in Working Capital	-	-	141	-	23 ***	329	-	-	-	-
Total	**472**	**488**	**702**	**589**	**661 *****	**1,215**	**967**	**1,349**	**1,091**	**1,361**
Applications										
Repayment of Loans	135	23	204	60	2	5	1	-	-	-
Capital Expenditure (Net) >	124	141	128	169	353	134	88	125	159	393
Investments in - Overseas Subsidiaries	13	19	26	55	26	14	10	34	26	19
- Domestic Subsidiaries	-	-	-	7	- ~	68	80	117	35	127
- Others	-	-	188	-	101 ***	590	695	-	255	-
Buyback of Equity Shares	-	-	-	-	-	-	-	500	-	-
Dividend	103 *	112 *	156 *	162 *	179 *	404 ****	31 ****	293 ****	364 ****	827 ****
Increase in Working Capital	97	193	-	136	-	-	62	280	252	(5)
Total	**472**	**488**	**702**	**589**	**661 *****	**1,215**	**967**	**1,349**	**1,091**	**1,361**
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	31.7	27.6	29.3	25.2	23.7	31.0	28.7	27.4	25.3	26.8 @
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)##	32.3	31.2	36.2	33.7	31.6	44.0	41.1	37.4	34.7	34.2
Long-term Debt/Cash Flow	0.8	0.6	0.1	-	-	-	-	-	-	-
Gross Gearing % (Debt as a percentage of Debt plus Equity)	20.1	16.1	3.4	0.4	0.2	-	-	-	-	-
Current Ratio	1.6	1.8	1.6	1.8	1.7	2.5	3.4	3.0	3.0	2.6
Assets Turnover (times) (Gross Sales divided by Total Assets)	1.7	1.8	1.9	2.0	1.9	1.8	1.5	1.5	1.4	1.4
Debtors Turnover (Gross Sales divided by Debtors)	9.5	9.7	10.2	10.0	9.6	9.5	9.1	8.4	8.3	8.0
Inventory Turnover (Cost of Goods Sold divided by Inventories)	4.1	4.2	4.3	4.5	4.7	4.4	4.3	4.3	4.5	4.0
Operating Profit Margin (%) ##	19.9	19.2	20.5	18.7	18.4	25.3	27.7	26.9	24.6	26.0
Net Profit Margin (%) ##	16.9	16.3	18.5	16.5	15.7	23.3	25.6	25.1	22.8	23.8

The Company transitioned into Ind AS from 1st April 2015

> Includes Cost of Brands, Patents Trademarks and Businesses Acquired

* Includes Tax on Dividend.

** Excluding Deferred Tax Liability (Net)

< Includes security premium received on FCCB conversion

\#\# PAT, PBT and PBIT are excluding exceptional items

~ Less than ₹ 1 crore

*** Previous years' figures regrouped

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

@ As compared to FY 2018-19, FY 2019-20 RONW is higher by by 6.2% mainly due to 11.6% growth in average net worth against 18.5% growth in PAT

directors' report

To

The Members

Your Directors take pleasure in presenting the Fifty First Annual Report together with Audited Financial Statements for the year ended 31st March 2020.

Financial Results (Standalone)

	(₹ in crores)	
	2019-20	2018-19
Sales	**6,290.43**	6,047.40
Operating Profit	**1,637.28**	1,489.74
Finance Costs	**(13.40)**	(7.14)
Depreciation, Amortisation and Impairment Expense	**(125.79)**	(99.83)
Net Foreign Exchange Loss	**(1.86)**	(6.32)
Profit Before Exceptional Items and Tax	**1,496.23**	1,376.45
Exceptional Items	**59.28**	-
Profit Before Tax	**1,436.95**	1,376.45
Current Year's Tax	**(368.65)**	(385.56)
Profit After Current Year's Tax	**1,068.30**	990.89
Deferred Tax	**33.32**	(11.45)
Profit After Tax	**1,101.62**	979.44
Profit Brought Forward	**2,779.09**	2,166.95
Other Comprehensive Income included in retained earnings (Net of tax)	**(11.20)**	(2.98)
Profit available for appropriation	**3,869.50**	3,143.41
Appropriations		
Dividend paid	**(330.18)** *	(304.69) #
Interim Dividend paid	**(355.61)**	-
Tax on Dividend	**(140.97)**	(59.63) #
Total	**(826.76)**	(364.32) #
Closing balance of Retained Earnings	**3,042.74**	2,779.09

* Pertaining to dividend for FY 2018-19

Pertaining to dividend for FY 2017-18

The dividend payout is in accordance with the Dividend Distribution Policy which is given as an annexure and the same is also available on the website of the Company www.pidilite.com.

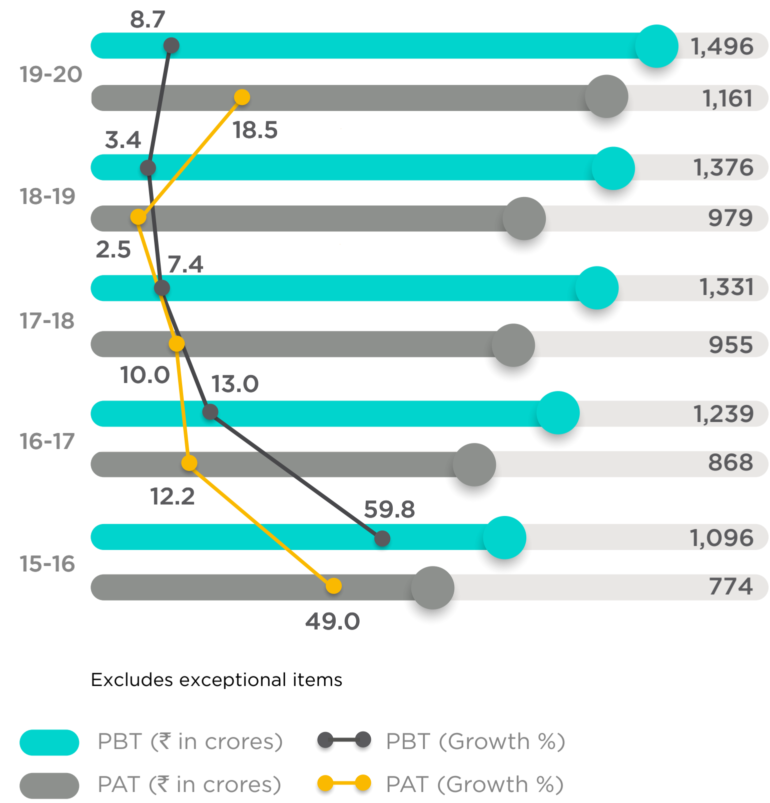
Financial Performance

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

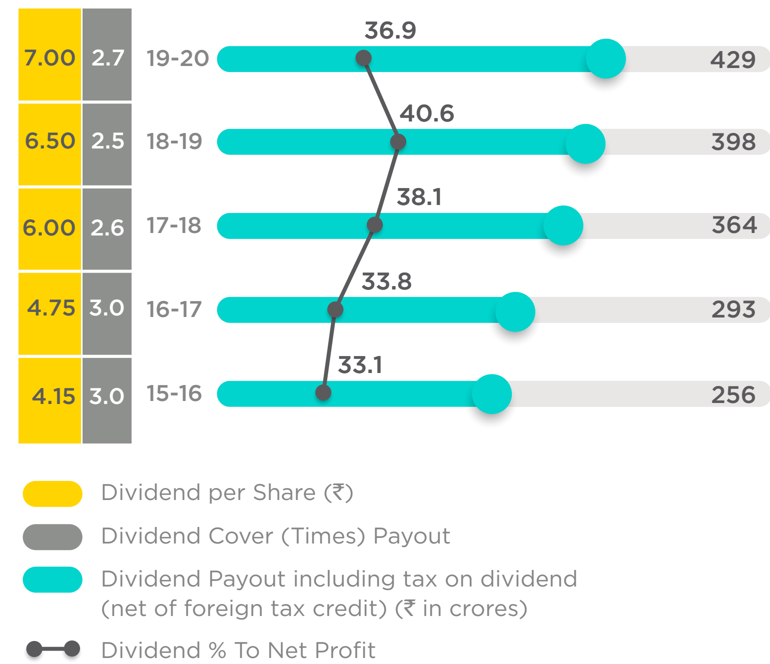
Dividend

Your Directors recommend that the interim dividend of ₹ 7/- per equity share of ₹ 1/- each amounting to ₹ 355.61 crores, which was declared and paid during the Financial Year, be considered as the final dividend out of the current year's profit, on equity capital of ₹ 50.81 crores (previous year ₹ 6.50 per equity share of ₹ 1/- each aggregating to ₹ 330.18 crores on equity capital of ₹ 50.80 crores). The dividend payout amount has grown at a CAGR of 13.8% during the last five years.

PBT, PAT & GROWTH (YOY)



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



Transfer to Reserves

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

Term Finance

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

Capital Expenditure

The total capital expenditure during the year was ₹ 369.03 crores (previous year ₹ 186.23 crores) primarily spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology.

Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 during the financial year 2019-20 (previous year NIL).

Subsidiaries

Investment in Subsidiaries

During the year, investment of ₹ 146.18 crores (previous year ₹ 61.04 crores) was made in subsidiaries. Of this, ₹ 127.08 crores was invested in domestic subsidiaries and ₹ 19.10 crores in overseas subsidiaries.

The investments in domestic subsidiaries were in Madhumala Ventures Pvt. Ltd. (formerly known as Madhumala Traders Pvt. Ltd.) amounting to ₹ 126.47 crores and in newly incorporated subsidiaries namely Pidilite Litokol Pvt Ltd (₹ 0.60 crores) and Pidilite Grupo Puma Manufacturing Ltd (₹ 0.01 crores).

The investments in overseas subsidiaries were in Pidilite International Pte Ltd., Singapore (₹ 18.03 crores), Pidilite Chemical PLC, Ethiopia (₹ 0.75 Crores) and Pidilite Industries Egypt SAE (₹ 0.32 crores).

During the year

a. The Company along with Litokol S.p.A, Italy has incorporated a joint venture subsidiary in the name of "Pidilite Litokol Private Limited" (PLPL) on 7th October 2019 to carry on the business of chemicals epoxy grouts, chemical based products etc. The Company holds 60% of the paid up share capital and has management control of PLPL.

b. The Company alongwith Corporacion Empresarial Grupo Puma S.L., Spain has incorporated a joint venture subsidiary in the name of "Pidilite Grupo Puma Manufacturing Limited" (PGPML) on 13th January 2020 to carry on the business of manufacturing, processing and distribution of technical mortars and other materials used in construction. The Company holds 50% of the paid up share capital and has management control of PGPML.

c. Nina Percept Private Limited (NPPL), subsidiary of the Company along with Pidilite Speciality Chemicals Pvt Ltd (PSCB), a step down subsidiary of the Company, has incorporated a company on 29th January 2020, in Bangladesh namely "Nina Percept (Bangladesh) Pvt Ltd." to carry on the business of roofing and waterproofing services in Bangladesh. NPPL holds 99% of the paid up share capital of Nina Percept (Bangladesh) Pvt. Ltd and the balance 1% is held by PSCB.

d. The Company alongwith Chetana Expotential Technologies Pvt Ltd, Bangalore has incorporated a joint venture company in the name of "Pidilite C-Techos Walling Limited" (PCWL) on 5th March 2020, to carry on the business of construction of building works or any other structural or architectural work of any kind using C-Techos wall technology, manufacturing of ACC panels and other ancillary products. The Company holds 60% of the paid up share capital and has management control of PCWL.

e. The Company has, for operational convenience and synergies, entered into a business transfer agreement for acquiring the business of wholly owned entity, M/s. Nitin Enterprise (a partnership firm having two partners, both of which are wholly owned subsidiaries of the Company) on a slump sale basis for a cash consideration of an amount not exceeding ₹ 18.50 crores subject to necessary approvals. The acquisition process is likely to be completed during the financial year 2020-21.

f. Madhumala Ventures Pvt Ltd (formerly known as Madhumala Traders Pvt Ltd), a wholly owned subsidiary of the Company, has made three strategic investments in relevant start-ups in the domain of home décor, furnishings, painting and waterproofing aggregating to ₹ 122.48 crores. With these investments, the Company intends to support and collaborate with these start ups for mutual benefits.

g. Pursuant to a share purchase agreement executed with Tenax S.p.A, Italy, the Company acquired 70% of the share capital of Tenax India Stone Products Pvt. Ltd. for a cash consideration of approx. ₹ 80 crores. The acquisiton process was completed on 28th May 2020.

Performance of Major Domestic and Overseas Subsidiaries

(₹ in crores)

Name of Subsidiary	Sales 2019-20	Sales 2018-19	% Growth	EBITDA 2019-20	EBITDA 2018-19	% Growth
Nina Percept Pvt Ltd	267.76	304.80	(12.2%)	11.50	34.08	(66.3%)
ICA Pidilite Pvt Ltd	185.83	168.33	10.4%	24.13	1.56	1450.1%
CIPY Poly Urethanes Pvt Ltd	121.38	155.43	(21.9%)	15.38	20.93	(26.5%)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	119.19	99.14	20.2%	18.38	17.14	7.2%
Pidilite Lanka (Pvt) Ltd	41.46	35.04	18.3%	2.91	(0.60)	584.7%
Pidilite USA Inc	113.72	104.97	8.3%	(0.42)	1.36	(131.3%)
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	88.12	81.80	7.7%	1.98	0.32	511.0%
Pidilite Industries Egypt SAE includes PIL Trading (Egypt) Company	35.03	31.64	10.7%	(0.07)	(1.92)	96.1%
Pidilite Bamco Ltd includes Bamco Supply and Services Ltd (Thailand)	60.69	63.07	(3.8%)	5.14	4.02	27.9%
Pidilite MEA Chemicals LLC (UAE)	109.55	100.78	8.7%	(4.14)	(7.55)	45.2%

Overseas subsidiaries figures are at constant currency.

Nina Percept saw a decline in sales and decrease in profitability due to a slowdown in the real estate sector.

ICA Pidilite reported higher sales and improved profitability on account of scaled up local manufacturing.

Cipy witnessed lower sales and decline in profitability on account of a slowdown in the Auto and Engineering segment.

The subsidiary in Bangladesh reported good sales growth with healthy profitability. The second manufacturing plant at Bhaluka was commissioned during the year.

Pidilite Lanka continued to grow in the current year, and reported positive EBITDA due to lower material cost and benefit of local manufacturing.

Pidilite USA sales grew due to higher sales of Tempera, Pencil and Acrylic colours, however it reported a negative EBITDA due to one off tax expenses pertaining to the past period.

Pulvitec do Brasil reported moderate sales growth and higher EBITDA on account of margin improvement and cost saving initiatives.

The subsidiaries in Egypt reported moderate sales growth. The subsidiaries in Thailand saw marginal decline in sales due to market conditions. EBITDA in these subsidiaries improved due to benefit of softer input cost and controlled spends.

The subsidiary in UAE reported reduction in EBITDA losses due to higher sales, margin improvement and cost saving initiatives.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act'), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report, form part of this Annual Report. A statement containing the salient features of the Company's subsidiaries, associate and joint venture company in the prescribed Form AOC- 1, are set out in Note No. 59 to the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries, associate company and joint venture, as approved by their respective Board of Directors except Pulvitec do Brasil Industria e

Comercio de Colas e Adesivos Ltda which has been approved by the local administrator and Plus Call Technical Services LLC, Dubai for which the financial statements has been approved by the management. There has been no transaction in Pidilite C-Techos Private Limited and Pidilite Grupo Puma Private Limited from the respective dates of their incorporation till 31st March 2020.

The accounts of the subsidiaries are also uploaded on the website of the Company, www.pidilite.com.

Directors and Key Managerial Personnel

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has recommended to the Members (a) the re-appointment of Shri Bharat Puri as the Managing Director of the Company for a further period of 5 years with effect from 10th April 2020 (b) the re-appointment of Shri A N Parekh as the Whole-time Director of the Company for a further period of 5 years with effect from 1st July 2020 and (c) the re-appointment of Shri Sanjeev Aga as an Independent Director of the Company for a second consecutive term of 5 years, commencing from the conclusion of the 51st AGM.

Shri Sabyaschi Patnaik, Whole-time Director, designated as Director-Operations of the Company, resigned from the end of business hours of 29th February 2020. The Directors place on record their sincere appreciation for the valuable services rendered by him during his tenure as the Whole-time Director of the Company.

Shri Debabrata Gupta was appointed as an Additional Director of the Company by the Board on the recommendation of Nomination and Remuneration Committee with effect from 1st March 2020. Members' approval is sought for his appointment as a Director and also Whole-time Director designated as Directors-Operations of the Company for a period of three years with effect from 1st March 2020.

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

In terms of Section 203 of the Act and applicable provision of Listing Regulations, the Board of Directors have appointed Shri Pradip Menon as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 18th November 2019.

Policy on Directors' Remuneration

The policy on Directors' remuneration is given as an annexure and is also available on the website of the Company, www.pidilite.com. The remuneration paid to the Directors is as per the terms laid out in the said policy.

Directors' Responsibility Statement

Your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2020 and of the profit of the Company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

Familiarisation Programme

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

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

Number of Meetings of Board of Directors

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

Statement of Declaration on Independence given by Independent Directors

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

a. they meet the criteria of independence as laid down under the Act and the Listing Regulations and

b. they have registered their names in the Independent Directors' Databank.

Corporate Governance

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

Management Discussion and Analysis Report

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

Committees of the Board

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

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

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

Corporate Social Responsibility (CSR) Report and Policy

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

Vigil Mechanism / Whistle Blower Policy

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

Policy relating to Prevention of Sexual Harassment

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

Statutory Auditors

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

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

Cost Auditor

The Company has maintained cost records as specified by Central Government u/s 148(1) of the Act. M/s. V J Talati & Co., Cost Accountants, were appointed as the Cost Auditor for the financial year 2019-20 to conduct the audit of the cost records of the Company and they have been reappointed as the Cost Auditor for the financial year 2020-21. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, at the ensuing AGM, the Board seeks ratification of the remuneration payable to the Cost Auditors for the financial year 2020-21.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s M. M. Sheth & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Report of the Secretarial Auditor is attached as **Annexure 2** to this Report. There is no qualification or adverse remark in their Report.

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

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

Risk Management

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

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

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

Contracts and Arrangements with Related Parties

All contracts/arrangements entered into by the Company during the financial year with related parties (as defined in the Act and Listing Regulations) were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract/arrangement/transaction with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Policy on materiality of related party transactions and dealing with related party transactions, as approved by the Board, is available on the website: www.pidilite.com.

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

Particulars of Loans, Guarantees or Investments

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

Employees Stock Option Scheme

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

The applicable disclosure, as stipulated under the SBEB Regulations, as on 31st March 2020 with regard to the Scheme, is provided in **Annexure 4** to this Report.

Extract of Annual Return

Extract of Annual Return of the Company is attached as **Annexure 5** to this Report. It is also available on the website: www.pidilite.com.

Business Responsibility Report

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

Internal Control Systems and their Adequacy

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

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

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

Significant/Material orders passed by the Regulators

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

Particulars of Employees and related disclosures

Disclosure pertaining to remuneration as per Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 6** to this Report.

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

General

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

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

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

Appreciation

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

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date : 17th June 2020

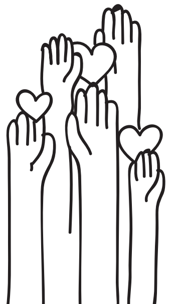
M B Parekh
Executive Chairman

SOCIAL

social & community services initiatives

The Company has always believed in contributing for the betterment of society where it operates and with this objective, it has been engaging in and supporting various social and community service initiatives for the past several years, long before the concept of corporate social responsibility came into being.

Such initiatives are undertaken directly by the Company and through various organisations, such as Trivenikalyan Foundation (TKF), Gram Nirman Samaj (GNS), Shree Gram Daxinamurti - Manar, Hanumant Hospital (managed by Shree Hanumant Seva Medicare Trust), Shree Mahuva Education Trust, The Balvant Parekh Centre for General Semantics and Other Human Sciences, Gram Daxinamurti, Bhavnagar, Shri N N Mehta Memorial Education Trust, Lokbharti Gram Vidyapeeth Trust, Shri Balvant Parekh Science City and Gram Seva Kendra Khadasli. As of now, most of these initiatives are centred on the villages of Gujarat. However, seeing the encouraging impact of these initiatives, the Company plans to conduct similar initiatives in the surrounding areas of its factories.



AGRICULTURE & HORTICULTURE

The Company has been supporting the partner organisations for agriculture and horticulture crops through collaboration with subject-matter experts and relevant national institutes. During the year, the Company assisted in the formation of 108 new Farmer Clubs (covering additional 1,500 farmers) in Bhavnagar and Amreli Districts (for cotton, groundnut, onion, and other relevant crops). With these additions, now there are 448 Farmer Clubs covering over 13,000 farmers.

Data of 10,500 farmers have been geo-tagged with area mapping on a digital portal. This helps in enhanced analysis for adoption of best practices, such as soil management, intercropping, drip irrigation, etc. Geo-tagging has facilitated provision of specific initiatives for farmers concerning improvement of yield and reduction in the cost of cultivation. About 65% of the farmers actively used these recommendations which resulted in a 12% decrease in the cost of cultivation for cotton and groundnut crops. We have launched knowledge series of booklets on various crops and agricultural practices (cotton, groundnut, onion, intercropping, animal husbandry, soil and water management and composting) which has benefitted Farmer Clubs.

The major breakthrough has been achieved by farmers opting for bio-based fertilizer instead of chemical fertilizer. While 2,071 farmers have significantly decreased usage by 30% of chemical fertilizer, another 520 farmers have begun organic farming by widely using Jivamrut and Bijamrut.

With respect to horticulture, we have developed 6 wadis (one-acre orchard) along with 5 shade nets for replication of vegetable and fruit crops. These orchards will increase the income of farmers and yield continuous income for 40-50 years if maintained properly. On the other hand, the shade net will yield an additional income of ₹ 10,000 to ₹ 15,000 per year on an average.

For enhancing the skill of farmers, Agro ITI courses have been initiated at Agriculture Research Station, Mahuva, in collaboration with Junagadh Agriculture University (JAU) along with the successful implementation of two batches. We also completed two batches of Agriculture courses at ITI Jafrabad.

DEMONSTRATING LOW-COST AGRICULTURE TECHNOLOGY FOR FARMERS

COMMITMENT TO SOCIETY

FARMER PRODUCER ORGANISATION (FPO)

The Company has supported the farmers for registering and operating the Farmer Producer Organisation as per the provisions of Companies Act, 2013.

The FPO has started collective procurement of groundnut, which will help farmers fetch higher prices than the local market. The FPO helped farmers to sell groundnut worth ₹ 40 lakhs in the first year itself, which were sold for processing (salted, roasted, coated and flavored) peanuts to other parties. The FPO has collaborated with Government of Gujarat for the set-up of Custom Hiring Centre (CHC) for farm equipment at Mota Khutavda village. The CHC is equipped with major agricultural implements, which are provided to marginal farmers at nominal rates for use in their fields whenever needed.

FIRST AGM OF FARMER PRODUCER ORGANISATION, MAHUVA

CENTRE FOR AGRICULTURE-HORTICULTURE DEVELOPMENT AT GRAM DAXINA MURTI, MANAR

The Centre has successfully demonstrated agriculture, horticulture, aromatic, fruit, and medicinal crops. Farmers from 35 adjoining villages have received training at the Centre, to learn the best package of practices.

Low-cost technologies/ methods like one farmer one cow biogas model, shade net, fruit fly trap, inter cropping, Integrated Pest and Nutrient Management (IPNM), mulching, border plantation, organic farming, no-tillage farming, etc. have been demonstrated along with 100% coverage under drip irrigation. The farmers are trained to grow aromatic crops like citronella, lemongrass, palma rosa, vetiver, etc. as intercrops with main agriculture crops. A steam distillation unit has been commissioned for value addition of these aromatic crops, which will yield them additional income.

We have collaborated with the State Government for replication of citronella in 100 acres of farmers' land, which is under implementation for expansion of aromatic crop cultivation.

An in-house training centre for farmers is being provided, which will help in the transfer of knowledge from experts, scientists and universities to farmers.

SHRI M B PAREKH REVIEWING THE CENTRE'S PROGRESS AT MANAR

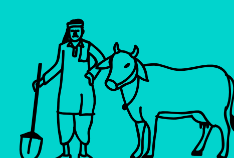
FIRST FEMALE CALF BORN VIA SEXED SEMEN TECHNOLOGY

MILK AND ANIMAL HEALTH

The Company has continued its support to Milk and Animal Health Initiative in Mahuva Taluka. The farmers are trained on best animal husbandry practices like animal feeding, breeding, health and cattle management.

Best-of-the-best (BoB) villages and farmers are identified, their best practices are studied and replicated with other farmers. We observed average increase in milk yield by 19% per animal.

Our team of veterinary doctors formulated special recipes for cattle feed. As per the feedback of farmers, the cattle feed has shown encouraging results in terms of health improvement of cattle, increase in milk yield and reduction in feeding cost. The innovative practice of sexed insemination has been introduced at farmers' cow sheds which ensures delivery of female calves. Currently, out of the 40 gestating cows, 30 have delivered female calves and the rest will deliver during August-September 2020. Therefore, as of now we have achieved 100% success rate. The Company has also conducted 3,800 artificial inseminations last year with a 55% success rate.



INAUGURATION OF
AKHEGADH CHECK DAM

WATER RESOURCE MANAGEMENT

The Company has continued to undertake water management activities (check dams, farm ponds, etc.) in cooperation with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of Government of Gujarat. In FY 2019-20, 37 check dams, 14 pond deepening and 121 farm ponds were completed.

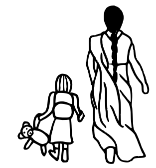
Cumulatively, 96 check dams, 54 pond deepening, and 369 farm ponds have been completed to date with the assistance of the Company.

The Company has also initiated the development of 79 water structures (51 check dams and 28 ponds) for the current year and additional water structure restorations are under discussion with the state government for the next year.

The Company has continued its support for five watershed centres in Bhavnagar and Amreli district to accomplish the task of creation of watershed structures.
The five operational centres are (a) Otha (b) Mahuva (c) Manar (d) Sanosara and (e) Khadasli. The centres are equipped with all the required machinery and work is done under the supervision of experienced civil engineers.

Total rainwater harvested is 232 million litres during FY 2019-20 through the construction of new check dams, along with desilting and deepening of existing check dams/ponds.

During the year, 1,300 hectares of additional farmland were converted into drip irrigation and more than 283 additional wells spanning over 30 villages were recharged, for improving the quality of groundwater. Cumulatively, it translated into 2,800 hectares of farmland and 1,007 wells in 100 villages.



MODEL VILLAGE DEVELOPMENT

Under the Company's unique initiative 'Model Village: Kushal Gram' at Kalsar, Gujarat, 1,197 additional villagers were skilled in various areas, taking the total tally to over 9,697 villagers.

As a part of the cleanliness drive, more than 1,800 households were helped to create sanitation facilities within their dwelling units. The villagers were trained to paint their houses (Project Rangeen Kalsar) and during the year, an additional 168 such houses were painted in the same colour taking the cumulative number to 1,568 houses.

BEAUTIFICATION OF KHAREDI
SCHOOL USING SPECIAL PAINT

social & community services initiatives

SWACHTHA INITIATIVE

The Company has collaborated with Swachh Bharat Mission (Urban) for conducting cleaniness drives starting from Mahuva city. The initiative was launched on 2nd October 2019, commemorating the 150th Birth Anniversary of Mahatma Gandhi.

Major activities like regular cleaning of roads, allocation of dustbins to households, training safai karamcharis, provision of fogging machine, repair and renovation of community toilets were initiated.

A massive drive for launch of this initiative in Mahuva city was undertaken with Prabhat Pheri, oath taking, city cleaning by Regional Commissioner of Municipalities, DDO Bhavnagar and various MLAs, dignitaries and over 1,000 citizens in participation.

CITY CLEANING UNDER 'SWACHTHA DRIVE' LAUNCHED IN MAHUVA

RENOVATION OF COMMUNITY TOILETS IN MAHUVA

SANITATION

The Company supported in building 2,340 new toilets (taking total to over 13,340 till date) in Mahuva Taluka. It has continued to work closely with the Government and provides support to the households to achieve the vision of open defecation-free status for the villages of Mahuva Taluka, Gujarat.

Through the relentless efforts of the Company in collaboration with the Government, the district of Bhavnagar has been declared Open Defecation-Free by Government.

HEALTHCARE

During the year, Hanumant Hospital in Mahuva treated over 63,505 outpatients, performed over 3,179 surgeries and successfully handled 5,287 emergency cases. Four educational training programmes were conducted for medical fraternity. Seven speciality medical camps were conducted in-house and in the surrounding areas under the Doctor Connect Programme.

In collaboration with the Government Health Department, pediatricians from Hanumant Hospital conducted OPDs two days a week at various Primary Health Centres (PHCs) and Community Health Centres (CHCs) ensuring that the best healthcare reaches the most remote locations of Mahuva, Gujarat. Audiometry, squint surgery, cleft lip and palate surgery, pediatric orthopedic surgery and physiotherapy are given free of charge to detected children with special need.

Hanumant Hospital is enrolled under Balsakha-3 scheme, through which we have provided free treatment to 107 critical newborn babies during the year. Hanumant Hospital is enrolled under Ayushman Bharat scheme of the Government. Under this, we provided cashless treatment to 432 beneficiaries this year.

Hanumant Hospital is the only hospital in Bhavnagar district with an enrollment of Mukhyamantri Amrutum Yojana under the urology cluster. A total of 1,157 patients received cashless dialysis service under this scheme, whereas cumulatively 3,700 beneficiaries availed benefit of cashless service.

Hanumant Hospital has conducted free eye and pediatric checkup camps through mobile ophthalmic van in 46 villages of Mahuva and surrounding area, screened 4,250 patients and conducted 127 free cataract surgeries with Introcular lenses at Hanumant Hospital in collaboration with Vision Foundation, Mumbai.

Hanumant Hospital runs three schemes, namely, Chitrakutdham Arogya Scheme, Jaswant Mehta Arogya Scheme and Arogya Sanjivani Scheme and has provided free treatment to 10,590 beneficiaries. Hanumant Hospital is having Arogya Fund Scheme to coordinate and help economically backward class of patients for treatment through donors. This year 435 patients were provided help amounting to ₹ 6.20 lakhs.

In collaboration with the Health Department of Bhavnagar, a survey of malnourished children was undertaken. Children in the age group of 0-5 years were assessed from 351 Aanganwadis to address the malnutrition problem in the district.

social & community services initiatives

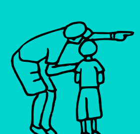
COMMUNITY HEALTH CHECKUP CAMP BY HANUMANT HOSPITAL DOCTORS

B. K. PAREKH PARKINSON'S DISEASE & MOVEMENT DISORDER SOCIETY

B. K. Parekh Parkinson's Disease and Movement Disorder Society (BKPPDMDS) works for rehabilitation of persons with Parkinson's (Pwps) to improve quality of life. There are 10 centres in Gujarat and 2 in Pune, which conduct activities like speech, occupational, physiotherapy and psychological services. Additionally, diet and nutrition tips, yoga sessions, expert talks, festive celebrations and picnics are also arranged.

The 2019 World Parkinson's Day (WPD) was celebrated across centres, with 200+ people attending the Ahmedabad celebration. Pwps and physiotherapy students at Bhavnagar celebrated WPD at an old age home. The centres also found ways to keep members active and fit.
Anand SG hosted a Sports Day in December 2019, which saw whole-hearted participation by Pwps. The Vadodara members also participated in a marathon.

Sessions on healthy living and aging were held for senior citizens at senior citizen forums and associations. Mahuva and Pune centres also launched a Healthy Aging programme.
On the busy streets of Ahmedabad, Pwps, caregivers and volunteers conducted a Rally and Roadshow to raise awareness on Parkinson's.
The Society has been working closely with college students through volunteering initiatives. Educational trainings were also held for students in homeopathy and physiotherapy streams.



EDUCATION

The Company continues to improve the basic learning abilities of children in rural areas. Taking forward the concept of 'WAGALE' (Wanchan-Ganan-Lekhan) is now operational in total of 153 schools. WAGALE helps students with slow learning abilities by providing them training sessions through practical methods, visual presentations and interactions with academically fast-learning students.

More than 5,200 children are enrolled under 'WAGALE' initiative.
A baseline assessment for Gujarati and Mathematics subjects was conducted at the start of the year. Assessment results indicated that 17% of the students assessed were in the low-scoring category (obtained 0-10 marks out of 40). However, after the midline assessment, only 7% of students fell in the low-scoring category.
The endline assessment has been postponed due to lockdown and shall be implemented after June 2020.
To improve the level of education, the Company supported the installation of 35 new learning software in primary schools, which took the total tally to 335 softwares with 245 LED TVs. In secondary schools, 26 new software were installed and 13 LED TVs were distributed.

Shri Sanjay Prasad, IAS (Hon. State Election Commissioner of Gujarat and Former Additional Chief Secretary Agriculture) along with other IAS Officers inaugurated our newly constructed Triveni Kalyan Education Trust (TKET) Boys and Girls hostel.

The Company has also supported beautification of 97 schools in FY 2019-20, which were painted by a special weatherproof paint made as per Government specifications.

A pre-primary education centre based on Giju bhai's methodology (110 years old) has been initiated to develop the learning ability of children below the age of 5 years.
It focuses on the idea of the 'doing and learning' system through the use of games, storytelling, songs, etc. as an effective mode of learning. The project has been initiated in collaboration with 20 Government Aanganwadis.

The Company provides a platform to encourage children to develop their creative ability. As a part of this, a drawing competition was held this year among more than 19,600 students across 140 schools. Of all the pictures, more than 600 were selected, framed and placed in schools to provide motivation and inspiration to the students.

Shri N N Mehta Memorial Education Trust provided scholarship amounting to ₹ 41 lakhs to 244 deserving students for higher education. Prizes amounting to ₹ 1.84 lakhs, were given to 126 students for sports and cultural activities. The increase in number of students getting scholarship or prizes is an indication of improvement in the standard of education in the area.

INAUGURATION OF TKET BOYS HOSTEL BY SHRI SANJAY PRASAD

INITIATIVES FOR WOMEN

The Company helped to form, nurture and develop 190 new Self Help Groups (SHGs) - Mahila Mandals in Bhavnagar and Amreli districts of Gujarat. More than 2,200 additional women became members of these SHGs. With this, the total number of SHGs reached 440 with 4,900 women members'. These SHGs serve as a platform for the women to gain financial freedom, to have a source of credit that can be a stimulus for their income generation activity and a buffer to absorb various household financial needs.

To make these SHGs self-sustainable, institution creation was necessary. Hence the Company helped to create one cluster federation with 12 village organizations.

An ecosystem has been developed in which basic SHGs, village organization (VO) and federation work in harmony to create a positive force for self-development of each SHG woman member. In addition to this saving and credit initiative, SHG women were encouraged and provided with different types of livelihood training, which further translated into different mini businesses like khakhra production, honeybee farming, pickle making, seaweed banana pseudostem processing and bio-pesticide production. Cumulatively, SHGs now run and manage sanitary pad unit, wooden toys unit, aloe vera unit, khakhara units, pickle unit, masala unit, bio phenyl unit, jute and cloth bags unit, bio-pesticide unit, plant nursery, Gram Haat, etc.

A massive event with participation of over 1,000 women was undertaken on the occasion of Womens' Day, with Collector of Bhavnagar, Shri Gaurang Makwana and DDO Bhavnagar Shri Varunkumar Barnwal as Chief Guests.

1,000+ SHG WOMEN AT WOMEN'S DAY EVENT

TRAIN THE TRAINER PROGRAMME ORGANISED BY SKILL TEAM

SKILL INITIATIVES

The Company has continued its collaboration with Directorate of Employment and Training (under Labour and Employment Department), Government of Gujarat for the sixth year, to strengthen the skill ecosystem in the State. During the current year, a total of 13,000 trainees from 185 ITIs were benefitted from carpentry, plumbing, electrician, and construction technician courses supported by the Company.

Under Public Private Partnership (PPP) scheme of the Government, the Company has been Industry Partner in 4 ITIs for the past 4 years, where efforts are focused on strengthening training delivery, both in scale and quality. This year also, we have been selected by the Government of Gujarat as industry partner in five ITIs under World Bank funded project Skills Strengthening for Industrial Value Enhancement (STRIVE), which aims at integrating and enhancing delivery quality of ITIs. The Company is providing support as an industry partner in Gujarat World Skill Competition 2021 in cabinet making, joinery and plumbing and heating trades. The support is provided in terms of mobilising candidates, screening them and facilitating their assessment at Zonal and State levels.

During the year, on request from Directorate of Employment and Training, Government of Gujarat, an assessment study to identify various enabling and hindering factors for effective implementation of the Mukhyamantri Apprenticeship Scheme was undertaken by the Company. Under the exercise, sample survey was undertaken of 3,000 apprentices and 200 establishments along with a secondary literature review. The narrative report with the findings and suggestions was appreciated by the Government.

The Company has also continued its collaboration with Kaushal Vardhan Kendras (KVKs), providing skill training mainly in 10 sectors covering 75 courses. Major sectors are garment, beauty and wellness, agriculture, electrical, IT, life skills and soft skills. Since inception, more than 18 lakh trainees have benefitted from these KVKs of which about 10 lakh are women trainees. During the year 2019-20, more than 17,000 trainees have availed of skill training so far out of which 13,000 are women.

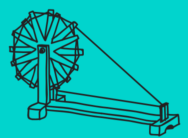
The Company, based on past performance, has also been assigned the role of Third Party Inspection Agency for KVKs for the financial year 2019-20. Special KVKs have been started to cater to the skill needs of jail inmates. A total of 10 such KVKs are operational in Gujarat. New initiatives have been taken to start KVKs in State Armed Police campuses to benefit the families of police personnel by bringing them under the ambit of skill training.

On 19th September 2019, the Company was awarded an Appreciation Letter from Hon'ble Chief Minister of Gujarat, Shri Vijay Rupani, for its several initiatives and performance as a knowledge partner in enhancing skills and strengthening skill ecosystem in Gujarat.

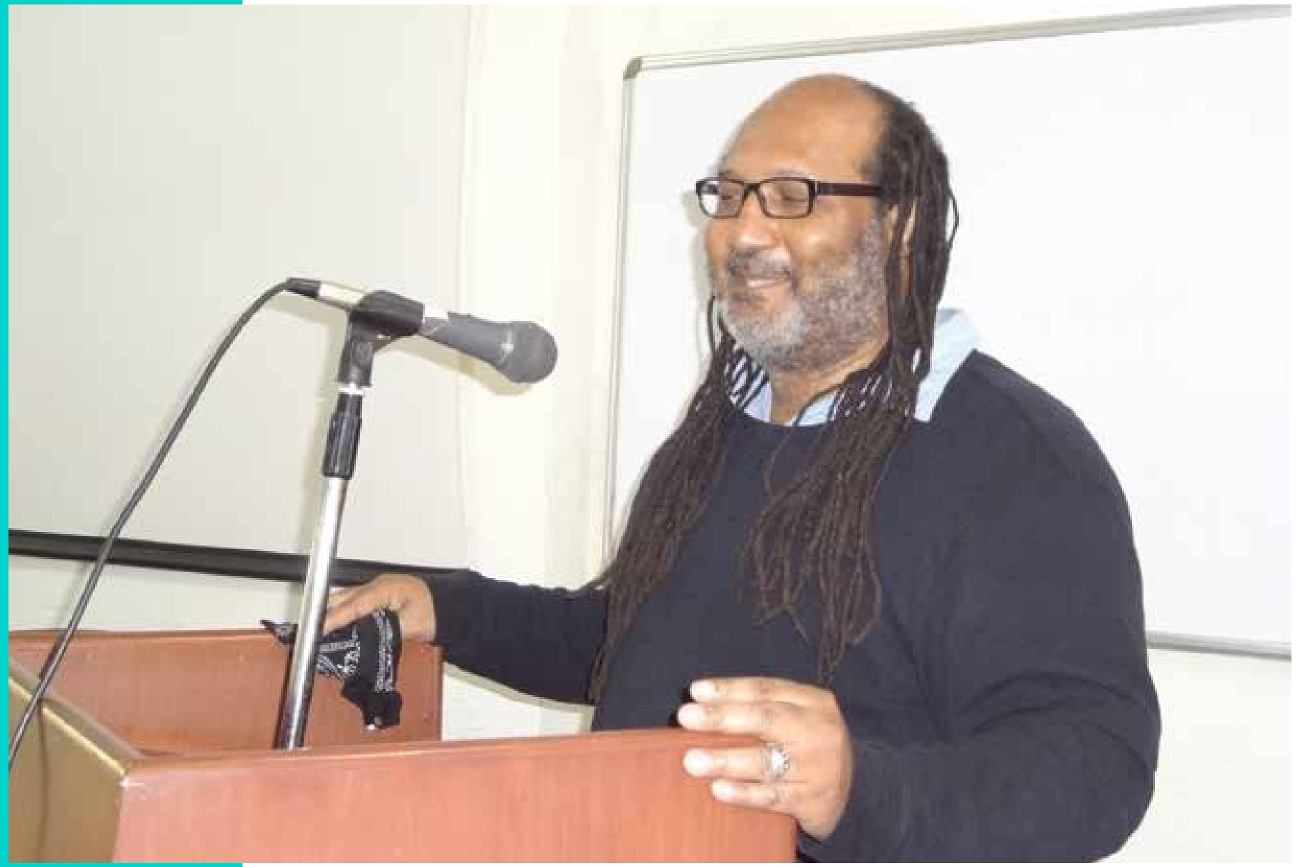
KHADI INITIATIVE

The Company continued its association with Mahuva Khadi Bhandar. As a part of collaboration with Khadi Gramodyog Sangha-Samanvay, Rajkot, 25 solar charkhas and 6 solar looms were provided to the spinners and weavers for training and product development leading, thereby to self-employment opportunities and livelihood promotion. Apart from it, 5 other khadi udyog units are being provided with 25 solar charkhas and 5 solar looms each.

The initiative focuses on addressing the need for modernization, value addition, weaving, spinning and dyeing, etc. along with training and testing to make the khadi weaving process profitable for the community.



SOLAR-POWERED CHARKHAS AND POWER LOOM AT RAJKOT KHADI CENTER



LECTURE BY PROF. LEWIS R. GORDON (UNIVERSITY OF CONNECTICUT)

GENERAL SEMANTICS

This year witnessed the 10th anniversary of Balvant Parekh Centre for General Semantics and Other Human Sciences and was celebrated with a series of lectures conducted throughout the year along with its regular programmes like national seminars, symposiums, lectures, workshops and a cultural programme in March 2020.

The Balvant Parekh Distinguished Lecture on 'Fostering Humaneness: Some Reflections' was delivered by Dr. Sudhir Kakar, a noted psychoanalyst and author in March 2020 in Baroda.

Under the ongoing Balvant Parekh Distinguished Lecture Series, several lectures were conducted namely 'Modern Hinduism in India' by Mr. Rajesh Kochhar, Honorary Professor, Punjab University, Chandigarh in October, 2019; 'The Role of Intellectuals in the Age of Conformity' by Mr. Ramin Jahanbegloo, Executive Director of the Mahatma Gandhi Centre for Non-violence and Peace Studies and the Vice-Dean of the School of Law at Jindal Global University, Delhi, in November 2019 and 'A Philosophical Look at Black Music and its recent Afro-Indo Mixtures' by Professor Lewis R. Gordon, University of Connecticut in December, 2019.

The Centre hosted its 13th national workshop on 'General Semantics and Western Philosophical Thought: A Comparative Approach' conducted by various prominent speakers in January-February, 2020.

ANNEXURE 1 TO THE DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   (a) Focus areas:

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

   (b) CSR Objectives:

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

   (1) To promote, carry out, support activities relating to: Education and Training including in Science and Technology, Humanities etc; Healthcare; Welfare of Children, Women, Senior Citizens and Differently Abled Persons; Employment enhancing Vocational skills; Sanitation; Water management; Agriculture; Horticulture; Milk and Animal Health; promotion of Farmer Producer Organisation; Swachtha Initiative; promotion of Culture; Art & Craft; Conservation of Natural Resources; Promotion and development of traditional Arts & Handicrafts, Khadi and Handloom; Employment Generation and Government Scheme System; Environment Sustainability; Science & Technology; Rural Development; Animal Welfare; welfare and development measures towards reducing inequalities faced by Socially and Economically Backward groups and such activities may include establishing, supporting and / or granting aid to institutions engaged in any of the activities referred to above.

   (2) To conduct and support studies & research; publish and support literature, publications & promotion material; conduct and support discussions, lectures, workshops & seminars in any of the areas covered above.

   (3) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

   In the financial year 2019-20, the Company has undertaken activities relating to promoting Education, Healthcare, Rural Development and Sanitation.

   (c) Web-Link to the CSR Policy:

   http://www.pidilite.com/corporate-governance/ (under the head "Policies & Codes")

2. **The Composition of the CSR Committee as on 31st March 2020 is as follows:**

   (a) Shri Sanjeev Aga

   (b) Shri N K Parekh

   (c) Shri A B Parekh

   (d) Smt. Meera Shankar

   (e) *Shri Debabrata Gupta

   * With effect from 1st March 2020

3. **Average net profit of the Company (calculated as per Section 198 of the Companies Act, 2013) for last three financial years:**

(₹ in crores)

Sr. No.	Financial Year	Amount
1	2018-19	**1,292.61**
2	2017-18	**1,252.58**
3	2016-17	**1,176.41**
	Average Net profit	**1,240.53**

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above):**

   ₹ 24.81 crores

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year- ₹ 24.81 crores

   (b) Amount unspent, if any – Nil

   (c) Manner in which the amount spent during the financial year is detailed below:

(₹ in crores)

Sr. No.	CSR project or activities identified	Sector in which the projects are covered	Location where projects are undertaken (state/ district)	Amount outlay (budget) projects or program wise	Amount spent on the projects or programs: (Direct and Overhead expenditure on projects or programs)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agencies*
1.	Access to higher education; programmes for high school and secondary school teacher; providing professional, vocational courses for rural students; school & college with hostel only for girls and women supporting poor students for higher education etc.	Promoting education	Gujarat/ Maharashtra	4.36	4.36	4.36	Direct and through implementing agencies
2.	Assistance to Cancer patients; supporting various activities of Hanumant hospital; diagnosis and treatment of parkinson's disease etc.	Promoting health care	Gujarat/ Maharashtra	5.68	5.68	5.68	Direct and through implementing agencies
3.	Water resource management; infrastructure development for agriculture; etc.	Rural development	Gujarat	15.47	15.47	15.47	Direct and through implementing agencies
4.	Miscellaneous Contribution towards construction of toilets and Swachh Bharat Abhiyan	Promoting Sanitation	Gujarat	0.79	0.79	0.79	Direct and through implementing agencies
Total expenditure towards CSR				**26.30**	**26.30**	**26.30**	

***Implementing agencies:** Balwant Parekh Centre for General Semantics and other Human Sciences; Triveni Kalyan Education Trust; Gram Nirman Samaj Gram Vikas Yojna; Hanumant Seva Medicare Trust; Lokbharti Gram Vidyapeeth Trust; Trivenikalyan Foundation; Rotary Charitable Trust, Vapi; Ravi Krupa Trust; B K Parekh Parkinson's Disease & Movement Disorder Society; Monghiben Balvihar Trust; Gram Daxina Murti; Indian Cancer Society; Gram Seva Kelavani Mandal Trust; Dakshinamurty Vidyarthi Bhavan; Sadbhavna Trust; Hiralal Parekh Parivar Charitable Trust; Parkinson's Disease & Movement Disorder Society; Inner Wheel Club of Bombay; Helping Hand Charitable Trust; Rotary Foundation For Education & Learning; N. N. Mehta Memorial Education Trust; DDO Bhavnagar.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report –**

   Not Applicable

7. **Responsibility statement:**

   The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Mumbai
Date: 17th June 2020

BHARAT PURI
Managing Director

MEERA SHANKAR
Chairperson CSR Committee

ANNEXURE 2 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering practical difficulties caused by lockdown imposed by state government due to Covid-19 pandemic, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

(i) The Companies Act, 2013 (`the Act') and the rules made thereunder

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

  (a) The Environment (Protection) Act, 1986

  (b) Hazardous Waste (Management & Handling) Rules 1989

  (c) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

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

  (i) Secretarial Standards (i.e SS-1 relating to Board Meetings & SS-2 relating to General Meetings) issued by the Institute of Company Secretaries of India.

  (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

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

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

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

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

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

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

- Special Resolution passed by the Members at the 50th AGM held on 6th August 2019 for re-appointment of Shri N. K. Parekh as Non-Executive Director as required under regulation 17(1A) of LODR Regulations, 2015
- Special Resolution passed by the Members at the 50th AGM held on 6th August 2019 for re-appointment of Shri B S Mehta as an Independent Director for a second consecutive term of five years upto 31st March 2024.
- Special Resolution passed by the Members at the 50th AGM held on 6th August 2019 for re-appointment of Shri Uday Khanna as an Independent Director for a second consecutive term of five years upto 2nd April 2024.
- Special Resolution passed by the Members at the 50th AGM held on 6th August 2019 for re-appointment of Smt. Meera Shankar as an Independent Director for a second consecutive term of five years upto 29th July 2024.
- Company has entered into Joint Venture agreement with Litokol S.p.A, Italy, Corporacion Empresarial Grupo Puma S.L., Spain and Chetana Exponential Technologies Pvt. Ltd., India.
- Company has acquired 70% of share capital of Tenax India Stone Products Pvt. Ltd., group company of Tenax S.p.A, Italy.

For M. M. SHETH & CO.
(Company Secretaries)
M. M. SHETH
(Prop.)
FCS No. 1455
CP No. 729
Place: Mumbai
Date: 17th June 2020
UDIN: F001455B000351222

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

Annexure-A

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

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

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M. M. SHETH & CO.
(Company Secretaries)
M. M. SHETH
(Prop.)
FCS No. 1455
CP No. 729
Place: Mumbai
Date: 17th June 2020
UDIN: F001455B000351222

ANNEXURE 3 TO THE DIRECTORS' REPORT

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

Your Company undertook various measures for conservation of energy and use of alternate sources of energy which resulted in total savings of ₹ 20.5 crores during the year. Savings accrued during the last 3 years (2017-20) is ₹ 52.9 crores.

A) CONSERVATION OF ENERGY/ALTERNATE SOURCE OF ENERGY

1. Steps taken or impact on conservation of energy:

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

1) Replacement of conventional lights with LED.
2) Condensate recovery in boiler.
3) Replacement of low efficiency motor with high efficiency motor.
4) Installation of VFD on motors.
5) Installation of Heat pump for generation of hot & chilled water.
6) Installation of energy efficient EC fans in AHU.
7) Installation of thyristor controller for heaters.

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

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

a. Green Fuel:

Large Boilers and Thermic Fluid Heaters are being operated with green fuel (Biomass) in place of fossil fuels. During the year, by use of green fuels, your Company has saved ₹ 14.1 crores and reduced 28,100 Tons of Eq. Co2 emission compared to use of conventional fuels.

b. Wind Energy:

Power generated through wind farm projects at Gujarat and Maharashtra is utilized in the manufacturing units and corporate office in Mumbai. This use of power from windmills of 49 Lakh KWH has resulted in saving of ₹ 4.2 Crores in the year.

c. Solar Energy:

During this year, the solar projects installed in 10 units have resulted in savings of ₹ 1.5 crores.

To further increase the use of renewable power, your Company has installed a solar on ground project with a capacity of 1.8 MW which will be operational in due course. This is expected to result in annual savings of ₹ 2.5 crores and raise the Company's renewable power consumption from current 67 Lakh KWH to 99 Lakh KWH.

3. The Capital Investment on Energy Conservation Equipments:

Capital Investment in energy conservation equipment was ₹ 2.95 crores during the year.

B) TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

a. On R&D front, our focus continues to be advancing development work on various types of products in adhesives, sealants, waterproofing products, synthetic resins, pigments, pigment dispersions, intermediates, thickeners, dispersants, coatings and construction chemicals.

b. We work on regular basis with various technology experts and research institutes for developing new technologies.

c. R&D reinforced the strategic initiative and action plan on safe and sustainable products and product systems.

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

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

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

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

The technology for manufacture of Hot melt received by the Company during the year 2018-19, pursuant to a technology agreement signed in the previous year, shall be fully absorbed on installation of the proposed Hot melt adhesive plant by the Company. There was no import of technology during the year 2019-20.

4. Expenditure incurred on Research and Development:

(₹ in crores)

		Year ended 31st March 2020	Year ended 31st March 2019
i)	Capital	1.85	0.45
ii)	Recurring	69.37	64.09
	TOTAL	**71.22**	**64.54**

C] FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ in crores)

		Year ended 31st March 2020	Year ended 31st March 2019
i)	Foreign exchange earned	601	543
ii)	Foreign exchange used	911	972

For and on behalf of the Board of Directors

Place: Mumbai
Date: 17th June 2020

M B Parekh
Executive Chairman

Disclosure regarding Employee Stock Option of the Company for the year ended 31st March 2020

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Members may refer to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2019-20.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Diluted EPS for the year ended 31st March 2020 is ₹ 21.68 calculated in accordance with Ind-AS 33 (Earnings per Share).

C. Details related to Employees' Stock option of the Company for the year ended 31st March 2020:

(i)

Sr. No.	Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
(a)	Date of shareholders' approval	24.07.2012	02.04.2016
(b)	Total number of options approved under ESOS	3,00,000	45,00,000
(c)	Vesting requirements	(a) On completion of 12 months from the date of Grant – 50% of the options (b) On completion of 24 months from the date of Grant – Balance 50% of the options In the case of employees who have not completed 3 years of employment as on date of the grant then all options which are due for Vesting shall vest as per (a) and (b) above OR on the completion of 3 years of employment in the Company by the employee concerned whichever is later. The Compensation Committee in its absolute discretion shall have the right to pre-pone the date of vesting. However the gap between the date of Grant and date of Vesting shall not be less than minimum period prescribed by the Securities and Exchange Board of India.	Options granted under the Plan shall vest not earlier than One year but not later than a maximum of Six years from the date of grant of such Options. In the case of Eligible Employee who has not completed 3 years of employment as on date of the grant of Options then the Options which are due for Vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the Employee concerned or as may be approved by the Compensation Committee.
(d)	Exercise price or pricing formula	As approved by the Shareholders in the Annual General Meeting held on 24th July 2012, the exercise price shall be ₹ 1/- per option. The exercise price of the options granted till date is ₹ 1/- per option.	As approved by the Shareholders through Postal Ballot which was declared on 2nd April 2016, the exercise price shall be ₹ 1/- per option. The exercise price of the options granted till date is ₹ 1/- per option.
(e)	Maximum term of options granted	All the options granted have been vested and have been exercised. No options have been granted in the year 2019-20.	Out of the options granted, the last date of vesting is 23rd January 2024. The vested options need to be exercised within a maximum period of three years from the date of vesting of such options.
(f)	Source of shares (primary, secondary or combination)	Primary	Primary
(g)	Variation in terms of options	Not Applicable	Not Applicable

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

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

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

Particulars	ESOS – 2012	ESOP – 2016
Number of options outstanding at the beginning of the period	Nil	3,15,750
Number of options granted during the year	Nil	12,500
Number of options forfeited / lapsed during the year	Nil	11,900
Number of options vested during the year	Nil	1,55,850
Number of options exercised during the year	Nil	1,45,500
Number of shares arising as a result of exercise of options	Nil	1,45,500
Money realized by exercise of options (INR)	Nil	1,45,500
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.
Number of options outstanding as on 31st March 2020	Nil	1,70,850
Number of options exercisable as on 31st March 2020	Nil	9,650

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

Particulars	Weighted average exercise price per option (₹)	Weighted average fair value per option (₹)
Options granted on 27.07.2015 – ESOS 2012	1	521.11
Options granted on 29.01.2016 – ESOS 2012	1	532.20/525.01
Options granted on 29.07.2016 – ESOS 2012	1	722.31
Options granted on 29.07.2016 – ESOP 2016	1	730.61
Options granted on 09.11.2016 – ESOS 2012	1	661.86
Options granted on 08.11.2017 – ESOS 2016	1	734.15
Options granted on 11.04.2018 – ESOP 2016	1	976.94
Options granted on 30.10.2018 – ESOP 2016	1	931.19/924.50
Options granted on 23.01.2019 – ESOP 2016	1	1,112.48/1,127.85
Options granted on 13.05.2019 – ESOP 2016	1	1,124.69
Options granted on 23.01.2020 – ESOP 2016	1	1,449.90/1,444.56/1,433.92

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

a) Senior managerial personnel:

Sr. No.	Name of Employee	Designation	Number of options granted in 2019-2020
1.	Shri Pravin Chaudhari	CEO - Special Project	4,000
2.	Shri Pradip Menon	Chief Financial Officer	5,000
3.	Shri Hardeep Singh	CEO – CC Retail	1,000
4.	Shri Giridhar Seetharam	President - Sales & Marketing – Fevicol	2,500

b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year 2019-2020 -**Nil**

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

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

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

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

ANNEXURE 5 TO THE DIRECTORS' REPORT

Extract of Annual Return as on 31st March 2020 - Form no. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.	REGISTRATION AND OTHER DETAILS:	
i	CIN	L24100MH1969PLC014336
ii	Registration Date	28/07/1969
iii	Name of the Company	Pidilite Industries Limited
iv	Category/ Sub-Category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office and Contact details	Regent Chambers, 7th Floor, 208 Nariman Point, Mumbai 400 021. Maharashtra. Tel : 022-2835 7000 Fax: 022-2821 6007
vi	Whether listed Company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011, Maharashtra. Tel : 022-6656 8484 Fax: 022-6656 8494

II. Principal Business activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of Adhesives and Glues, including Rubber based Glues and Adhesives	20295	62.57

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held*	Applicable Section
1	Fevicol Company Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24295MH1979PLC021508	Subsidiary	100	2(87)(ii)
2	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd)	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24114MH1989PTC052007	Subsidiary	100	2(87)(ii)
3	Bhimad Commercial Company Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24221MH1989PTC051999	Subsidiary	100	2(87)(ii)
4	Pagel Concrete Technologies Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U26933MH1994PTC083342	Subsidiary	80	2(87)(ii)
5	Building Envelope Systems India Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24233MH2012PLC235431	Subsidiary	60	2(87)(ii)
6	Nina Percept Pvt Ltd #	Office No. 401, A Wing, 4th Floor, Naman Midtown, Senapati Bapat Marg, Elphinston West, Mumbai-400 013	U74120MH2014PTC259216	Subsidiary	71.53	2(87)(ii)
7	ICA Pidilite Pvt Ltd	403, 404, Satellite Silver, Andheri Kurla Road, Marol, Andheri East, Mumbai-400 059	U24233MH2015PTC270308	Subsidiary	50	2(87)(i)
8	Cipy Poly Urethanes Pvt Ltd	T-127, MIDC Industrial Area, Bhosari Pune-411 026	U24219PN1994PTC083328	Subsidiary	70	2(87)(ii)
9	Pidilite Litokol Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24293MH2019PTC331375	Subsidiary	60	2(87)(ii)
10	Pidilite C-Techos Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U74999MH2019PTC330714	Subsidiary	60	2(87)(ii)
11	Pidilite Grupo Puma Pvt Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24299MH2019PTC330574	Subsidiary	100	2(87)(ii)
12	Pidilite Grupo Puma Manufacturing Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24110MH2020PLC335898	Subsidiary	50	2(87)(i)
13	Pidilite C-Techos Walling Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U36990MH2020PLC338594	Subsidiary	60	2(87)(ii)
14	Nina Percept Bangladesh Pvt Ltd	House No. B-101 (North), Road No. 07, Mohakhali, New DOHS, Dhaka 1206, Bangladesh	C-159036/2020	Subsidiary	**	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held*	Applicable Section
15	Pidilite International Pte Ltd	9, Raffles Place, #27-00 Republic Plaza, Singapore 048619	200416836H	Subsidiary	100	2(87)(ii)
16	Pidilite Middle East Ltd	LOB16, Suit# 309, Jebel Ali Free Zone, P.O. Box 262794, Dubai, UAE	O.F 1264	Subsidiary	100	2(87)(ii)
17	Pidilite MEA Chemicals LLC	P. O. Box 120657, Dubai, UAE	74874	Subsidiary	49	2(87)(i)
18	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	House No. B-101 (North), Road No. 07, Mohakhali, New DOHS, Dhaka 1206, Bangladesh	C-60121(2129)/05	Subsidiary	100	2(87)(ii)
19	Pidilite Bamco Ltd	699, Modern Form Tower, 15th Floor, Srinakarin Road, Pattanakam Sub-District, Suan Luang District, Bangkok 10250 Thailand 0105535098263	0105535098263	Subsidiary	100	2(87)(ii)
20	PT Pidilite Indonesia	JL. Boulevard Artha Gading Komp. Artha Gading Niaga Blok H No. 16, Kel. Kelapa Gading Barat , KEC. Kelapa Gading, Jakarta Utara 14240	09.01.1.24.21859	Subsidiary	100	2(87)(ii)
21	Pidilite USA Inc	160, Greentree Drive, Suite 101, Dover, Kent County,Delaware 19904	20-4856128	Subsidiary	100	2(87)(ii)
22	Pidilite Innovation Centre Pte Ltd	61 Science Park Road, 03 -11/12 The Galen, 117525 Singapore	200619063N	Subsidiary	100	2(87)(ii)
23	Pidilite Industries Egypt SAE	Building No. 2002 ground floor,the second neighboring in Meraage City- next to Emarat-Misr Gas Station and Carrefour Centre in Maadi- Cairo	30178	Subsidiary	100	2(87)(ii)
24	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	City of São Paulo, State of São Paulo, Avenida Presidente Altino, No. 2468 and 2600, Jaguaré, Brasil, Zip Code 05323-903	08.814.961/0001-41	Subsidiary	100	2(87)(ii)
25	Bamco Supply and Services Ltd	699, Modern Form Tower, 15th Floor, Srinakarin Road, Pattanakam Sub-District, Suan Luang District, Bangkok 10250 Thailand	0105551044555	Subsidiary	49	2(87)(i)
26	PIL Trading (Egypt) Company	Building No. 2002 ground floor, the second neighboring in Meraage City- next to Emarat-Misr Gas Station and Carrefour Centre in Maadi- Cairo	40376	Subsidiary	99.99	2(87)(ii)
27	Pidilite Industries Trading (Shanghai) Co Ltd	1105, no. 8 Dong An Road, Xu Hui District, Shanghai, China	91310000564784808W	Subsidiary	100	2(87)(ii)
28	Pidilite Chemical PLC	Kirkos S/city, Woreda 03, H. No. 269, Addis Ababa, Ethiopia	EIA-IP/023369/07	Subsidiary	100	2(87)(ii)
29	Pidilite Lanka (Private) Limited	74, 1/1, Orient Building, Dawson Street, Colombo - 02	PV 106454	Subsidiary	76	2(87)(ii)
30	Nebula East Africa Pvt Ltd	1st Floor, Paresia centre, LR NO 1/548, Ngong Road.P. O. BOX 6574-00100,NAIROBI	CPR/2015/205413	Subsidiary	100	2(87)(ii)
31	Nina Lanka Construction Technologies (Pvt) Ltd	No. 116/10, Rosmead Place, Colombo 07	PV 120223	Subsidiary	***	2(87)(ii)
32	Pidilite Ventures LLC	3500 S DuPont Hwy, Dover, 19901, USA	6915230	Subsidiary	100	2(87)(ii)
33	Pidilite East Africa Ltd	Odyssey Building, Muthithi Road, P.O. Box 18092-00500-Enterprise Road	PVT-9XUL3LM	Subsidiary	55	2(87)(ii)
34	Vinyl Chemicals (India) Ltd	7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	L24100MH1986PLC039837	Associate	40.64	2(6)

* % of Shares held is either directly or indirectly through subsidiary(ies) of the Company

\# Refer to Note no. 56 (c) of the consolidated financial statements

** 99% holding by Nina Percept Pvt Ltd and 1% holding by Bangladesh Speciality Chemicals Pvt. Ltd

*** 25.2% holding by Pidilite Lanka (Private) Limited and 74.8% holding by Nina Percept Private Limited.

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individuals / Hindu Undivided Family	25,58,21,434	-	25,58,21,434	50.36	25,18,56,032	-	25,18,56,032	49.57	(0.79)
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	8,74,08,932	-	8,74,08,932	17.21	8,76,28,932	-	8,76,28,932	17.25	0.04
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Trust)	1,10,94,217	-	1,10,94,217	2.18	1,58,17,717	-	1,58,17,717	3.11	0.93
Sub-Total (A) (1)		**35,43,24,583**	**-**	**35,43,24,583**	**69.75**	**35,53,02,681**	**-**	**35,53,02,681**	**69.92**	**0.17**
(2)	**Foreign**					-	-	-	-	-
(a)	NRI- Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Bank/FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**35,43,24,583**	**-**	**35,43,24,583**	**69.75**	**35,53,02,681**	**-**	**35,53,02,681**	**69.92**	**0.17**
B.	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds	2,32,48,673	50	2,32,48,723	4.58	1,72,32,048	50	1,72,32,098	3.39	(1.19)
(b)	Financial Institutions / Banks	99,641	-	99,641	0.02	2,59,939	-	2,59,939	0.05	0.03
(c)	Central Government	3,15,995	-	3,15,995	0.06	2,73,247	-	2,73,247	0.05	(0.01)
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	1,47,62,772	-	1,47,62,772	2.91	2,08,51,963	-	2,08,51,963	4.10	1.20
(g)	Foreign Institutional Investors	58,739	-	58,739	0.01	45,332	-	45,332	0.01	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other									
	i Foreign Portfolio Investors (Corporate)	5,94,14,555	-	5,94,14,555	11.70	5,83,78,844	-	5,83,78,844	11.49	(0.21)
	ii Alternate Investment Fund	10,74,184	-	10,74,184	0.21	17,88,175	-	17,88,175	0.35	0.14
	Sub-Total (B) (1)	**9,89,74,559**	**50**	**9,89,74,609**	**19.48**	**9,88,29,548**	**50**	**9,88,29,598**	**19.45**	**(0.03)**
(2)	**Non-Institutions**									
(a)	**Bodies Corporate**									
	i Indian	68,88,679	1,298	68,89,977	1.36	45,98,823	1,190	46,00,013	0.91	(0.45)
	ii Overseas	-	-	-	-	-	-	-	-	-
(b)	**Individuals**									
	i Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,85,55,033	18,13,413	4,03,68,446	7.95	4,23,06,782	14,08,095	4,37,14,877	8.60	0.66
	ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	71,70,119	-	71,70,119	1.41	53,41,595	-	53,41,595	1.05	(0.36)
(c)	**Any Other**									
	i Trust	2,50,546	-	2,50,546	0.05	3,35,016	-	3,35,016	0.07	0.02
	Sub-Total (B) (2)	**5,28,64,377**	**18,14,711**	**5,46,79,088**	**10.76**	**5,25,82,216**	**14,09,285**	**5,39,91,501**	**10.63**	**(0.14)**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**15,18,38,936**	**18,14,761**	**15,36,53,697**	**30.25**	**15,14,11,764**	**14,09,335**	**15,28,21,099**	**30.08**	**(0.17)**
C.	**Shares held by Custodians for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	**50,61,63,519**	**18,14,761**	**50,79,78,280**	**100.00**	**50,67,14,445**	**14,09,335**	**50,81,23,780**	**100.00**	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	MADHUKAR BALVANTRAY PAREKH	5,27,62,286	10.39	0.00	5,20,51,286	10.24	0.00	(0.15)
2	NARENDRAKUMAR KALYANJI PAREKH	5,42,73,688	10.69	0.00	5,42,73,688	10.68	0.00	(0.01)
3	AJAY BALVANTRAY PAREKH	4,74,33,489	9.34	0.00	4,74,33,489	9.34	0.00	0.00
4	SUSHILKUMAR KALYANJI PAREKH	4,18,17,646	8.23	0.00	4,13,97,646	8.15	0.00	(0.08)
5	DEVKALYAN SALES PRIVATE LTD	2,62,24,280	5.16	0.00	2,62,24,280	5.16	0.00	0.00
6	ISHIJAS CHEMICALS PRIVATE LIMITED	2,48,62,038	4.89	0.00	2,48,62,038	4.89	0.00	0.00
7	MALA MADHUKAR PAREKH	95,98,618	1.89	0.00	95,98,618	1.89	0.00	0.00
8	HARTON PRIVATE LIMITED	1,23,57,634	2.43	0.00	1,23,57,634	2.43	0.00	0.00
9	THE VACUUM FORMING COMPANY PVT LTD	1,14,62,186	2.26	0.00	1,14,62,186	2.26	0.00	0.00
10	BHARATI NARENDRAKUMAR PAREKH	57,72,323	1.14	0.00	17,72,323	0.35	0.00	(0.79)
11	PIDICHEM PVT LTD	83,63,916	1.65	0.00	85,83,916	1.69	0.00	0.04
12	KALPANA APURVA PAREKH	99,43,079	1.96	0.00	85,77,079	1.69	0.00	(0.27)
13	DARSHANA BIMAL MODY	57,41,535	1.13	0.00	57,41,535	1.13	0.00	0.00
14	AMI AJAY PAREKH	55,50,120	1.09	0.00	55,50,120	1.09	0.00	0.00
15	HIMATLAL KALYANJI PAREKH	166	0.00	0.00	0	0.00	0.00	0.00
16	JASNA RAOUL THACKERSEY	35,76,765	0.70	0.00	35,76,765	0.70	0.00	0.00
17	APURVA NARENDRAKUMAR PAREKH	30,76,918	0.61	0.00	30,76,918	0.61	0.00	0.00
18	MRUDULA SUSHILKUMAR PAREKH	15,47,527	0.30	0.00	15,47,527	0.30	0.00	0.00
19	MAITHILI PAREKH*	0	0.00	0.00	27,59,598	0.54	0.00	0.54
20	RASHMIKANT HIMATLAL PAREKH	37,16,904	0.73	0.00	34,32,570	0.68	0.00	(0.05)
21	HARISH HIMATLAL PAREKH	34,38,443	0.68	0.00	33,38,443	0.66	0.00	(0.02)
22	AMRITA AJAY PAREKH	19,47,130	0.38	0.00	19,47,130	0.38	0.00	0.00
23	KALVA MARKETING AND SERVICES LTD	13,82,628	0.27	0.00	13,82,628	0.27	0.00	0.00
24	PARKEM DYES & CHEMICALS PVT LTD	14,36,510	0.28	0.00	14,36,510	0.28	0.00	0.00
25	PARUL HARISH PAREKH	14,45,074	0.28	0.00	14,45,074	0.28	0.00	0.00
26	KAMALINI RASHMIKANT PAREKH	10,56,055	0.21	0.00	11,06,055	0.22	0.00	0.01
27	PURVEE APURVA PAREKH	7,93,299	0.16	0.00	7,93,299	0.16	0.00	0.00
28	PAREKH MARKETING LIMITED	8,56,700	0.17	0.00	8,56,700	0.17	0.00	0.00
29	TRIVENIKALYAN TRADING PVT LTD	4,63,040	0.09	0.00	4,63,040	0.09	0.00	0.00
30	ANUJA ANKUR SHAH	1,87,670	0.04	0.00	2,48,670	0.05	0.00	0.01
31	MALAY RASHMIKANT PAREKH	4,01,286	0.08	0.00	4,51,286	0.09	0.00	0.01
32	PAREET D SANGHAVI	0	0.00	0.00	0	0.00	0.00	0.00
33	JIMEET D SANGHAVI	0	0.00	0.00	1,00,000	0.02	0.00	0.02
34	PANNA DEEPAK SANGHAVI	8,54,891	0.17	0.00	7,39,891	0.15	0.00	(0.02)
35	HARSHADA HARVADAN VAKIL	8,04,929	0.16	0.00	8,04,929	0.16	0.00	0.00
36	HARVADAN	41,930	0.01	0.00	41,430	0.01	0.00	0.00
37	URVI MALAY PAREKH	39,663	0.01	0.00	50,663	0.01	0.00	0.00
38	PRAKASH SHAH TRUSTEE OF SANMP PRIVATE BENEFICIARY TRUST	82,00,000	1.61	0.00	82,00,000	1.61	0.00	0.00
39	PRAKASH DHARSHIBHAI SHAH TRUSTEE OF I M FAMILY TRUST	28,69,217	0.56	0.00	35,80,217	0.70	0.00	0.14
40	MALAY RASHMIKANT PAREKH TRUSTEE OF MALAY FAMILY TRUST	12,500	0.00	0.00	12,500	0.00	0.00	0.00
41	MALAY RASHMIKANT PAREKH TRUSTEE OF ANUJA FAMILY TRUST	12,500	0.00	0.00	25,000	0.00	0.00	0.00
42	APURVA PAREKH – TRUSTEE OF NKP FAMILY TRUST	0	0.00	0.00	40,00,000	0.79	0.00	0.79
		35,43,24,583	**69.75**	**0.00**	**35,53,02,681**	**69.92**	**0.00**	**0.17**

*Ms. Maithili Parekh was added to the promoter group as she received 13,66,000 shares by way of gift from Ms. Kalpana Parekh (Promoter Group). 13,93,598 shares were already held by Ms. Maithili Parekh before transfer of shares by way of Gift.

(iii) Change In Promoters' Shareholding

Sr. No.	Date	Reason	Shareholding as on 01.04.2019		Cumulative Shareholding during 2019-20	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year		35,43,24,583	69.75		
1	22.05.2019	Inter se transfer	(1,20,000)	(0.02)	35,42,04,583	69.73
2	22.05.2019	Inter se transfer	1,20,000	0.02	35,43,24,583	69.75
3	27.05.2019	Inter se transfer	(1,00,000)	(0.02)	35,42,24,583	69.73
4	27.05.2019	Inter se transfer	1,00,000	0.02	35,43,24,583	69.75
5	27.06.2019	Gift of shares	(7,11,000)	(0.14)	35,36,13,583	69.61
6	27.06.2019	Gift of shares	7,11,000	0.14	35,43,24,583	69.75
7	27.06.2019	Gift of shares	(40,00,000)	(0.79)	35,03,24,583	68.95
8	27.06.2019	Gift of shares	40,00,000	0.79	35,43,24,583	69.74
9	26.07.2019	Gift of shares	(500)	0.00	35,43,24,083	69.74
10	26.09.2019	Market Sale	(2,00,000)	(0.04)	35,41,24,083	69.70
11	29.11.2019	Gift of shares	(13,66,000)	(0.27)	35,27,58,083	69.42
12	29.11.2019	Gift of shares	13,66,000	0.27	35,41,24,083	69.69
13	29.11.2019	**	13,93,598	0.27	35,55,17,681	69.96
14	27.12.2019	Gift of shares	(1,84,500)	(0.04)	35,53,33,181	69.93
15	27.12.2019	Gift of shares	1,84,500	0.04	35,55,17,681	69.96
16	05.02.2020	Market Sale	(1,00,000)	(0.02)	35,54,17,681	69.95
17	05.02.2020	Market Sale	(1,00,000)	(0.02)	35,53,17,681	69.93
18	12.02.2020	Market Sale	(15,000)	0.00	35,53,02,681	69.92
19	26.02.2020	Gift of shares	(1,00,000)	(0.02)	35,52,02,681	69.90
20	26.02.2020	Gift of shares	1,00,000	0.02	35,53,02,681	69.92
At the end of the year					**35,53,02,681**	**69.92**

**Ms. Maithili Parekh was added to the promoter group as she received 13,66,000 shares by way of gift from Ms. Kalpana Parekh (Promoter Group). 13,93,598 shares were already held by Ms. Maithili Parekh before transfer of shares by way of Gift.

(iv) Shareholding Pattern of top 10 shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
1	Life Insurance Corporation of India	1,25,23,859	2.47	01.04.2019				
				24.05.2019	24,954	Transfer	1,25,48,813	2.47
				31.05.2019	3,85,295	Transfer	1,29,34,108	2.55
				14.06.2019	1,47,000	Transfer	1,30,81,108	2.57
				21.06.2019	13,47,721	Transfer	1,44,28,829	2.84
				28.06.2019	5,50,515	Transfer	1,49,79,344	2.95
				05.07.2019	5,36,437	Transfer	1,55,15,781	3.05
				12.07.2019	85,424	Transfer	1,56,01,205	3.07
				19.07.2019	1,67,656	Transfer	1,57,68,861	3.10
				26.07.2019	4,02,522	Transfer	1,61,71,383	3.18
				30.07.2019	1,34,234	Transfer	1,63,05,617	3.21
				02.08.2019	1,86,838	Transfer	1,64,92,455	3.25
				06.08.2019	1,48,861	Transfer	1,66,41,316	3.28
				09.08.2019	1,900	Transfer	1,66,43,216	3.28
				06.12.2019	66,931	Transfer	1,67,10,147	3.29
				13.12.2019	1,27,700	Transfer	1,68,37,847	3.31
				20.12.2019	84,230	Transfer	1,69,22,077	3.33
				31.12.2019	94,934	Transfer	1,70,17,011	3.35
				03.01.2020	1,52,945	Transfer	1,71,69,956	3.38
				10.01.2020	3,15,996	Transfer	1,74,85,952	3.44
				17.01.2020	94,261	Transfer	1,75,80,213	3.46
				24.01.2020	2,13,025	Transfer	1,77,93,238	3.50
				31.01.2020	14,361	Transfer	1,78,07,599	3.50
				14.02.2020	(1,05,777)	Transfer	1,77,01,822	3.48
				21.02.2020	(2,45,714)	Transfer	1,74,56,108	3.44
				28.02.2020	(3,35,890)	Transfer	1,71,20,218	3.37
		1,71,20,218	3.37	31.03.2020				
2	Axis Mutual Fund Trustee Limited	1,70,86,499	2.69	01.04.2019				
				05.04.2019	(59,428)	Transfer	1,70,27,071	3.35
				19.04.2019	(1,20,000)	Transfer	1,69,07,071	3.33
				26.04.2019	(3,35,500)	Transfer	1,65,71,571	3.26
				03.05.2019	(3,59,585)	Transfer	1,62,11,986	3.19
				10.05.2019	(90,199)	Transfer	1,61,21,787	3.17
				17.05.2019	59,838	Transfer	1,61,81,625	3.19
				24.05.2019	11	Transfer	1,61,81,636	3.19
				31.05.2019	1,73,959	Transfer	1,63,55,595	3.22
				07.06.2019	3,00,000	Transfer	1,66,55,595	3.28
				28.06.2019	(63,756)	Transfer	1,65,91,839	3.27
				05.07.2019	(2,50,000)	Transfer	1,63,41,839	3.22
				12.07.2019	(4,34,000)	Transfer	1,59,07,839	3.13
				19.07.2019	(47,500)	Transfer	1,58,60,339	3.12
				26.07.2019	2,95,008	Transfer	1,61,55,347	3.18
				02.08.2019	(13,000)	Transfer	1,61,42,347	3.18
				06.08.2019	53,000	Transfer	1,61,95,347	3.19
				09.08.2019	3,28,888	Transfer	1,65,24,235	3.25
				23.08.2019	1,27,819	Transfer	1,66,52,054	3.28
				30.08.2019	22,000	Transfer	1,66,74,054	3.28
				06.09.2019	(27,306)	Transfer	1,66,46,748	3.28
				13.09.2019	(3,176)	Transfer	1,66,43,572	3.28
				20.09.2019	(5,955)	Transfer	1,66,37,617	3.28
				27.09.2019	3,15,740	Transfer	1,69,53,357	3.34
				11.10.2019	(6,64,512)	Transfer	1,62,88,845	3.21
				18.10.2019	(8,75,115)	Transfer	1,54,13,730	3.03
				25.10.2019	(10,93,105)	Transfer	1,43,20,625	2.82
				01.11.2019	(6,48,213)	Transfer	1,36,72,412	2.69
				08.11.2019	(1,48,858)	Transfer	1,35,23,554	2.66
				15.11.2019	(2,55,553)	Transfer	1,32,68,001	2.61
				22.11.2019	(81,281)	Transfer	1,31,86,720	2.60
				29.11.2019	(88,652)	Transfer	1,30,98,068	2.58
				06.12.2019	(1,26,131)	Transfer	1,29,71,937	2.55
				13.12.2019	(425)	Transfer	1,29,71,512	2.55
				20.12.2019	(1,00,373)	Transfer	1,28,71,139	2.53
				27.12.2019	(50)	Transfer	1,28,71,089	2.53
				03.01.2020	(14,721)	Transfer	1,28,56,368	2.53
				10.01.2020	(4,000)	Transfer	1,28,52,368	2.53
				17.01.2020	(114)	Transfer	1,28,52,254	2.53
				24.01.2020	1,99,899	Transfer	1,30,52,153	2.57
				31.01.2020	3,88,026	Transfer	1,34,40,179	2.65
				07.02.2020	60,990	Transfer	1,35,01,169	2.66
				14.02.2020	49,153	Transfer	1,35,50,322	2.67
				21.02.2020	79,728	Transfer	1,36,30,050	2.68
				28.02.2020	(4,000)	Transfer	1,36,26,050	2.68
				06.03.2020	(5,15,537)	Transfer	1,31,10,513	2.58
				13.03.2020	(5,09,467)	Transfer	1,26,01,046	2.48
				16.03.2020	(10,00,000)	Transfer	1,16,01,046	2.28
				20.03.2020	64,801	Transfer	1,16,65,847	2.30
				27.03.2020	1,00,444	Transfer	1,17,66,291	2.32
				31.03.2020	178	Transfer	1,17,66,469	2.32
		1,17,66,469	2.32	31.03.2020				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
3	First State Investments Icvc- Stewart Investors Asia Pacific Leaders Fund	-	-	01.04.2019				
				27.12.2019	5,97,543	Transfer	5,97,543	0.12
				31.12.2019	1,63,469	Transfer	7,61,012	0.15
				10.01.2020	3,81,747	Transfer	11,42,759	0.22
				06.03.2020	4,34,104	Transfer	15,76,863	0.31
				13.03.2020	23,386	Transfer	16,00,249	0.31
				20.03.2020	22,37,233	Transfer	38,37,482	0.76
		38,37,482	0.76	31.03.2020				
4	Government Pension Fund Global	49,76,332	0.87	01.04.2019				
				12.04.2019	16,765	Transfer	49,93,097	0.98
				19.04.2019	33,078	Transfer	50,26,175	0.99
				26.04.2019	56,743	Transfer	50,82,918	1.00
				07.06.2019	(4,00,000)	Transfer	46,82,918	0.92
				14.06.2019	(4,97,914)	Transfer	41,85,004	0.82
				21.06.2019	(1,02,086)	Transfer	40,82,918	0.80
				19.07.2019	(25,904)	Transfer	40,57,014	0.80
				26.07.2019	(4,74,096)	Transfer	35,82,918	0.71
		35,82,918	0.71	31.03.2020				
5	Vanguard Total International Stock Index Fund	19,03,010	0.37	01.04.2019				
				26.04.2019	(39,605)	Transfer	18,63,405	0.37
				03.05.2019	13,240	Transfer	18,76,645	0.37
				17.05.2019	44,182	Transfer	19,20,827	0.38
				05.07.2019	37,492	Transfer	19,58,319	0.39
				23.08.2019	68,358	Transfer	20,26,677	0.40
				27.12.2019	(60,271)	Transfer	19,66,406	0.39
				10.01.2020	34,647	Transfer	20,01,053	0.39
				14.02.2020	20,994	Transfer	20,22,047	0.40
				28.02.2020	23,166	Transfer	20,45,213	0.40
				06.03.2020	18,666	Transfer	20,63,879	0.41
				13.03.2020	17,841	Transfer	20,81,720	0.41
				16.03.2020	18,076	Transfer	20,99,796	0.41
				20.03.2020	37,442	Transfer	21,37,238	0.42
				27.03.2020	36,308	Transfer	21,73,546	0.43
		21,73,546	0.43	31.03.2020				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
6	Uti-Unit Linked Insurance Plan	19,41,736	0.38	01.04.2019				
				05.04.2019	29	Transfer	1941765	0.38
				12.04.2019	(7,534)	Transfer	19,34,231	0.38
				19.04.2019	979	Transfer	19,35,210	0.38
				26.04.2019	2,659	Transfer	19,37,869	0.38
				03.05.2019	252	Transfer	19,38,121	0.38
				10.05.2019	(15,572)	Transfer	19,22,549	0.38
				17.05.2019	3,813	Transfer	19,26,362	0.38
				24.05.2019	4,680	Transfer	19,31,042	0.38
				31.05.2019	2,451	Transfer	19,33,493	0.38
				07.06.2019	5,572	Transfer	19,39,065	0.38
				14.06.2019	4,082	Transfer	19,43,147	0.38
				21.06.2019	4,903	Transfer	19,48,050	0.38
				28.06.2019	4,079	Transfer	19,52,129	0.38
				05.07.2019	4,679	Transfer	19,56,808	0.39
				12.07.2019	24,842	Transfer	19,81,650	0.39
				19.07.2019	1,956	Transfer	19,83,606	0.39
				26.07.2019	10,096	Transfer	19,93,702	0.39
				30.07.2019	1,562	Transfer	19,95,264	0.39
				02.08.2019	1,348	Transfer	19,96,612	0.39
				06.08.2019	1,666	Transfer	19,98,278	0.39
				09.08.2019	3,701	Transfer	20,01,979	0.39
				16.08.2019	(1,689)	Transfer	20,00,290	0.39
				23.08.2019	6,175	Transfer	20,06,465	0.39
				30.08.2019	4,856	Transfer	20,11,321	0.40
				06.09.2019	10,293	Transfer	20,21,614	0.40
				13.09.2019	2,335	Transfer	20,23,949	0.40
				20.09.2019	2,679	Transfer	20,26,628	0.40
				27.09.2019	14,960	Transfer	20,41,588	0.40
				30.09.2019	2,898	Transfer	20,44,486	0.40
				04.10.2019	1,776	Transfer	20,46,262	0.40
				11.10.2019	1,12,168	Transfer	21,58,430	0.42
				18.10.2019	947	Transfer	21,59,377	0.43
				25.10.2019	447	Transfer	21,59,824	0.43
				01.11.2019	9,766	Transfer	21,69,590	0.43
				08.11.2019	(8,597)	Transfer	21,60,993	0.43
				15.11.2019	(66,799)	Transfer	20,94,194	0.41
				22.11.2019	(24,186)	Transfer	20,70,008	0.41
				29.11.2019	15,994	Transfer	20,86,002	0.41
				06.12.2019	962	Transfer	20,86,964	0.41
				13.12.2019	981	Transfer	20,87,945	0.41
				20.12.2019	(23,924)	Transfer	20,64,021	0.41
				27.12.2019	(5,363)	Transfer	20,58,658	0.41
				31.12.2019	(270)	Transfer	20,58,388	0.41
				03.01.2020	342	Transfer	20,58,730	0.41
				10.01.2020	(11,908)	Transfer	20,46,822	0.40
				17.01.2020	35,392	Transfer	20,82,214	0.41
				24.01.2020	684	Transfer	20,82,898	0.41
				31.01.2020	(20,454)	Transfer	20,62,444	0.41
				07.02.2020	48,300	Transfer	21,10,744	0.42
				14.02.2020	285	Transfer	21,11,029	0.42
				21.02.2020	399	Transfer	21,11,428	0.42
				28.02.2020	1,261	Transfer	21,12,689	0.42
				06.03.2020	1,909	Transfer	21,14,598	0.42
				13.03.2020	4,030	Transfer	21,18,628	0.42
				16.03.2020	955	Transfer	21,19,583	0.42
				20.03.2020	3,205	Transfer	21,22,788	0.42
				27.03.2020	16,434	Transfer	21,39,222	0.42
				31.03.2020	495	Transfer	21,39,717	0.42
		21,39,717	0.42	31.03.2020				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
7	The Genesis Group Trust For Employee Benefit Plans	30,42,373	0.60	01.04.2019				
				05.04.2019	33,791	Transfer	30,76,164	0.61
				24.05.2019	(1,19,681)	Transfer	29,56,483	0.58
				31.05.2019	(1,79,441)	Transfer	27,77,042	0.55
				19.07.2019	(56,948)	Transfer	27,20,094	0.54
				26.07.2019	(24,273)	Transfer	26,95,821	0.53
				13.09.2019	(38,260)	Transfer	26,57,561	0.52
				20.09.2019	(54,612)	Transfer	26,02,949	0.51
				27.09.2019	(1,01,311)	Transfer	25,01,638	0.49
				04.10.2019	(1,09,633)	Transfer	23,92,005	0.47
				01.11.2019	(29,676)	Transfer	23,62,329	0.46
				08.11.2019	(18,271)	Transfer	23,44,058	0.46
				15.11.2019	(9,605)	Transfer	23,34,453	0.46
				06.12.2019	(3,803)	Transfer	23,30,650	0.46
				10.01.2020	(50,235)	Transfer	22,80,415	0.45
				17.01.2020	(67,232)	Transfer	22,13,183	0.44
				24.01.2020	(72,600)	Transfer	21,40,583	0.42
				31.01.2020	(71,857)	Transfer	20,68,726	0.41
				06.03.2020	(4,526)	Transfer	20,64,200	0.41
		20,64,200	0.41	31.03.2020				
8	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	20,18,449	0.40	01.04.2019				
				12.04.2019	4,347	Transfer	20,22,796	0.40
				10.05.2019	4,536	Transfer	20,27,332	0.40
				21.06.2019	(10,206)	Transfer	20,17,126	0.40
				28.06.2019	(59,432)	Transfer	19,57,694	0.39
				27.09.2019	(47,811)	Transfer	19,09,883	0.38
				27.12.2019	(68,005)	Transfer	18,41,878	0.36
				27.03.2020	(5,090)	Transfer	18,36,788	0.36
		18,36,788	0.36	31.03.2020				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
9	Government Of Singapore	17,30,940	0.34	01.04.2019				
				05.04.2019	21,247	Transfer	17,52,187	0.34
				12.04.2019	(49)	Transfer	17,52,138	0.34
				03.05.2019	(8,441)	Transfer	17,43,697	0.34
				10.05.2019	(24,357)	Transfer	17,19,340	0.34
				17.05.2019	(1,698)	Transfer	17,17,642	0.34
				24.05.2019	12,588	Transfer	17,30,230	0.34
				31.05.2019	(21,140)	Transfer	17,09,090	0.34
				07.06.2019	1,69,900	Transfer	18,78,990	0.37
				14.06.2019	4,679	Transfer	18,83,669	0.37
				21.06.2019	36,504	Transfer	19,20,173	0.38
				05.07.2019	6,690	Transfer	19,26,863	0.38
				12.07.2019	(115)	Transfer	19,26,748	0.38
				19.07.2019	(4,283)	Transfer	19,22,465	0.38
				26.07.2019	(6,574)	Transfer	19,15,891	0.38
				02.08.2019	(8,308)	Transfer	19,07,583	0.38
				09.08.2019	(13,678)	Transfer	18,93,905	0.37
				16.08.2019	(5,438)	Transfer	18,88,467	0.37
				23.08.2019	(9,535)	Transfer	18,78,932	0.37
				30.08.2019	(11,782)	Transfer	18,67,150	0.37
				06.09.2019	(71)	Transfer	18,67,079	0.37
				13.09.2019	3,762	Transfer	18,70,841	0.37
				20.09.2019	3,697	Transfer	18,74,538	0.37
				30.09.2019	(1,033)	Transfer	18,73,505	0.37
				04.10.2019	16,984	Transfer	18,90,489	0.37
				11.10.2019	(840)	Transfer	18,89,649	0.37
				18.10.2019	6,050	Transfer	18,95,699	0.37
				25.10.2019	(8,146)	Transfer	18,87,553	0.37
				01.11.2019	73	Transfer	18,87,626	0.37
				08.11.2019	1,569	Transfer	18,89,195	0.37
				15.11.2019	2,570	Transfer	18,91,765	0.37
				22.11.2019	15,108	Transfer	19,06,873	0.38
				29.11.2019	1,03,601	Transfer	20,10,474	0.40
				06.12.2019	(88,879)	Transfer	19,21,595	0.38
				13.12.2019	(558)	Transfer	19,21,037	0.38
				20.12.2019	12,185	Transfer	19,33,222	0.38
				31.12.2019	(4,143)	Transfer	19,29,079	0.38
				03.01.2020	(20,262)	Transfer	19,08,817	0.38
				10.01.2020	(13,732)	Transfer	18,95,085	0.37
				17.01.2020	(17,194)	Transfer	18,77,891	0.37
				24.01.2020	(15,121)	Transfer	18,62,770	0.37
				31.01.2020	(8,780)	Transfer	18,53,990	0.36
				07.02.2020	(61,153)	Transfer	17,92,837	0.35
				14.02.2020	(603)	Transfer	17,92,234	0.35
				21.02.2020	(1,041)	Transfer	17,91,193	0.35
				28.02.2020	(1,253)	Transfer	17,89,940	0.35
				06.03.2020	21,928	Transfer	18,11,868	0.36
				13.03.2020	(10,513)	Transfer	18,01,355	0.35
				16.03.2020	(1,185)	Transfer	18,00,170	0.35
				20.03.2020	(5,347)	Transfer	17,94,823	0.35
				27.03.2020	(1,56,341)	Transfer	16,38,482	0.32
				31.03.2020	(10,246)	Transfer	16,28,236	0.32
		16,28,236	0.32	31.03.2020				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of total shares of the Company	Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shares during the year	% of total shares of the Company during the year
10	Stichting Depositary Apg Emerging Markets Equity Pool	18,16,595	0.36	01.04.2019				
				24.05.209	(81,632)	Transfer	17,34,963	0.34
				31.05.2019	(1,22,395)	Transfer	16,12,568	0.32
				12.07.2019	5,845	Transfer	16,18,413	0.32
				19.07.2019	(14,566)	Transfer	16,03,847	0.32
				26.07.2019	(13,739)	Transfer	15,90,108	0.31
				30.07.2019	(45,466)	Transfer	15,44,642	0.30
				02.08.2019	(23,515)	Transfer	15,21,127	0.30
				30.08.2019	921	Transfer	15,22,048	0.30
				13.09.2019	(21,188)	Transfer	15,00,860	0.30
				20.09.2019	(30,243)	Transfer	14,70,617	0.29
				27.09.2019	(56,103)	Transfer	14,14,514	0.28
				01.11.2019	(40,779)	Transfer	13,73,735	0.27
				08.11.2019	47,825	Transfer	14,21,560	0.28
				13.12.2019	(41,028)	Transfer	13,80,532	0.27
				20.12.2019	1,05,519	Transfer	14,86,051	0.29
				27.12.2019	24,076	Transfer	15,10,127	0.30
				10.01.2020	(48,385)	Transfer	14,61,742	0.29
				17.01.2020	(39,196)	Transfer	14,22,546	0.28
				24.01.2020	(50,332)	Transfer	13,72,214	0.27
				31.01.2020	(81,746)	Transfer	12,90,468	0.25
				06.03.2020	63,393	Transfer	13,53,861	0.27
				13.03.2020	38,003	Transfer	13,91,864	0.27
				31.03.2020	15,051	Transfer	14,06,915	0.28
		14,06,915	0.28	31.03.2020				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning of the year (01.04.2019). end of the year (31.03.2020)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
Shareholding of Directors:								
1	M B Parekh	5,27,62,286	10.39	01.04.2019			5,27,62,286	10.39
					(7,11,000)#		5,20,51,286	10.25
		5,20,51,286	10.39	31.03.2020				
2	N K Parekh	5,42,73,688	10.69	01.04.2019		NIL movement during the year	5,42,73,688	10.69
		5,42,73,688	10.69	31.03.2020				
3	A B Parekh	4,74,33,489	9.34	01.04.2019		NIL movement during the year	4,74,33,489	9.34
		4,74,33,489	9.34	31.03.2020				
4	B S Mehta	24,716	0	01.04.2019		NIL movement during the year	24,716	0.00
		24,716	0	31.03.2020				
5	A N Parekh	30,76,918	0.61	01.04.2019		NIL movement during the year	30,76,918	0.61
		30,76,918	0.61	31.03.2020				
6	Bharat Puri (also Key Managerial Personnel)	2,00,000	0.04	01.04.2019			2,00,000	0.04
				19.03.2020	1,10,000*		3,10,000	
		3,10,000	0.06	31.03.2020				
7	Sanjeev Aga	798	0	01.04.2019		NIL movement during the year	798	0
		798	0	31.03.2020				
8	Uday Khanna	5,000	0	01.04.2019		NIL movement during the year	5,000	0
		5,000	0	31.03.2020				
9	Meera Shankar	0	0	01.04.2019		NIL movement during the year	0	0
		0	0	31.03.2020				
10	Sabyaschi Patnaik (upto 29.02.2020)	5,100	0	01.04.2019			5,100	0
				19.03.2020	2,650*		7,750	
		7,750	0	31.03.2020				
11	Vinod Kumar Dasari	0	0	01.04.2019		NIL movement during the year	0	0
		0	0	31.03.2020				
12	Piyush Pandey	0	0	01.04.2019		NIL movement during the year	0	0
		0	0	31.03.2020				
13	Debabrata Gupta (w.e.f. 01.03.2020)	0	0	01.03.2020		NIL movement during the period	0	0
		0	0	31.03.2020				
Shareholding of Key Managerial Personnel :								
1	Puneet Bansal	100	0	01.04.2019		NIL movement during the year	100	0
		100	0	31.03.2020				
2	Pradip Menon (w.e.f. 18.11.2019)	0	0	18.11.2019		NIL movement during the period	100	0
		0	0	31.03.2020				
3	P Ganesh (upto 24.05.2019)	50	0	01.04.2019		NIL movement during the period	50	0
		50	0	24.05.2019				

#Gift of Shares
*Shares alloted during the year under ESOP-2016

(₹ in crores)

V.	Indebtedness				
Indebtedness of the Company including interest outstanding /accrued but not due for payment					
	Particulars	**Secured Loans (Excluding deposits)**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year (as on 01.04.2019)					
i.	Principal Amount	-	-	-	-
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year					
	Addition	-	-	-	-
	Reduction (Repayment)	-	-	-	-
Net Change		**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year (as on 31.03.2020)					
i.	Principal Amount	-	-	-	-
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-

(Amount in ₹)

VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-							
A.	**Remuneration to Managing Director, Whole Time Directors and/or Manager:**							
Sr. No.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**						**Total**
		M B Parekh (Executive Chairman)	**Bharat Puri (Managing Director)**	**A B Parekh (Whole Time Director)**	**A N Parekh (Whole Time Director)**	**Sabyaschi Patnaik ^ (Whole Time Director)**	**Debabrata Gupta $ (Whole Time Director)**	
1	Gross salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,99,63,746	10,04,74,114	1,39,43,000	1,13,14,927	2,12,14,857	15,26,750	17,84,37,394
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	83,40,023	6,12,456	25,29,856	23,76,160	-	-	1,38,58,495
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-	1,53,462	-	1,53,462
2	Stock option*	-	16,65,45,500	-	-	40,37,805	-	17,05,83,305
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission #							
	- as % of profit	-	3,47,50,000	4,86,50,000	4,17,00,000	-	-	12,51,00,000
	- others	-	-	-	-	-	-	-
5	Others: Employer contribution to provident and other funds	31,73,181	1,67,17,740	15,09,933	13,35,269	14,64,862	3,13,395	2,45,14,380
	Total (A)	**4,14,76,950**	**31,90,99,810**	**6,66,32,789**	**5,67,26,356**	**2,68,70,986**	**18,40,145**	**51,26,47,036**
	Ceiling as per the Act	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act 2013						

* Represents options which have vested and exercised
# Commission for the financial year 2018-19 paid in 2019-20
^ Ceased to be a Director w.e.f. end of business hours of 29th February 2020
$ Appointed w.e.f. 1st March 2020

(Amount in ₹)

B.	Remuneration to other Directors:				
1	**Independent Directors:**				
	Name of Director	**Fee for attending Board/Committee meetings**	**Commission#**	**Others**	**Total**
	Shri B S Mehta	3,90,000	20,00,000	-	23,90,000
	Shri Sanjeev Aga	5,22,000	20,00,000	-	25,22,000
	Shri Uday Khanna	3,60,000	20,00,000	-	23,60,000
	Smt. Meera Shankar	2,10,000	20,00,000	-	22,10,000
	Shri Vinod Kumar Dasari	2,10,000	20,00,000	-	22,10,000
	Shri Piyush Pandey	1,80,000	20,00,000	-	21,80,000
	Total (1)				**1,38,72,000**
2	**Non-Executive/Promoter Director:**				
	Shri N K Parekh (Non Executive Vice Chairman)	7,50,000	20,00,000	-	27,50,000
	Total (2)			-	**27,50,000**
	Total (B) (1+2)				**1,66,22,000**

Commission for the financial year 2018-19 paid in 2019-20

(Amount in ₹)

C.	Remuneration to Key Managerial Personnel other than MD/Manager/WTD:				
Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			**Total**
		P Ganesh* Chief Financial Officer	**Pradip Menon** Chief Financial Officer**	**Puneet Bansal Company Secretary**	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	23,48,665	94,81,250	1,04,46,499	2,22,76,414
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income- tax Act, 1961	-	-	-	-
2	Stock option	-	***	***	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others	-	-	-	-
5	Others: Employer contribution to provident and other funds	4,25,932	6,96,583	8,00,600	19,23,115
	Total (C)	**27,74,597**	**1,01,77,833**	**1,12,47,099**	**2,41,99,529**

*upto 24.05.2019 ** w.e.f. 18.11.2019 ***Options granted have not yet vested

VII.	Penalties / Punishment / Compounding of Offences

There were no penalties, punishment, compounding of offences for the year ending 31st March 2020.

ANNEXURE 6 TO THE DIRECTORS' REPORT

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

A. Ratio of remuneration paid to each Director to the median remuneration of the employees of the Company and percentage increase in remuneration for the financial year 2019-20 is as follows:

Sr. No.	Name of Director	Designation	Ratio of remuneration of Director to the Median remuneration	% increase
1	Shri M B Parekh	Executive Chairman	74.07	4.12%
2	Shri N K Parekh	Vice Chairman	4.91	(3.17%)
3	Shri Bharat Puri	Managing Director	569.82	23.30%
4	Shri A B Parekh	Whole time Director	118.99	3.73%
5	Shri A N Parekh	Whole time Director	101.30	4.46%
6	Shri B S Mehta	Director	4.27	(5.91%)
7	Shri Sanjeev Aga	Director	4.50	2.44%
8	Shri Uday Khanna	Director	4.21	(2.48%)
9	Smt Meera Shankar	Director	3.95	(1.34%)
10	Shri Sabyaschi Patnaik *	Whole time Director	47.98	3.11%
11	Shri Vinod Kumar Dasari	Director	3.95	1.38%
12	Shri Piyush Pandey	Director	3.89	2.84%
13	Shri Debabrata Gupta	Whole time Director	-	~

B. Percentage increase in remuneration of Company Secretary and Chief Financial Officer for the financial year 2019-20 is as follows:

Sr. No.	Name	Designation	% increase
1	Shri P. Ganesh	Chief Financial Officer	^
2	Shri Pradip Menon	Chief Financial Officer	^
3	Shri Puneet Bansal	Company Secretary	#

Notes:

1. The aforesaid details are calculated on the basis of remuneration paid during the financial year 2019-20.
2. The remuneration to Non Executive Directors comprises of sitting fees and commission paid to them during the financial year 2019-20.
3. The median remuneration is ₹ 5,60,004/- for the financial year 2019-20.
4. * Shri Sabyaschi Patnaik was the Whole Time Director of the Company upto 29th February 2020.
5. ~ % increase in remuneration is not given as Shri Debabrata Gupta was appointed as the Whole Time Director of the Company w.e.f. 1st March 2020.
6. ^ % increase in remuneration is not given as the payment for the financial year 2019-20 was only for part of the year.
7. # % increase in remuneration is not given as the payment for financial year 2018-19 was only for part of the year.
8. The remuneration to Directors is within the overall limits approved by the shareholders.

C. Percentage increase in the median remuneration of employee in the financial year 2019-20: 7.60%

D. Number of permanent employees on the rolls of the Company as on 31st March 2020: 6,064

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

Increase in remuneration is based on Remuneration Policy of the Company.

Average increase in salary of all employees in 2019-20 compared to 2018-19: 11.38%

F. Affirmation:

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

DIVIDEND DISTRIBUTION POLICY

1. Applicability and Objective:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy ("the Policy") in the annual report and on their website.

The Board of Directors ("Board") of Pidilite Industries Limited has adopted this Dividend Distribution Policy to comply with these Regulations.

The objective of the Policy is to lay down the parameters that are required to be considered by the Board of the Company for declaration of Dividend from time to time.

2. Scope:

The Company currently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

3. Dividend:

Dividend represents the profit of the Company, which is distributed to the shareholders in proportion to the amount paid-up on the equity shares held by them. The term 'Dividend' includes Interim Dividend.

4. Parameters and factors for declaration of dividend:

The Company shall ensure compliance of the provisions of Companies Act, 2013 ("the Act") read with the Rules and the following financial parameters and internal and external factors shall also be considered:-

Financial Parameters and Internal Factors:

i. Distributable Surplus available as per relevant statutory regulations
ii. Past dividend payout trends of the Company
iii. Working capital requirements
iv. Business expansion and growth
v. Company's liquidity position and future cash flow requirements
vi. Additional investments in subsidiaries and associates of the Company
vii. Current year's profits and future outlook in light of the development of internal and external environment
viii. Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
ix. Operating cash flows and treasury position keeping in view the total debt to equity ratio
x. Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders
xi. Providing for unforeseen events and contingencies with financial implications
xii. Such other factors and/ or material events which the Company's Board may consider

External Factors:

i. Economic environment
ii. Capital markets
iii. Inorganic growth plans
iv. Statutory provisions and guidelines
v. Dividend pay-out ratios across industries

5. Circumstances under which the shareholders of the Company may or may not expect dividend:

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned in this policy) and declare Dividend in any financial year.

The Board may not recommend any dividend if the Board is of the considered opinion that it is prudent to conserve capital based on the factors outlined above or other exigencies.

6. **Utilization of retained earnings:**

The Company would utilize the retained earnings in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to meeting the Company's future business growth/ expansion and strategic plans or such other purpose the Board may deem fit from time to time.

7. **Conflict in Policy:**

In the event of a conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

8. **Modification of the Policy:**

The Board is authorised to change or amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the Regulations, or any other applicable law.
The modifications, if any, made to the policy shall be disclosed on the website and in the Annual Report.

9. **Review of the Policy:**

The Board may review the Dividend Distribution Policy of the Company as appropriate.

10. **Disclosure of Policy:**

This Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.pidilite.com

REMUNERATION POLICY

A. **Remuneration Policy for Executive Directors**

a) The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.

b) Remuneration of the Executive Chairman, Managing Director and Executive Directors consist of a fixed component and commission based on the net profits of each financial year. The commission amount is linked to the Net profit of each year. The increase in fixed salary is recommended by the Nomination and Remuneration Committee based on the general industry practice and the increase given to other managers in the Company.

B. **Remuneration Policy for Non-Executive Directors**

Non-Executive Directors of a Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role. For best utilizing the Non-Executive Directors, the Company has constituted certain Committees of the Board.

Remuneration payable:

Sr. No.	Particulars	Remuneration*	Remarks
1	Commission	₹ 20,00,000 per annum per Director	a) On the basis of Company's Performance and at a rate not exceeding 1% per annum of the profits of the Company distributed uniformly among the Directors. b) Approval - Shareholders
2	Sitting Fees: For Board Meetings	₹ 30,000 per meeting	a) Within the limits prescribed by the Companies Act. b) Approval – Board
3	a) For Committee Meetings	₹ 30,000 per meeting for Nomination and Remuneration Committee, Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee	a) Within the limits prescribed by the Companies Act. b) Approval – Board (An Independent Director shall not be entitled to any stock option.)
	b) For Finance Committee, Share Transfer Committee, Stakeholders Relationship Committee and other Committee meetings	₹ 12,000 per meeting	

* as on 31st March 2020

C. **Remuneration Policy for Senior Managers including Key Managerial Personnel**

1. The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario and remuneration package of the managerial talent of other comparable industries.
2. The remuneration to Senior Management employees comprises of two broad terms – Fixed Remuneration and Variable remuneration in the form of performance incentive.
3. Remuneration of Senior Management members and other employees in the management cadre largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled his/her individual performance etc. The annual variable pay of senior managers is linked to the Company's performance, the performance of the respective divisions/functions they are attached to and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.
4. The performance incentive is based on internally developed detailed performance related matrix which is verified by the HR department.
5. Annual increase in fixed remuneration is reviewed and then approved by the Nomination and Remuneration Committee.

Introduction

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

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

The Company has initiated efforts towards development of a sustainability roadmap. This will drive integration of sustainability considerations into core business systems and decision-making. The Company has published its first sustainability report in accordance with GRI Standards for financial year 2018-19.

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

A] GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24100MH1969PLC014336
2. Name of the Company: Pidilite Industries Limited
3. Registered address: Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021, Maharashtra
4. Website: www.pidilite.com
5. E-mail Id: investor.relations@pidilite.co.in
6. Financial Year reported: 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Manufacture of Adhesives and Glues including Rubber based Glues and Adhesives (20295)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   (i) Adhesives & Sealants
   (ii) Construction Chemicals/ Paint Chemicals
   (iii) Art & Craft Materials

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

Manufacturing locations (States / Union Territories)	9
Regional offices	8

10. Markets served by the Company – The Company's products have a pan India presence and the products are also marketed in several countries like UAE, USA, Nigeria, Bangladesh, Sri Lanka, Nepal, Singapore, China, Indonesia, Thailand, Egypt, Brazil, Bahrain, Qatar, Oman, Myanmar, Ethiopia, Kenya, France, Germany, Italy, Saudi Arabia, Tanzania, Hongkong, UK, Kuwait, Australia etc.

B] FINANCIAL DETAILS OF THE COMPANY

		(₹ in crores)
1.	Paid up Capital :	50.81
2.	Total Turnover :	6,290.43
3.	Total profit after taxes :	1,101.62

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.39%*

   *CSR expense is ₹ 26.30 crores and current year PAT is ₹ 1,101.62 crores. The Company has spent more than 2% of the average net profit for the last 3 years on CSR expenses.
5. Few activities in which expenditure in 4 above has been incurred

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

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

C] OTHER DETAILS

The Company has 33 subsidiaries, both direct and indirect, as on 31st March 2020. 13 of these subsidiaries are in India and 20 of them are located abroad.

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

D] BR INFORMATION

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

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

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

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number	07183784 - Shri Sabyaschi Patnaik 01500784 - Shri Debabrata Gupta
2	Name	Shri Sabyaschi Patnaik (upto 29.02.2020) Shri Debabrata Gupta (w.e.f 01.03.2020)
3	Designation	Director – Operations
4	Telephone number	022- 2835 7313
5	e-mail id	debabrata.gupta@pidilite.com

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

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

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

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

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

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

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

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

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

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

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

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes Policies confirm to applicable Statutory Requirements as well as OHSAS 18001 and ISO 14001 Standards.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes The policies have been signed by the Director - Operations of the Board of Director of the Company								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the Human Resource Department. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The Director - Operations is responsible for the implementation of Environment Health and Safety (EHS) policy/policies.								
6.	Indicate the link for the policy to be viewed online?	Policies which are internal to the Company are available on the intranet of the Company. Other policies are available on the website of the Company: www.pidilite.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	An external firm was engaged to review the policies and based on their recommendations the policies have been revised appropriately.								

(3) Governance related to BR

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

(E) PRINCIPLE-WISE PERFORMANCE

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

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

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

There were no complaints from shareholders pending at the beginning of the year. The Company received 9 complaints from shareholders during the year, which were resolved expeditiously. There were no pending complaints at the end of the year.

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

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

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

a. Waterproofing products which save structures from deterioration and improve the overall life of such structures.

b. We provide products for walls and roofs which improve thermal insulation and save energy.

c. We provide high quality adhesives for making furniture, footwear, etc. which prolong the life of such products.

d. We provide repair and maintenance products which allows such articles to be repaired and reused rather than being thrown away.

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

1. Waste generated out of packaging plastic is recycled through authorized recyclers.
2. Ash generated from boilers is used for brick manufacture/ agricultural land.
3. Most spent solvents are redistilled and recycled.
4. Hazardous waste is co-processed and used as a fuel in the cement industry, wherever permitted by regulations.
5. Through authorised recyclers of Multi Layered Plastic (MLP) packing material used for our products, we recycled back 71% of such MLP packing material.

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

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

As on 31st March 2020, the total number of permanent employees on the payroll of the Company was 6,064 and the total number of employees hired on temporary /contractual/casual basis was 2,900. The permanent women employees were 339 and permanent employees with disabilities were 16. There is no employee association that is recognised by the management. The details of complaints filed during the financial year are as under:

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

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

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

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

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

An art-workshop is organised every fortnight titled "rang rang Vadalia" for children with learning disabilities at Spandan: A school for the intellectually challenged.

For further details please refer to the Social and Community Service Initiatives report, which forms part of this Annual Report.

Principle 5: Businesses should respect and promote human rights:

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

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

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

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

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

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

During the financial year 2019-20 the emissions/ waste generated by the Company were within the permissible limits prescribed by the State and Central Pollution Control Board.

There were no pending show cause notices relating to environment issues as on 31st March 2020.

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

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

- Federation of Indian Chambers of Commerce and Industry
- Indian Speciality Chemical Manufacturers Association
- Bombay Chamber of Commerce and Industry

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

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

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

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

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

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

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

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

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Pidilite Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Key Audit Matter	Principal audit procedures performed
Existence and condition of Inventories of raw and Packing Material, Work-in-progress, finished goods and stock In trade (Refer note 16 to the standalone financial statements)	**We performed the following alternate audit procedures to audit the existence and condition of inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical verification of inventories:**
The Company has a policy of performing physical verification of inventories, with the assistance of appointed independent third parties, on a cyclical basis, as per plan, for all its locations, throughout the year. In accordance with such cyclical plan, physical verification of inventories for certain locations which was planned to be performed as at year-end, was performed by the management subsequent to the year-end, which we were unable to physically observe, due to the restrictions imposed on account of COVID-19. The total value of inventory as at 31st March 2020 is ₹ 730.49 crores.	Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls throughout the year. Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year-end at certain locations. Consequently, we have performed the following alternate procedures to audit the existence and condition of inventory: a. Observed the physical verification of inventories carried out by the Manag-ement at the selected locations subsequent to year-end through virtual mediums, to determine existence and condition of inventory and on a sample basis performed roll back procedures to arrive at the quantities at the balance sheet date. b. For stocks held at third party locations, obtained direct confirmation of the inventory held by them as at the year-end. c. Performed additional alternate procedures which included inspection of supporting documentation relating to purchases, sales and production records relating to inventory as at year-end.

Key Audit Matter	Principal audit procedures performed
Impairment of Investment in certain subsidiaries (Refer Note 7 of the Standalone Financial Statements)	To evaluate impairment of investment in these two subsidiaries, our procedures included:
The standalone financial statements of the Company includes investment in two subsidiaries, located at Brazil and Middle East, aggregating to ₹ 138.62 crores (as at 31st March 2020) which is measured at cost less impairment and is tested for impairment annually. Due to material accumulated losses being incurred by these subsidiaries, the Company's management has tested these investments for impairment in accordance with Ind AS 36. For impairment testing, management determines recoverable amount, using cash flow projections, which represent management's best estimate about future developments and takes into account past experience. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital, Sales growth rate and estimated operating margins. Management has obtained fair value of investments from independent valuation experts for investments in the said two subsidiaries. Determination of recoverable amount involves significant judgements, as regards to reasonableness of assumptions involved in estimating future cash flows of these subsidiaries and in determining the discount rate to be used.	a. Evaluated the design and implementation of the controls over identification of impairment indicators and review of the impairment assessment of investment in subsidiaries and tested the operating effectiveness of these controls. b. Assessed the appropriateness and reasonableness of the forecast cash flows within the budgeted period based on the understanding of the business and after considering the possible impact due to Covid-19. c. Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. d. Compared the assumptions made by the management of the Company with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates with the assistance of our fair value specialists. e. Performed sensitivity analysis on the key assumptions such as long-term growth rates and discount rates, to ascertain the extent of change in those assumptions that would be required for the investment in these subsidiaries to be impaired further.

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

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

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

   e) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 20045474AAAABF7632

Place: **Mumbai**
Date: 17th June 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

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

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

We have audited the internal financial controls over financial reporting of Pidilite Industries Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 20045474AAAABF7632

Place: **Mumbai**
Date: 17th June 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

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

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

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 the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in crores)
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	AY 2007-08, AY 2010-11 to AY 2014-15	0.11
	Income Tax TDS	Commissioner (Appeals)	AY 2014-15 to 2019-20	37.00
Income Tax Act, 1961 - Total				**37.11***
Goods and Service tax Act, 2017	Goods and Service tax	Additional Commissioner	2017-18	0.05
Goods and Service tax Act, 2017 - Total				**0.05****
Finance Act, 1994	Service Tax	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2011-12, 2013-14	11.42
Finance Act, 1994 – Total				**11.42@**
Central Excise Act, 1944	Excise Duty in Various States	Commissioner of Central Excise (Appeals)	2008-09, 2009-10	0.38
	Excise Duty in Various States	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2007-08 to 2009-10	0.02
Central Excise Act, 1944 – Total				**0.40#**
Sales Tax Act	Sales Tax in Various States	Assessing officer	1998-99, 2005-06, 2008-09 to 2015-16	8.12
	Sales Tax in Various States	Commissioner of Sales Tax	2008-09	0.25
	Sales Tax in Various States	Additional Commissioner	2002-03, 2008-09 to 2010-11, 2012-13 to 2016-17	15.77
	Sales Tax in Various States	Deputy Commissioner of Sales Tax	1994-95, 2005-06 to 2016-17	2.28
	Sales Tax in Various States	Joint Commissioner of Sales Tax	1998-99, 1999-00, 2002-03, 2004-05, 2008-09 to 2017-18	63.40
	Sales Tax in West Bengal	Revision Board	2004-05	0.59
	Sales Tax in Various States	Sales Tax Tribunal	1999-00 to 2000-01, 2002-03, 2004-05 to 2016-17	36.80
	Sales Tax in Various States	High Court	2003-04	0.02
Sales Tax Act – Total				**127.23^**

* Net of ₹ 29.87 crores paid under protest
** Net of ₹ 0.17 crores paid under protest
@ Net of ₹ 0.33 crores paid under protest
# Net of ₹ 0.03 crores paid under protest
^ Net of ₹ 29.36 crores paid under protest

There are no dues of Customs Duty which have not been deposited as on 31st March 2020 on account of disputes

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any 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 CARO 2016 Order is not applicable.

x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 20045474AAAABF7632

Place: **Mumbai**
Date: 17th June 2020

STATEMENT OF BALANCE SHEET

as at 31st March 2020

(₹ in crores)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
1 **Non-Current Assets**			
(a) Property, Plant and Equipment	4	**861.24**	667.62
(b) Right of Use Assets	5	**109.15**	-
(c) Capital Work-In-Progress	4	**247.64**	229.08
(d) Goodwill	6	**86.11**	86.11
(e) Other Intangible Assets	6	**192.99**	196.93
(f) Financial Assets			
(i) Investments	7	**1,108.34**	1,038.49
(ii) Loans	10	**4.04**	2.94
(iii) Other Financial Assets	12	**13.12**	18.51
(g) Income Tax Assets (net)	17	**105.80**	98.53
(h) Other Non-Current Assets	18	**64.57**	82.45
Total Non-Current Assets		**2,793.00**	2,420.66
2 **Current Assets**			
(a) Inventories	16	**730.49**	734.30
(b) Financial Assets			
(i) Investments	8	**715.18**	1,151.39
(ii) Trade Receivables	9	**806.63**	774.98
(iii) Cash and Cash Equivalents	14	**564.17**	60.24
(iv) Bank balances other than (iii) above	15	**4.67**	56.94
(v) Loans	11	**25.38**	15.38
(vi) Other Financial Assets	13	**8.23**	9.25
(c) Other Current Assets	19	**171.31**	126.87
Total Current Assets		**3,026.06**	2,929.35
TOTAL ASSETS		**5,819.06**	5,350.01
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	20	**50.81**	50.80
(b) Other Equity	21	**4,414.01**	4,135.92
Total Equity		**4,464.82**	4,186.72
LIABILITIES			
1 **Non-Current Liabilities**			
(a) Financial Liabilities			
(i) Lease Liabilities	51	**51.30**	-
(ii) Other Financial Liabilities	23	**7.26**	46.01
(b) Provisions	25	**40.89**	34.55
(c) Deferred Tax Liabilities (net)	27	**75.97**	112.97
Total Non-Current Liabilities		**175.42**	193.53
2 **Current Liabilities**			
(a) Financial Liabilities			
(i) Trade Payables	22		
- Total Outstanding Dues of Micro Enterprise and Small Enterprises		**9.30**	20.96
- Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises		**485.51**	428.19
(ii) Lease Liabilities	51	**22.04**	-
(iii) Other Financial Liabilities	24	**552.42**	440.85
(b) Other Current Liabilities	28	**90.03**	57.42
(c) Provisions	26	**11.78**	14.60
(d) Current Tax Liabilities (net)	29	**7.74**	7.74
Total Current Liabilities		**1,178.82**	969.76
TOTAL LIABILITIES		**1,354.24**	1,163.29
TOTAL EQUITY AND LIABILITIES		**5,819.06**	5,350.01
See accompanying notes to the financial statements	1 to 55		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
Revenue from Operations	30	**6,332.59**	6,093.88
Other Income	31	**151.86**	191.51
Total Income		**6,484.45**	6,285.39
EXPENSES			
Cost of Materials Consumed	32	**2,520.70**	2,763.65
Purchases of Stock-in-Trade		**387.71**	374.58
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	**27.98**	(73.81)
Employee Benefits Expense	34	**736.89**	663.54
Finance Costs	35	**13.40**	7.14
Depreciation, Amortisation and Impairment Expense	36	**125.79**	99.83
Other Expenses	37	**1,175.75**	1,074.01
Total Expenses		**4,988.22**	4,908.94
Profit before Exceptional Items and Tax		**1,496.23**	1,376.45
Exceptional Items	38	**59.28**	-
Profit before Tax		**1,436.95**	1,376.45
Tax Expense			
Current Tax	48	**368.65**	385.56
Deferred Tax	48	**(33.32)**	11.45
Net Tax Expense		**335.33**	397.01
Profit for the year		**1,101.62**	979.44
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	45	**(14.88)**	(4.37)
Income tax relating to items that will not be reclassified to profit or loss	48	**3.68**	1.39
Total Other Comprehensive (Loss)/ Income		**(11.20)**	(2.98)
Total Comprehensive Income for the year		**1,090.42**	976.46
Earnings Per Equity Share:	43		
Basic (₹)		**21.69**	19.28
Diluted (₹)		**21.68**	19.27
See accompanying notes to the financial statements	1 to 55		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

(₹ in crores)

a. Equity Share Capital	
	Amount
Balance as at 1st April 2018	**50.78**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme - 2012 (refer Note 46)	0.01
• Issue of equity shares under Employee Stock Option Plan - 2016* (refer Note 46)	0.00
Balance as at 31st March 2019	**50.80**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Plan - 2016 (refer Note 46)	0.01
Balance as at 31st March 2020	**50.81**

*Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 48,550 during the year 2018-19.

(₹ in crores)

b. Other Equity	Reserves and Surplus							TOTAL
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Cash Subsidy Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	
Balance as at 1st April 2018	0.34	-	0.50	0.95	9.03	1,335.38	2,166.95	**3,513.15**
Profit for the year	-	-	-	-	-	-	979.44	**979.44**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(2.98)	**(2.98)**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	(364.32)	**(364.32)**
Recognition of share-based payments (refer Note 46)	-	10.01	-	-	0.62	-	-	10.63
Transferred to Securities Premium on Options exercised during the year	-	10.01	-	-	(10.01)	-	-	**-**
Exercised during the year	-	-	-	-	1.64	-	-	**1.64**
Amortised during the year	-	-	-	-	9.51	-	-	**9.51**
Lapsed during the year	-	-	-	-	(0.52)	-	-	**(0.52)**
Balance as at 31st March 2019	0.34	10.01	0.50	0.95	9.65	1,335.38	2,779.09	**4,135.92**
Profit for the year	-	-	-	-	-	-	1,101.62	**1,101.62**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(11.20)	**(11.20)**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	(826.76)	**(826.76)**
Recognition of share-based payments (refer Note 46)	-	13.20	-	-	1.24	-	-	14.44
Transferred to Securities Premium on Options exercised during the year	-	13.20	-	-	(13.20)	-	-	**-**
Amortised and exercised during the year	-	-	-	-	14.84	-	-	**14.84**
Lapsed during the year	-	-	-	-	(0.40)	-	-	**(0.40)**
Balance as at 31st March 2020	**0.34**	**23.21**	**0.50**	**0.95**	**10.89**	**1,335.38**	**3,042.74**	**4,414.01**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

(₹ in crores)

		For the year ended 31st March 2020		For the year ended 31st March 2019	
A	**Cash Flows From Operating Activities**				
	Profit before tax for the year		**1,436.95**		1,376.45
	Adjustments for:				
	Finance costs recognised in Statement of Profit and Loss	**13.40**		7.14	
	Interest income recognised in Statement of Profit and Loss	**(5.93)**		(16.31)	
	Dividend income recognised in Statement of Profit and Loss	**(13.38)**		(26.92)	
	(Profit)/ Loss on disposal of Property, Plant and Equipment	**(2.67)**		2.18	
	Profit on Sale of Intangible Asset	**-**		(33.41)	
	Net gain arising on Financial Assets designated at FVTPL	**(110.39)**		(87.64)	
	Allowance for Doubtful Debts	**-**		4.18	
	Allowance for Doubtful Debts Written Back	**(5.80)**		-	
	Exceptional Item - Impairment in value of Assets and Investments	**59.28**		-	
	Depreciation, Amortisation and Impairment Expense	**125.79**		99.83	
	Unrealised foreign exchange (gain)/ loss (net)	**(0.15)**		6.26	
	Provision for Employee Benefits	**(11.36)**		5.23	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**14.31**		10.45	
	Operating profits before Working Capital changes		**1,500.05**		1,347.44
	Movements in Working Capital:				
	(Increase)/ Decrease in Operating Assets				
	Trade Receivables	**(17.94)**		(92.71)	
	Inventories	**3.81**		(103.36)	
	Non-Current Loans	**(1.10)**		0.38	
	Current Loans	**(10.00)**		(2.16)	
	Other Non-Current Financial Assets	**5.39**		(6.82)	
	Other Current Financial Assets	**1.02**		(0.66)	
	Other Non-Current Non Financial Assets	**2.83**		(2.70)	
	Other Current Non Financial Assets	**(25.70)**		20.90	
	Increase/ (Decrease) in Operating Liabilities				
	Trade Payables	**37.89**		18.55	
	Other Current Financial Liabilities	**112.78**		43.90	
	Other Non-Current Financial Liabilities	**(38.75)**		8.37	
	Other Current Non Financial Liabilities	**32.60**		7.96	
	Cash generated from Operations		**1,602.88**		1,239.09
	Taxes paid (net of refunds)		**(375.92)**		(385.94)
	Net Cash generated from Operating Activities [A]		**1,226.96**		**853.15**

STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

(₹ in crores)

		For the year ended 31st March 2020		For the year ended 31st March 2019	
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	(413.61)		(201.40)	
	Proceeds from disposal of Property, Plant and Equipment & Other Intangible Assets	20.98		42.19	
	Net Cash outflow on acquisition/ Investment in Subsidiaries	(127.44)		(61.04)	
	Payments to purchase Investments	(1,305.53)		(2,333.38)	
	Proceeds on sale of Investments	1,907.30		2,078.81	
	Payment towards Share Application Money	(18.74)		-	
	Decrease/ (Increase) in Bank Deposits	53.67		(51.19)	
	(Increase)/ Decrease in Other Bank Balances	(1.40)		5.89	
	Interest received	5.93		5.05	
	Dividend received	13.38		26.92	
	Net cash generated/ (used) in Investing Activities [B]		**134.54**		**(488.15)**
C	**Cash Flows from Financing Activities**				
	Proceeds from issue of Equity shares of the Company	0.01		0.01	
	Payment of Lease Liabilities	(25.05)		-	
	Dividends paid on Equity Shares (including tax thereon)	(825.36)		(363.47)	
	Interest paid	(7.32)		(7.14)	
	Net cash used in Financing Activities [C]		**(857.72)**		**(370.60)**
	Net increase/ (decrease) in Cash and Cash Equivalents [A+B+C]		503.78		(5.60)
	Cash and Cash Equivalents at the beginning of the year	60.24		66.12	
	Bank unrealised gain	0.33		0.05	
	Cash and Cash Equivalents at the beginning of the year		**60.57**		**66.17**
	Cash and Cash Equivalents at the end of the year (refer Note 14)	564.17		60.24	
	Bank unrealised gain	0.18		0.33	
	Cash and Cash Equivalents at the end of the year		564.35		60.57
	Net (decrease)/ increase in Cash and Cash Equivalents		**503.78**		**(5.60)**

Notes:

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

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

N. K. JAIN
Partner

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

Place: Mumbai
Date: 17th June 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

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

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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

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

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

b. Employee Stock Options - at Fair value

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

2.2 Business Combination

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

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

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

2.3 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.4 Revenue Recognition

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

2.4.1 Sale of Goods

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

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

2.4.2 Dividend, Interest income and Royalty

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

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

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

The Company's policy for recognition of revenue (rental income) from leases is described in note 2.5.2.

2.5 Leasing

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1st April 2019.

2.5.1 Company as Lessee

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

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

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

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

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

2.5.2 Company as Lessor

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

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

Transition

Effective 1st April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 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 31st March 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 31st March 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:

i. Applied single discount rate to a portfolio of leases with reasonably similar characteristics.

ii. 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.

iii. Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

iv. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

v. 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 31st March 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 1st April 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 1st April 2019 is in range of 8.9% to 10% depending on the tenure of lease.

2.6 Foreign Currencies

The functional currency of the Company is the Indian Rupee.

At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the Statement of Profit and Loss.

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

2.7 Share-based payment transactions of the Company

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

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

2.8 Taxation

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

2.8.1 Current Tax

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

2.8.2 Deferred Tax

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

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

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

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

2.8.3 Current and Deferred Tax for the year

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

2.9 Property, Plant and Equipment

2.9.1 Property, Plant and Equipment acquired separately

Freehold land is stated at cost and not depreciated. Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

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

2.9.2 Capital Work-in-Progress

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

2.9.3 Depreciation

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

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

The estimated useful lives are as mentioned below:

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

2.10 Intangible Assets

2.10.1 Intangible assets acquired separately

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

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

2.10.2 Intangible assets acquired in a business combination

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

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

2.10.3 Internally generated Intangible Assets – Research and Development Expenditure

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

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

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

2.10.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

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

2.11 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

2.12 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour and appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

2.13 Provisions (other than Employee Benefits)

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

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

Contingent Liabilities are not recognised but disclosed in the Notes to the financial statements.

2.14 Financial Instruments

2.14.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. At initial recognition, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised in the Statement of Profit and Loss.

2.14.2 Subsequent measurement of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.

All other financial assets are measured at a fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.14.3 Impairment of Financial Assets

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

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

2.14.4 Financial Liabilities and equity instruments

2.14.4.1 Classification of debt or equity

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

2.14.4.2 Equity Instruments

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

2.14.4.3 Financial Liabilities

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

2.14.5 Derecognition of Financial Assets and Liabilities

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

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

2.14.6 Derivative Financial Instruments

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

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

2.15 Cash Flow Statement

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

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

2.16 Segment Reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue/expenses/assets/liabilities” respectively.

2.17 Employee Benefits

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

2.17.1 Defined Contribution Plans

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

2.17.2 Defined Benefit Plans

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

2.17.3 Short-Term and Other Long-Term Employee Benefits

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

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

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

2.18 Earnings per share

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

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

2.19 Assets held for sale

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

2.20 Discontinued operations

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

2.21 Non-current assets and disposal groups held for sale

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

3 Critical Accounting Judgements and key sources of Estimation Uncertainty

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

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

3.1 Key accounting judgements, assumptions and estimates

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

3.1.1 Impairment of investments in subsidiaries

Investment in subsidiaries is measured at cost and tested for impairment annually. For impairment testing, management determines recoverable amount, using cash flow projections which take into account past experience and represent management’s best estimate about future developments. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Management obtains fair value of investments from independent valuation experts.

3.1.2 Impairment of Goodwill and Other Intangible Assets

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

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

3.1.3 Employee related provisions

The costs of long term and short term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates. (disclosed in Note 45).

3.1.4 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 48).

3.1.5 Property, Plant and Equipment and Other Intangible Assets

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

3.1.6 Leases

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

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

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

(₹ in crores)

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

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Freehold Land	**84.40**	53.30
• Buildings	**260.20**	182.60
• Plant and Machinery	**453.15**	371.41
• Vehicles	**5.06**	5.62
• Furniture and Fixtures	**26.42**	25.44
• Office Equipment	**32.01**	29.25
	861.24	667.62
Capital Work-In-Progress*	**247.64**	229.08
TOTAL	**1,108.88**	**896.70**

*Net of Impairment ₹ **55.19** crores (₹ 5.92 crores as at 31st March 2019) (refer Note 38)

	Free-hold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2018	53.27	250.35	974.27	19.18	72.35	101.85	1,471.27
Additions	0.03	12.19	77.24	0.65	2.88	14.45	**107.44**
Disposals/ Adjustments	-	(0.66)	(37.67)	(1.15)	(0.64)	(5.34)	**(45.46)**
Balance as at 31st March 2019	53.30	261.88	1,013.84	18.68	74.59	110.96	1,533.25
Additions	31.10	88.40	152.46	0.66	5.21	12.82	**290.65**
Disposals/ Adjustments	-	(2.74)	(13.96)	(0.20)	(0.09)	(0.06)	**(17.05)**
Balance as at 31st March 2020	84.40	347.54	1,152.34	19.14	79.71	123.72	1,806.85
Accumulated Depreciation and Impairment							
Balance as at 1st April 2018	-	(71.68)	(606.74)	(12.99)	(45.41)	(77.83)	(814.65)
Eliminated on disposal of assets	-	0.04	28.10	1.08	0.51	4.78	**34.51**
Depreciation expense	-	(7.64)	(63.79)	(1.15)	(4.25)	(8.66)	**(85.49)**
Balance as at 31st March 2019	-	(79.28)	(642.43)	(13.06)	(49.15)	(81.71)	(865.63)
Eliminated on disposal of assets	-	1.63	12.33	0.08	0.04	0.02	**14.10**
Depreciation expense	-	(9.69)	(69.09)	(1.10)	(4.18)	(10.02)	**(94.08)**
Balance as at 31st March 2020	-	(87.34)	(699.19)	(14.08)	(53.29)	(91.71)	(945.61)
Net Carrying Amount							
Balance as at 1st April 2018	53.27	178.67	367.53	6.19	26.94	24.02	656.62
Additions	0.03	12.19	77.24	0.65	2.88	14.45	**107.44**
Disposals/ Adjustments	-	(0.66)	(37.67)	(1.15)	(0.64)	(5.34)	**(45.46)**
Depreciation expense	-	(7.64)	(63.79)	(1.15)	(4.25)	(8.66)	**(85.49)**
Depreciation Eliminated on disposal of assets	-	0.04	28.10	1.08	0.51	4.78	**34.51**
Balance as at 31st March 2019	53.30	182.60	371.41	5.62	25.44	29.25	667.62
Additions	31.10	88.40	152.46	0.66	5.21	12.82	**290.65**
Disposals/ Adjustments	-	(2.74)	(13.96)	(0.20)	(0.09)	(0.06)	**(17.05)**
Depreciation expense	-	(9.69)	(69.09)	(1.10)	(4.18)	(10.02)	**(94.08)**
Depreciation Eliminated on disposal of assets	-	1.63	12.33	0.08	0.04	0.02	**14.10**
Balance as at 31st March 2020	84.40	260.20	453.15	5.06	26.42	32.01	861.24

Notes:

(₹ in crores)

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

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Freehold Land	**13.79**	13.79
• Buildings	**22.29**	21.27
TOTAL	**36.08**	**35.06**

	Freehold Land	Buildings	TOTAL
Gross Carrying Amount			
Balance as at 1st April 2018	13.79	26.12	39.91
Additions	-	1.29	**1.29**
Disposals/ Adjustments	-	0.79	**0.79**
Balance as at 31st March 2019	13.79	28.20	41.99
Additions	-	3.12	**3.12**
Disposals/ Adjustments	-	-	**-**
Balance as at 31st March 2020	13.79	31.32	45.11
Accumulated Depreciation and Impairment			
Balance as at 1st April 2018	-	(5.87)	(5.87)
Disposals/ Adjustments	-	(0.10)	**(0.10)**
Depreciation expense	-	(0.96)	**(0.96)**
Balance as at 31st March 2019	-	(6.93)	(6.93)
Disposals/ Adjustments	-	-	**-**
Depreciation expense	-	(2.10)	**(2.10)**
Balance as at 31st March 2020	-	(9.03)	(9.03)
Net Carrying Amount			
Balance as at 1st April 2018	13.79	20.25	34.04
Additions	-	1.29	**1.29**
Disposals/ Adjustments	-	0.79	**0.79**
Depreciation expense	-	(0.96)	**(0.96)**
Depreciation eliminated on disposal of assets	-	(0.10)	**(0.10)**
Balance as at 31st March 2019	13.79	21.27	35.06
Additions	-	3.12	**3.12**
Disposals/ Adjustments	-	-	**-**
Depreciation expense	-	(2.10)	**(2.10)**
Depreciation eliminated on disposal of assets	-	-	**-**
Balance as at 31st March 2020	13.79	22.29	36.08

b) Buildings includes shares of co-operative societies of ₹ 0.01 crores (₹ 0.01 crores as at 31st March 2019)

(₹ in crores)

5 Right of Use Assets (refer Note 51)

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Leasehold Land	**39.65**	-
• Leasehold Buildings	**69.50**	-
TOTAL	**109.15**	-

	Leasehold Land	Leasehold Buildings	TOTAL
Gross Carrying Amount			
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 51)	41.03	69.85	110.88
Additions	-	22.46	**22.46**
Disposals/ Adjustments	-	-	**-**
Balance as at 31st March 2020	41.03	92.31	133.34
Accumulated Depreciation and Impairment			
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 51)	-	-	-
Depreciation expense	(1.38)	(22.81)	**(24.19)**
Balance as at 31st March 2020	(1.38)	(22.81)	(24.19)
Net Carrying Amount			
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 51)	41.03	69.85	110.88
Additions	-	22.46	**22.46**
Disposals/ Adjustments	-	-	**-**
Depreciation expense	(1.38)	(22.81)	**(24.19)**
Balance as at 31st March 2020	39.65	69.50	109.15

(₹ in crores)

6 Goodwill and Other Intangible Assets

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• **Goodwill**	**86.11**	86.11
Total Goodwill (A)	**86.11**	86.11
Other Intangible Assets		
• Trademark	**157.67**	157.91
• Computer Software	**12.84**	12.90
• Copyrights	**4.48**	4.72
• Technical Knowhow Fees	**17.63**	20.55
• Non Compete Fees	**0.37**	0.85
Total Other Intangible Assets (B)	**192.99**	196.93
Total Intangible Assets (A)+(B)	**279.10**	**283.04**

	Goodwill	Trademark	Computer Software	Copyrights	Technical Knowhow Fees	Non Compete Fees	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2018	86.11	157.91	46.39	4.72	39.84	4.56	339.53
Additions	-	-	6.64	-	1.28	-	**7.92**
Disposals/ Adjustments	-	-	0.07	-	-	-	**0.07**
Balance as at 31st March 2019	86.11	157.91	53.10	4.72	41.12	4.56	347.52
Additions	-	-	4.19	-	-	-	**4.19**
Disposals/ Adjustments	-	(0.24)	-	(0.24)	(0.76)	(0.02)	**(1.26)**
Balance as at 31st March 2020	86.11	157.67	57.29	4.48	40.36	4.54	350.45
Accumulated Amortisation and Impairment							
Balance as at 1st April 2018	-	-	(35.11)	-	(17.74)	(3.23)	(56.08)
Amortisation expense	-	-	(5.11)	-	(2.83)	(0.48)	**(8.42)**
Eliminated on disposal of assets	-	-	0.02	-	-	-	**0.02**
Balance as at 31st March 2019	-	-	(40.20)	-	(20.57)	(3.71)	(64.48)
Amortisation expense	-	-	(4.20)	-	(2.84)	(0.48)	**(7.52)**
Eliminated on disposal of assets	-	-	(0.05)	-	0.68	0.02	**0.65**
Balance as at 31st March 2020	-	-	(44.45)	-	(22.73)	(4.17)	(71.35)
Net Carrying Amount							
Balance as at 1st April 2018	86.11	157.91	11.28	4.72	22.10	1.33	283.45
Additions	-	-	6.64	-	1.28	-	**7.92**
Disposals/ Adjustments	-	-	0.07	-	-	-	**0.07**
Amortisation expense	-	-	(5.11)	-	(2.83)	(0.48)	**(8.42)**
Amortisation Eliminated on disposal of assets	-	-	0.02	-	-	-	**0.02**
Balance as at 31st March 2019	86.11	157.91	12.90	4.72	20.55	0.85	283.04
Additions	-	-	4.19	-	-	-	**4.19**
Disposals/ Adjustments	-	(0.24)	-	(0.24)	(0.76)	(0.02)	**(1.26)**
Amortisation expense	-	-	(4.20)	-	(2.84)	(0.48)	**(7.52)**
Amortisation Eliminated on disposal of assets	-	-	(0.05)	-	0.68	0.02	**0.65**
Balance as at 31st March 2020	86.11	157.67	12.84	4.48	17.63	0.37	279.10

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

Goodwill, Copyrights and Trademark

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

At the end of each reporting period, the Company reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cashflows from Consumer and Bazaar business.

Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill, copyrights and trademark in the books as on 31st March 2020. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark is required to be recognised.

Projected cashflows from Consumer and Bazaar business

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management for next year, estimates prepared for the next 4 years thereafter and a discount rate of **12.0%** per annum (13.1% per annum as at 31st March 2019).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady **8%** per annum (8% per annum as at 31st March 2019) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:

Budgeted sales growth	Sales growth is assumed at **17.5%** (CAGR) (14.5% as at 31st March 2019) in line with current year projections. The values assigned to the assumption reflect past experience and current market scenario considering COVID-19 impact and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next five years is reasonably achievable.
Raw materials price inflation	Forecast for Material cost growth CAGR higher by **0.2%** (1% as at 31st March 2019) vs. sales growth, considering impact of commodity cost inflation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

7 Investments - Non-Current

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
Non-Current Investments				
A] Investment in Equity Instruments				
i) Quoted:				
Investment in Associates (fully paid up) (at cost)				
Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	74,51,540	1.18	74,51,540	1.18
TOTAL Quoted (i)		1.18		1.18
ii) Unquoted:				
(a) Investment in Subsidiaries (fully paid up) (at cost unless otherwise stated)				
• Equity Shares of USD 1 each of Pidilite International Pte Ltd	2,35,92,766	115.81	2,35,92,766	115.81
• Equity Shares of AED 1 each of Pidilite Middle East Ltd [Impairment in value of investments ₹ **65.92** crores (₹ 65.92 crores as at 31st March 2019)]	9,11,63,000	139.70	9,11,63,000	139.70
• Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda [Impairment in value of investments ₹ **110.20** crores (₹ 110.20 crores as at 31st March 2019)]	7,43,02,867	175.04	7,43,02,867	175.04
• Equity Shares of USD 1 each of Pidilite USA Inc	1,47,80,000	64.77	1,47,80,000	64.77
• Equity Shares of EGP 100 each of Pidilite Industries Egypt SAE	7,396	0.54	7,396	0.54
• Equity Shares of BIRR 100 each of Pidilite Chemical PLC [refer Note 38] [Impairment in value of investments ₹ **3.70** crores (₹ Nil as at 31st March 2019)]	1,38,525	3.70	1,24,076	3.34
• Equity Shares of ₹ 10 each of Fevicol Company Ltd	2,69,260	2.24	2,69,260	2.24
• Equity Shares of ₹ 10 each of Pagel Concrete Technologies Pvt Ltd [Impairment in value of investments ₹ **0.84** crores (₹ 0.84 crores as at 31st March 2019)]	80,000	0.84	80,000	0.84
• Equity Shares of ₹ 10 each of Bhimad Commercial Company Pvt Ltd	10,000	0.02	10,000	0.02
• Equity Shares of ₹ 10 each of Madhumala Ventures Pvt Ltd (formerly known as Madhumala Traders Pvt Ltd) [refer Note 53 (a)]	1,62,395	126.49	10,000	0.02
• Equity Shares of ₹ 10 each of Building Envelope Systems India Ltd	50,10,000	8.88	50,10,000	8.88
• Equity Shares of ₹ 10 each of Nina Percept Pvt Ltd [(refer Note 53 (c)]	8,43,999	66.17	8,43,999	66.17
• Equity Shares of ₹ 10 each of ICA Pidilite Pvt Ltd	28,33,964	125.96	28,33,964	125.96
• Equity Shares of ₹ 10 each of Cipy Polyurethanes Pvt Ltd	65,816	139.01	65,816	139.01
• Equity contribution towards 100% Membership Interest in Pidilite Ventures LLC	1	7.41	1	7.41
• Equity Shares of ₹ 10 each of Pidilite Litokol Pvt Ltd [refer Note 53 (d)]	6,00,000	0.60	-	-
• Equity Shares of ₹ 10 each of Pidilite Grupo Puma Manufacturing Ltd [refer Note 53 (e)]	5,000	0.01	-	-
Less : Impairment in value of Investments		(180.66)		(176.96)
TOTAL (a)		796.53		672.79
(b) Investment in other entity (fully paid up) (at FVTPL)				
• Equity Shares of ₹ 10 each of Pal Peugeot Ltd	1,21,300	0.12	1,21,300	0.12
Less : Impairment in value of Investment		(0.12)		(0.12)
TOTAL (b)		-		-
TOTAL Unquoted [(a)+(b)] (ii)		796.53		672.79
Total Investment in Equity Instruments [(i)+(ii)] [A]		797.71		673.97

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
B] Investment in Preference Shares (at FVTPL) (Quoted)				
• Non-Cumulative Perpetual Preference shares of Kotak Mahindra Bank Ltd	3,00,00,000	15.20	3,00,00,000	15.00
Total [B]		**15.20**		**15.00**
C] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
• Units of Bharat Bond ETFs	2,50,000	25.55	-	-
Total [C]		**25.55**		**-**
D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)				
• Units of Fireside Ventures Investment Fund II	50,000	4.13	-	-
Total [D]		**4.13**		**-**
E] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	1,00,00,000	11.81	1,00,00,000	10.82
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	2,00,00,000	23.55	2,00,00,000	21.59
• Units of DSP BlackRock FMP S223-39M - Direct Growth	1,50,00,000	17.76	1,50,00,000	16.27
• Units of DSP BlackRock FMP S224-39M - Direct Growth	1,50,00,000	17.67	1,50,00,000	16.21
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	1,00,00,000	11.81	1,00,00,000	10.82
• Units of IDFC FTP Series 140 Direct Plan - Growth (1145 days)	1,50,00,000	17.73	1,50,00,000	16.25
• Units of Kotak FMP Series 219 - Direct Growth	1,50,00,000	17.77	1,50,00,000	16.29
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	50,00,000	5.91	50,00,000	5.42
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	1,00,00,000	11.83	1,00,00,000	10.83
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	2,00,00,000	23.12	2,00,00,000	21.01
• Units of SBI FMP Series C33 1216 days - Direct Growth	2,00,00,000	22.69	2,00,00,000	20.66
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	2,00,00,000	22.06	2,00,00,000	20.08
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	2,00,00,000	22.57	2,00,00,000	20.54
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	2,00,00,000	22.21	2,00,00,000	20.20
• Units of IDFC FTP Series 149 (1424 days) - Direct Growth	1,50,00,000	17.26	1,50,00,000	16.17
• Units of ICICI Prudential Short Term Fund - Growth	-	-	1,12,15,155	45.25
• Units of Axis Banking & PSU Debt fund - Direct Plan Growth	-	-	1,16,058	20.54
• Units of IDFC Banking and PSU Debt Fund - Direct Plan Growth	-	-	1,23,89,578	20.10
• Units of SBI Banking & PSU Debt Fund - Direct Plan Growth	-	-	95,378	20.47
Total [E]		**265.75**		**349.52**
TOTAL [A+B+C+D+E]		**1,108.34**		**1,038.49**
Aggregate carrying value of quoted investments		41.93		16.18
Aggregate market value of quoted investments		71.90		75.10
Aggregate carrying value of unquoted investments		1,066.41		1,022.31
Aggregate amount of Impairment in value of investments		180.78		177.08

8 Investments - Current

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
Current Investments				
A] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
• Tax-free bonds of Housing and Urban Development Corporation Ltd	2,00,000	21.27	2,00,000	21.04
• Tax-free bonds of National Housing Bank	10,000	5.59	10,000	5.48
• Tax-free bonds of Indian Railway Finance Corporation 12 Feb 22	70,000	7.57	70,000	7.56
• Tax-free bonds of Indian Railway Finance Corporation 11 Jan 26	1,000	10.40	1,000	10.39
• Secured, redeemable, non-convertible debentures of Citicorp Finance (India) Ltd	-	-	2,500	26.59
• Secured, redeemable non-convertible debentures of HDB Financial services	-	-	250	30.38
TOTAL [A]		**44.83**		101.44
B] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of HDFC Overnight Fund - Direct Growth	6,79,896	201.88	1,68,854	47.66
• Units of SBI Overnight Fund - Direct Plan Growth	6,46,655	210.40	1,60,785	49.72
• Units of Aditya Birla Sun Life Overnight Fund - Direct Growth	9,22,816	99.70	-	-
• Units of ICICI Overnight Fund - Direct Growth	1,46,98,077	158.37	-	-
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	-	-	4,81,11,596	61.87
• Units of Reliance Banking & PSU Debit Fund - Direct Growth Plan	-	-	5,52,03,331	75.05
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	-	-	2,67,44,404	58.92
• Units of ICICI Prudential Equity Arbitrage Fund - Direct Plan Dividend - DR	-	-	6,02,48,585	87.31
• Units of Kotak Equity Arbitrage Fund - Direct Plan Fortnightly Dividend	-	-	3,92,78,155	92.46
• Units of Kotak Savings Fund - Direct Plan Growth	-	-	3,63,21,092	110.97
• Units of Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Growth	-	-	15,28,949	36.99
• Units of Aditya Birla Sun Life Corporate Bond Fund - Direct Plan Growth	-	-	64,44,650	46.49
• Units of Aditya Birla Sun Life Equity Arbitrage Fund - Direct Dvd reinvst	-	-	7,90,33,020	87.13
• Units of Reliance Arbitrage Fund - Direct Dvd reinvst	-	-	6,98,70,243	90.08
• Units of HDFC Short Term Debt Fund - Direct Plan Growth	-	-	1,77,04,254	36.88
• Units of HDFC Corporate Bond Fund - Direct Plan Growth	-	-	2,31,55,787	48.48
• Units of ICICI Prudential Bond Fund - Direct Plan Growth	-	-	1,31,84,101	34.82
• Units of ICICI Prudential Corporate Bond Fund - Direct Plan Growth	-	-	4,33,00,226	85.12
TOTAL [B]		**670.35**		1,049.95
TOTAL [A]+[B]		**715.18**		**1,151.39**
Aggregate carrying value of quoted investments		44.83		101.44
Aggregate market value of quoted investments		44.83		101.44
Aggregate carrying value of unquoted investments		670.35		1,049.95

(₹ in crores)

9 Trade Receivables

	As at 31st March 2020	As at 31st March 2019
• Secured, Considered good	**104.97**	87.67
• Unsecured, Considered good	**701.66**	687.31
• Unsecured, Considered doubtful	**31.02**	36.82
• Unsecured which have Significant Increase in Credit Risk	**-**	-
• Unsecured, Credit Impaired	**-**	-
	837.65	811.80
Less: Allowance for expected credit loss	**(31.02)**	(36.82)
TOTAL	**806.63**	**774.98**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivable days and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss	
	As at 31st March 2020	As at 31st March 2019
Within the credit period (in days)		
01-90	**1.0%**	1.2%
91-180	**73.2%**	72.5%
181-360	**60.3%**	64.4%
>360	**81.1%**	81.9%

Movement in expected credit loss allowance

	For the year ended 31st March 2020	For the year ended 31st March 2019
Balance at the beginning of the year	**36.82**	32.64
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**(5.80)**	4.18
Balance at the end of the year	**31.02**	**36.82**

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

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

10 Loans - Non-Current

	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**4.04**	2.94
TOTAL	**4.04**	**2.94**

*Loans given for business purpose.

(₹ in crores)

11 Loans - Current

	As at 31st March 2020	As at 31st March 2019
Loans and Advances to Related Parties* (refer Note 44)		
Unsecured, Considered good	**9.31**	4.71
Considered doubtful	**0.33**	0.33
	9.64	5.04
Less: Allowance for doubtful balances	**(0.33)**	(0.33)
	9.31	4.71
Loans and Advances to Employees & Others*	**16.07**	10.67
TOTAL	**25.38**	**15.38**

*Loans given for business purpose.

12 Other Financial Assets - Non-Current

	As at 31st March 2020	As at 31st March 2019
Security Deposit	**13.12**	10.90
Derivative Asset towards call option to buy subsidiary shares	**-**	7.61
Other Receivables		
Unsecured, Considered good	**-**	-
Considered doubtful	**1.74**	1.74
	1.74	1.74
Less: Allowance for doubtful balances	**(1.74)**	(1.74)
	-	-
TOTAL	**13.12**	**18.51**

13 Other Financial Assets - Current

	As at 31st March 2020	As at 31st March 2019
Security Deposit		
Unsecured, Considered good	**5.82**	5.58
Considered doubtful	**0.55**	0.45
	6.37	6.03
Less: Allowance for doubtful balances	**(0.55)**	(0.45)
	5.82	5.58
Derivative assets towards Foreign Exchange Forward Contracts	**1.70**	0.03
Derivative Asset towards call option to buy subsidiary shares	**0.24**	-
Other Receivables*	**0.47**	3.64
TOTAL	**8.23**	**9.25**

*Includes Windmill income

(₹ in crores)

14 Cash and Cash Equivalents	As at 31st March 2020	As at 31st March 2019
Cash and Cash Equivalents		
Cash on Hand	**0.08**	0.13
Cheques on Hand	**0.85**	27.81
Balance with banks		
In Current Account	**52.12**	12.55
In EEFC Account	**11.12**	19.75
In Fixed Deposit Accounts with original maturity of 3 months or less	**500.00**	-
TOTAL	**564.17**	60.24
Cash and Cash Equivalents (as per Statement of Cash Flows)	**564.17**	**60.24**

15 Bank Balances other than Cash and Cash Equivalents above	As at 31st March 2020	As at 31st March 2019
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**-**	0.06
In Fixed Deposit Accounts with original maturity of more than 3 months but upto 12 months (refer Note a)	**1.42**	55.03
Earmarked Account		
Dividend Payment Bank Account	**3.25**	1.85
TOTAL	**4.67**	**56.94**
a. Includes Fixed Deposit under lien	**0.99**	2.55

16 Inventories (at lower of cost and net realisable value)	As at 31st March 2020	As at 31st March 2019
Raw Material and Packing Material	**315.89**	292.03
Work-in-Progress	**71.51**	78.20
Finished Goods	**269.00**	287.50
Stock-in-Trade (acquired for trading)	**67.91**	70.70
Stores and Spares	**6.18**	5.87
TOTAL	**730.49**	**734.30**
Goods-in-Transit included above		
Raw Material and Packing Material	**32.94**	30.21
Work-in-Progress	**1.58**	1.80
Finished Goods	**22.06**	39.41
Stock-in-Trade (acquired for trading)	**9.18**	8.40
TOTAL	**65.76**	79.82

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **2,936.39** crores (₹ 3,064.22 crores for the year ended 31st March 2019)

b. The cost of inventories recognised as an expense includes ₹ **0.37** crores in respect of write-downs of inventory to net realisable value (₹ 0.27 crores for the year ended 31st March 2019)

c. The mode of valuation of inventories has been stated in Note 2.12.

(₹ in crores)

17 Income Tax Asset (net) - Non-Current	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes (net of provisions ₹ **1,881.72** crores) (net of provisions ₹ 1,471.78 crores as at 31st March 2019)	**105.80**	98.53
TOTAL	**105.80**	**98.53**

18 Other Non-Current Assets	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good		
Capital Advances	**45.39**	19.41
Prepaid Expenses	**0.24**	40.29
Balance with Government Authorities*	**18.94**	22.75
TOTAL	**64.57**	**82.45**

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

19 Other Current Assets	As at 31st March 2020	As at 31st March 2019
Export Benefits receivable		
Unsecured, Considered good	**11.05**	11.58
Considered doubtful	**-**	0.20
	11.05	11.78
Less: Allowance for doubtful balances	**-**	(0.20)
	11.05	11.58
Balances with Government Authorities*		
Unsecured, Considered good	**96.51**	84.92
Considered doubtful	**0.08**	0.07
	96.59	84.99
Less: Allowance for doubtful balances	**(0.08)**	(0.07)
	96.51	84.92
Advances to vendors		
Unsecured, Considered good	**37.13**	22.89
Considered doubtful	**0.01**	0.01
	37.14	22.90
Less: Allowance for doubtful balances	**(0.01)**	(0.01)
	37.13	22.89
Prepaid Expenses	**8.02**	7.23
Others**	**18.99**	0.25
Less : Impairment in Share Application Money - Pidilite Chemical PLC (refer Note 38)	**(0.39)**	-
	18.60	0.25
TOTAL	**171.31**	**126.87**

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

** Mainly consists of Share Application Money

(₹ in crores)

20 Equity Share Capital

	As at 31st March 2020	As at 31st March 2019
Authorised Capital:		
70,00,00,000 Equity Shares of ₹ 1 each	**70.00**	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31st March 2019)		
TOTAL	**70.00**	**70.00**
Issued, Subscribed and Paid up Capital:		
50,81,23,780 Equity Shares of ₹ 1 each, fully paid up	**50.81**	50.80
(50,79,78,280 Equity Shares of ₹ 1 each as at 31st March 2019)		
TOTAL	**50.81**	**50.80**

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

	Number of Shares	₹ in crores
Balance as at 1st April 2018	50,78,10,330	50.78
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	1,19,400	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016*	48,550	0.00
Balance as at 31st March 2019	50,79,78,280	50.80
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	-	-
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	1,45,500	0.01
Balance as at 31st March 2020	**50,81,23,780**	**50.81**

* Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 48,550 during the year 2018-19.

b. Terms/ Rights attached to equity shares

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

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

During the year ended 31st March 2020, the Company had paid Final Dividend of ₹ 6.50 per equity share of ₹ 1 each for the financial year 2018-19 and Interim Dividend of ₹ 7.00 per equity share of ₹ 1 each for the financial year 2019-20.

During the year ended 31st March 2019, the Company had paid Final Dividend of ₹ 6.00 per equity share of ₹ 1 each for the financial year 2017-18.

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

	As at 31st March 2020		As at 31st March 2019	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,20,51,286**	**10.24**	5,27,62,286	10.39
Shri Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.68**	5,42,73,688	10.69
Shri Ajay Balvantray Parekh	**4,74,33,489**	**9.34**	4,74,33,489	9.34
Shri Sushilkumar Kalyanji Parekh	**4,13,97,646**	**8.15**	4,18,17,646	8.23
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.16**	2,62,24,280	5.16

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date:

	As at 31st March 2020	As at 31st March 2019
	Number of Shares	Number of Shares
Equity Shares		
Buy-back of Shares	**50,00,000**	50,00,000

e. Equity Shares reserved for issuance under Employee Stock Option Scheme/Plan:

	As at 31st March 2020	As at 31st March 2019
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme - 2012	**34,200**	34,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan - 2016	**41,13,500**	41,14,100

(₹ in crores)

21 Other Equity

	As at 31st March 2020	As at 31st March 2019
Capital Reserve	**0.34**	0.34
Securities Premium Reserve	**23.21**	10.01
Capital Redemption Reserve	**0.50**	0.50
Cash Subsidy Reserve	**0.95**	0.95
Share Options Outstanding Account	**10.89**	9.65
General Reserve	**1,335.38**	1,335.38
Retained Earnings	**3,042.74**	2,779.09
TOTAL	**4,414.01**	**4,135.92**

21.1 Capital Reserve

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.34**	0.34
Add/ (Less): Additions/ (Deductions) during the year	**-**	-
Closing Balance	**0.34**	**0.34**

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

21.2 Securities Premium Reserve

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**10.01**	-
Add: Premium on Shares issued against ESOP	**13.20**	10.01
Closing Balance	**23.21**	**10.01**

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

21.3 Capital Redemption Reserve

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.50**	0.50
Add/ (Less): Additions/ (Deductions) during the year	**-**	-
Closing Balance	**0.50**	**0.50**

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

(₹ in crores)

21.4 Cash Subsidy Reserve

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.95**	0.95
Add/ (Less): Additions/ (Deductions) during the year	**-**	-
Closing Balance	**0.95**	**0.95**

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

21.5 Share Options Outstanding Account

		As at 31st March 2020	As at 31st March 2019
Employees Stock Options Outstanding Balance at the beginning of the year		**29.38**	12.54
Add	: Options granted during the year	**1.72**	27.87
Less	: Transferred to Securities Premium on Options exercised during the year	**(13.20)**	(10.01)
Less	: Lapsed during the year	**(0.95)**	(1.02)
Closing Balance (A)		**16.95**	29.38
Deferred Employees Stock Options Cost Balance at the beginning of the year		**(19.73)**	(3.51)
Less	: Options granted during the year	**(1.72)**	(27.87)
Add	: Amortised and exercised during the year	**14.84**	11.15
Add	: Lapsed during the year	**0.55**	0.50
Closing Balance (B)		**(6.06)**	(19.73)
Closing Balance (A+B)		**10.89**	**9.65**

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 46.

21.6 General Reserve

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**1,335.38**	1,335.38
Add/ (Less) : Additions/ (Deductions) during the year	**-**	-
Closing Balance	**1,335.38**	**1,335.38**

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

21.7 Retained Earnings

		As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year		**2,779.09**	2,166.95
Add	: Profit for the year	**1,101.62**	979.44
Less	: Payment of Final Dividend	**(330.18)**	(304.69)
	Payment of Interim Dividend for the year 2019-20	**(355.61)**	-
	Tax on Dividend paid	**(140.97)**	(59.63)
	Other Comprehensive Income for the year, net of income tax	**(11.20)**	(2.98)
Closing Balance		**3,042.74**	**2,779.09**

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

(₹ in crores)

22 Trade Payables

	As at 31st March 2020	As at 31st March 2019
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 50)	9.30	20.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	485.51	428.19
TOTAL	494.81	449.15

23 Other Financial Liabilities - Non-Current

	As at 31st March 2020	As at 31st March 2019
Employee related liabilities	0.47	0.82
Derivative liability towards put option to buy subsidiary shares	-	42.20
Others*	6.79	2.99
TOTAL	7.26	46.01

* Includes retention payable on capital goods

24 Other Financial Liabilities- Current

	As at 31st March 2020	As at 31st March 2019
Unclaimed Dividend	3.25	1.85
Payables on purchase of assets	6.35	6.55
Trade/ Security Deposit received	123.86	109.89
Liabilities for expenses	349.78	289.51
Employee related liabilities	18.43	22.20
Derivative liabilities towards Foreign Exchange Forward Contracts	0.42	0.96
Derivative liability towards put option to buy subsidiary shares	34.83	-
Others*	15.50	9.89
TOTAL	552.42	440.85

* Includes retention payable on capital goods

25 Provisions - Non-Current

	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
Compensated Absences	38.20	31.91
Anniversary Awards	0.82	1.03
Premature Death Pension Scheme	1.55	1.34
Total Disability Pension Scheme	0.32	0.27
TOTAL	40.89	34.55

(₹ in crores)

26 Provisions - Current

	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
Gratuity (net) (refer Note 45)	1.83	4.39
Compensated Absences	9.73	9.98
Anniversary Awards	0.16	0.18
Premature Death Pension Scheme	0.01	0.01
Total Disability Pension Scheme	0.05	0.04
TOTAL	11.78	14.60

27 Deferred Tax Liabilities (net)

	As at 31st March 2020	As at 31st March 2019
Tax effect of items constituting Deferred Tax Assets (refer Note 48)	(38.60)	(28.26)
Tax effect of items constituting Deferred Tax Liabilities (refer Note 48)	114.57	141.23
TOTAL	75.97	112.97

28 Other Current Liabilities

	As at 31st March 2020	As at 31st March 2019
Statutory remittances	63.57	43.72
Advance from customers	24.64	9.77
Other Liabilities	1.82	3.93
TOTAL	90.03	57.42

29 Current Tax Liabilities (net)

	As at 31st March 2020	As at 31st March 2019
Provision for Tax (net of Advance Tax ₹ 678.22 crores) (net of Advance Tax ₹ 678.22 crores as at 31st March 2019)	7.74	7.74
TOTAL	7.74	7.74

(₹ in crores)

30 Revenue from Operations

	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue From Operations*		
Sale of Products	**6,290.43**	6,047.40
TOTAL (A)	**6,290.43**	6,047.40
Other Operating Revenue		
Scrap Sales	**11.37**	12.93
Export Incentives	**19.07**	15.61
GST/ Excise Refund	**3.40**	8.60
Others	**8.32**	9.34
TOTAL (B)	**42.16**	46.48
Revenue from operations (A+B)	**6,332.59**	**6,093.88**

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

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

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

	For the year ended 31st March 2020	For the year ended 31st March 2019
Contracted Price	**6,893.41**	6,569.37
Reduction towards variable consideration components	**(602.98)**	(521.97)
Revenue Recognised	**6,290.43**	**6,047.40**

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

(₹ in crores)

31 Other Income

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on:		
Bank Deposit (at amortised cost)	**2.48**	2.02
Overdue Trade Receivables	**0.05**	0.56
Tax Free Bonds (at FVTPL)	**3.26**	2.03
Income Tax Refund	**-**	11.26
Others	**0.14**	0.44
Dividend on:		
Investments in Mutual Funds and Others (at FVTPL)	**11.59**	10.02
Long-term Investments in Associate (at cost)	**1.79**	2.16
Long-term Investments in Subsidiaries (at cost)	**-**	14.74
Other Non-Operating Income:		
Windmill Income	**3.21**	1.44
Profit on Sale/Transfer of Assets (refer Note 44)	**2.67**	33.41
Allowance for Doubtful Debts written back	**5.80**	-
Royalty & Technical Knowhow Income	**4.17**	3.51
Insurance claim received	**0.46**	0.59
Liabilities no longer required written back	**0.81**	16.21
Rental Income from Operating Leases	**1.38**	2.22
Net gain arising on financial assets designated as at FVTPL	**109.52**	87.64
Miscellaneous Income	**4.53**	3.26
TOTAL	**151.86**	**191.51**

32 Cost of Materials Consumed

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the beginning of the year	**292.03**	264.59
Add : Purchases	**2,544.56**	2,791.09
	2,836.59	3,055.68
Less : Inventory at the end of the year	**(315.89)**	(292.03)
TOTAL	**2,520.70**	**2,763.65**

(₹ in crores)

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

	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the end of the year		
Stock-in-Trade	**67.91**	70.70
Work-in-Progress	**71.51**	78.20
Finished Goods	**269.00**	287.50
(A)	**408.42**	436.40
Inventories at the beginning of the year		
Stock-in-Trade	**70.70**	41.43
Work-in-Progress	**78.20**	58.86
Finished Goods	**287.50**	262.30
(B)	**436.40**	362.59
TOTAL (B-A)	**27.98**	**(73.81)**

34 Employee Benefits Expense

	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and Wages	**667.83**	605.92
Contribution to Provident and Other Funds (refer Note 45)	**36.85**	29.92
Share based payments to employees (net of recovery from subsidiaries) (refer Note 46)	**14.31**	10.45
Staff Welfare Expenses	**17.90**	17.25
TOTAL	**736.89**	**663.54**

35 Finance Costs

	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense on:		
Bank Cash Credit Account	**-**	0.08
Lease Liability (refer Note 51)	**6.08**	-
Dealer Deposits & others	**7.32**	7.06
TOTAL	**13.40**	**7.14**

36 Depreciation, Amortisation and Impairment Expense

	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on Property, Plant and Equipment (refer Note 4)	**94.08**	85.49
Depreciation on Right of Use of Assets (refer Note 5 and 51)	**24.19**	-
Amortisation of Other Intangible Assets (refer Note 6)	**7.52**	8.42
Impairment in value of Capital Work-in-Progress (refer Note 4)	**-**	5.92
TOTAL	**125.79**	**99.83**

(₹ in crores)

37 Other Expenses

		For the year ended 31st March 2020	For the year ended 31st March 2019
Consumption of Stores and Spares		**35.45**	27.71
Clearing and Forwarding Charges		**272.30**	254.71
Power and Fuel		**57.94**	58.60
Contract Labour		**66.12**	51.24
Water Charges		**3.84**	3.13
Rent (refer Note 51)		**11.96**	34.28
Rates and Taxes		**2.71**	4.34
Insurance		**7.42**	3.39
License fees		**0.77**	0.75
Repairs :			
Buildings	**8.90**		9.13
Machinery	**18.10**		16.49
Others	**7.89**		8.94
		34.89	34.56
Directors' Fees		**0.27**	0.29
Advertisement and Publicity		**266.42**	215.67
Legal, Professional and Consultancy fees		**47.46**	38.80
Communication Expenses		**6.71**	13.53
Printing and Stationery		**4.87**	5.90
Travelling and Conveyance Expenses		**105.25**	97.32
Bad Debts		**3.49**	4.02
Allowance for Doubtful Debts		**-**	4.18
Processing and Packing Charges		**72.69**	71.60
Sales Commission		**3.95**	4.08
Payments to Auditor (refer note a)		**1.35**	1.16
Donations		**0.11**	0.85
Corporate Social Responsibility Expenses (refer Note 52)		**26.30**	23.50
Loss on disposal of Property, Plant and Equipment		**-**	2.18
Net Loss on Foreign Currency Transactions and Translation (refer Note 40)		**1.86**	6.32
Miscellaneous Expenses		**141.62**	111.90
TOTAL		**1,175.75**	**1,074.01**

a. Details of Payments to Auditor (net of GST)

	For the year ended 31st March 2020	For the year ended 31st March 2019
a) Auditors	**1.04**	0.90
b) Tax Matters	**0.19**	0.16
c) Other Services	**0.10**	0.09
d) Reimbursement of Expenses	**0.02**	0.01
TOTAL	**1.35**	**1.16**

38 Exceptional Items

	For the year ended 31st March 2020	For the year ended 31st March 2019
Impairment in value of Asset Held for Sale [refer Note 53(h)]	**55.19**	-
Impairment in value of Investment in a subsidiary [refer Note 7 (A)(ii) (a) and Note 19]	**4.09**	-
TOTAL	**59.28**	**-**

(₹ in crores)

39 Contingent Liabilities and Commitments

		As at 31st March 2020	As at 31st March 2019
A)	**Contingent liabilities not provided for:**		
1.	Claims against the Company not acknowledged as debts comprise:		
	a) Income Tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal	**58.50**	30.57
	b) Excise Duty and Service Tax claims disputed by the Company relating to issues of classifications	**22.13**	12.18
	c) Sales Tax (VAT, CST, Entry Tax and GST) claims disputed by the Company relating to issues of declaration forms and classifications	**165.92**	176.25
	d) Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)	**3.14**	3.22
2.	a) Guarantees given by Banks on behalf of Government and others*	**47.86**	48.86
	b) Guarantees given by Company on behalf of the Subsidiaries to Banks*		
	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	**25.64**	16.60
	Pidilite Bamco Ltd	**3.24**	2.97
	Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)	**41.07**	37.67
	Pidilite Lanka Private Limited	**33.15**	30.40
	Bamco Supply & Services Ltd	**1.09**	1.00
	* Guarantees given are for business purpose.		
	Note: The Company, being the holding/ultimate holding company, will extend financial support to its subsidiaries as and when required.		
B)	**Commitments:**		
	a) Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of Property, Plant and Equipment, investments and not provided for	**204.00**	68.20
	b) For other commitments, refer Note 47(E)(ii) for financial instruments, Note 51 for leases and Note 53 (a)(i) & Note 54 for committed investment in subsidiaries.		
	c) The Supreme Court in a earlier judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis.		

40 The net amount of exchange differences debited to Statement of Profit and Loss is ₹ **1.86** crores (₹ 6.32 crores for the year ended 31st March 2019)

41 Disclosure as per Regulation 34(3) read with Schedule 5 of Listing Regulations with the Stock Exchanges

a) Loans and Advances in the nature of loans given to subsidiaries, associates, firms/ companies in which directors are interested:

Name of the Company	Relationship	As at 31st March 2020 Amount Outstanding	As at 31st March 2020 Maximum Balance Outstanding during the year	As at 31st March 2019 Amount Outstanding	As at 31st March 2019 Maximum Balance Outstanding during the year
Pagel Concrete Technologies Pvt Ltd	**Subsidiary**	**0.33**	**0.33**	0.33	0.33

Notes:

a) Loans and Advances shown above, fall under the category of 'Loans & Advances' in the nature of loans where there is no repayment schedule and re-payable on demand.

b) Loans and Advances referred above are not bearing any interest and are fully provided.

42 Segment information

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

During the year, the Company has re-organised its internal reporting, whereby the Chief Operating Decision Maker (CODM) evaluates the business activities and operating results of IP segments and certain business units which was until previous year shown under C&B segment, are now reclassified under new B2B segment, based on customer type. Therefore, in accordance with 'Ind AS 108 – Operating Segments', the segment information for C&B and IP segments pertaining to these business units in respect of previous year reported have been regrouped, respectively to C&B and B2B segments. Operating Segment disclosures are consistent with the information provided to and reviewed by the Managing Director (Chief Operating Decision Maker)

(₹ in crores)

Business Segments	Year 2019-20				Year 2018-19			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Revenue								
Segment Revenue	**4,999.82**	**1,377.87**	**76.45**	**6,454.14**	4,817.85	1,309.52	89.86	6,217.23
Less: Inter Segment Revenue (at cost plus fixed margin)	**(7.05)**	**(113.58)**	**(0.92)**	**(121.55)**	(6.28)	(115.40)	(1.67)	(123.35)
Net Revenue	**4,992.77**	**1,264.29**	**75.53**	**6,332.59**	4,811.57	1,194.12	88.19	6,093.88
Revenue based on geography								
India				**5,638.05**				5,487.10
Outside India				**694.54**				606.78
Segment Result	**1,531.40**	**257.42**	**(4.55)**	**1,784.27**	1,416.91	186.31	(7.99)	1,595.23
Unallocable Expenses				**(529.68)**				(362.62)
Unallocable Income				**117.17**				107.76
Operating Income				**1,371.76**				1,340.37
Finance Cost				**(13.40)**				(7.14)
Interest/ Dividend Income				19.31				43.22
Exceptional Items				**59.28**				-
Profit Before Tax				**1,436.95**				1,376.45
Tax Expense				**(335.33)**				(397.01)
Profit for the year				**1,101.62**				979.44
Other Comprehensive Income				**(11.20)**				(2.98)
Total Comprehensive Income				**1,090.42**				976.46
The above includes:								
Depreciation, Amortisation and Impairment (allocable)	**49.52**	**23.62**	**3.87**	**77.01**	43.92	19.84	2.81	66.57
Depreciation, Amortisation and Impairment (unallocable)				**48.78**				33.26
Capital Expenditure (including Capital Work-in-Progress) (allocable)	**232.47**	**101.66**	**6.14**	**340.27**	80.25	54.57	11.49	146.31
Capital Expenditure (unallocable)				**31.88**				39.92

There is no transaction with single external customer which amounts to 10% or more of the Company's revenue

Segment Assets & Liabilities	31st March 2020				31st March 2019			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Segment Assets	**2,256.02**	**786.05**	**76.36**	**3,118.43**	1,851.65	683.62	79.24	2,614.51
Unallocable Assets				**2,700.63**				2,735.50
Total Assets				**5,819.06**				5,350.01
India				**5,656.43**				5,217.92
Outside India				**162.63**				132.09
Segment Liabilities	**905.78**	**289.00**	**4.77**	**1,199.55**	705.15	252.84	10.99	968.98
Unallocable Liabilities				**154.69**				194.31
Total Liabilities				**1,354.24**				1,163.29
Other Information								
Capital Employed				**4,464.82**				**4,186.72**

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

43 Earnings Per Share (EPS)

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

	For the year ended 31st March 2020	For the year ended 31st March 2019
Basic:		
Total Operations for the year		
Profit for the year (₹ in crores)	**1,101.62**	979.44
Weighted average number of equity shares in calculating basic EPS	**50,79,93,224**	50,78,95,621
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**21.69**	19.28
Diluted:		
Profit for the year (₹ in crores)	**1,101.62**	979.44
Weighted average number of equity shares in calculating basic EPS	**50,79,93,224**	50,78,95,621
Add: Effect of Employee Stock Options	**1,70,850**	3,18,250
Weighted average number of equity shares in calculating diluted EPS	**50,81,64,074**	50,82,13,871
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**21.68**	19.27

44 Related Party Disclosures

Related Party Disclosures as required by Ind-AS 24, "Related Party Disclosure" are given below:

(i)	**Relationships:**		
	a.	Nitin Enterprises	Subsidiary
	b.	Fevicol Company Ltd	Subsidiary
	c.	Bhimad Commercial Company Pvt Ltd	Subsidiary
	d.	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd)	Subsidiary
	e.	Pagel Concrete Technologies Pvt Ltd	Subsidiary
	f.	Building Envelope Systems India Ltd	Subsidiary
	g.	Nina Percept Private Limited (Formerly known as Nina Waterproofing Systems Private Limited) (refer Note 53 (b))	Subsidiary
	h.	Hybrid Coatings	Subsidiary
	i.	Pidilite International Pte Ltd	Subsidiary
	j.	Pidilite Middle East Ltd	Subsidiary
	k.	Pidilite USA Inc	Subsidiary
	l.	PIL Trading (Egypt) Company	Subsidiary
	m.	PT Pidilite Indonesia	Subsidiary
	n.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Subsidiary
	o.	Pidilite Innovation Centre Pte Ltd	Subsidiary
	p.	Pidilite Industries Egypt - SAE	Subsidiary
	q.	Pidilite Bamco Ltd	Subsidiary
	r.	Bamco Supply and Services Ltd	Subsidiary
	s.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Subsidiary
	t.	Pidilite MEA Chemicals LLC	Subsidiary
	u.	Pidilite Industries Trading (Shanghai) Co. Ltd	Subsidiary
	v.	Pidilite Chemical PLC	Subsidiary
	w.	Pidilite Lanka (Pvt) Ltd	Subsidiary
	x.	ICA Pidilite Pvt Ltd	Subsidiary
	y.	Nebula East Africa Pvt Ltd	Subsidiary
	z.	Nina Lanka Construction Technologies (Pvt) Ltd	Subsidiary
	aa.	Cipy Polyurethanes Pvt Ltd	Subsidiary
	ab.	Pidilite Ventures LLC	Subsidiary
	ac.	Pidilite East Africa Limited	Subsidiary
	ad.	Pidilite Grupo Puma Pvt Ltd (w.e.f. 16th September 2019)	Subsidiary
	ae.	Pidilite C-Techos Pvt Ltd (w.e.f. 18th September 2019)	Subsidiary
	af.	Pidilite Litokol Pvt Ltd (w.e.f. 7th October 2019)	Subsidiary
	ag.	Pidilite Grupo Puma Manufacturing Ltd (w.e.f. 13th January 2020)	Subsidiary
	ah.	Nina Percept (Bangladesh) Pvt Ltd (w.e.f. 29th January 2020)	Subsidiary
	ai.	Pidilite C-Techos Walling Ltd (w.e.f. 5th March 2020)	Subsidiary
	aj.	Vinyl Chemicals (India) Ltd	Associate
	ak.	Plus Call Technical Services LLC	Substantial Interest in Voting Power (Joint Venture)
	al.	Parekh Marketing Ltd	Significant Influence of KMP
	am.	Pargro Investment Pvt Ltd	Significant Influence of KMP
	an.	Kalva Marketing and Services Ltd	Significant Influence of KMP
(ii)	**Key Management Personnel (KMP):**		
	a.	Shri M B Parekh	Executive Chairman
	b.	Shri Bharat Puri	Managing Director
	c.	Shri A B Parekh	Whole Time Director
	d.	Shri A N Parekh	Whole Time Director
	e.	Shri Sabyasachi Patnaik (upto 31st March 2020)	Whole Time Director
	f.	Shri Debabrata Gupta (from 1st March 2020)	Whole Time Director
(iii)	**Close member of Key Management Personnel:**		
	a.	Smt Mala M Parekh	Wife of Executive Chairman

44 (iv) Transactions with Related Parties for the year ended 31st March 2020 are as follows:

(₹ in crores)

Nature of Transaction	For the year ended 31st March 2020				For the year ended 31st March 2019			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
a. Sales and Related Income								
Parekh Marketing Ltd	-	-	73.97	73.97	-	-	98.70	98.70
Pidilite MEA Chemicals LLC	55.35	-	-	55.35	47.86	-	-	47.86
Nina Percept Private Limited	13.36	-	-	13.36	32.62	-	-	32.62
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	26.44	-	-	26.44	19.01	-	-	19.01
Pidilite Lanka (Pvt) Ltd	9.81	-	-	9.81	10.72	-	-	10.72
Pidilite Industries Egypt - SAE	8.40	-	-	8.40	5.52	-	-	5.52
Pidilite USA Inc	5.02	-	-	5.02	4.92	-	-	4.92
ICA Pidilite Pvt Ltd	0.23	-	-	0.23	1.89	-	-	1.89
Cipy Polyurathanes Pvt Ltd	0.05	-	-	0.05	-	-	-	-
PIL Trading (Egypt) Company	0.66	-	-	0.66	1.53	-	-	1.53
Pidilite Bamco Ltd	0.24	-	-	0.24	0.80	-	-	0.80
Pidilite Innovation Centre Pte Ltd	0.72	-	-	0.72	0.60	-	-	0.60
Sub-Total (a)	120.28	-	73.97	194.25	125.47	-	98.70	224.17
b. Royalty and Technical Knowhow Received								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	2.21	-	-	2.21	1.83	-	-	1.83
Pidilite MEA Chemicals LLC	0.88	-	-	0.88	0.83	-	-	0.83
Pidilite Industries Egypt - SAE	0.75	-	-	0.75	0.58	-	-	0.58
Pidilite Bamco Ltd	0.17	-	-	0.17	0.16	-	-	0.16
Bamco Supply and Services Ltd	0.11	-	-	0.11	0.08	-	-	0.08
Nebula East Africa Pvt.Ltd.	0.05	-	-	0.05	0.04	-	-	0.04
Sub-Total (b)	4.17	-	-	4.17	3.52	-	-	3.52
c. Income from Services Rendered								
Nina Percept Private Limited	3.17	-	-	3.17	3.68	-	-	3.68
ICA Pidilite Pvt Ltd	0.14	-	-	0.14	0.96	-	-	0.96
Pidilite Lanka (Pvt) Ltd	0.25	-	-	0.25	0.25	-	-	0.25
Pidilite MEA Chemicals LLC	0.23	-	-	0.23	0.23	-	-	0.23
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.32	-	-	0.32	0.21	-	-	0.21
Pidilite Bamco Ltd	0.14	-	-	0.14	0.16	-	-	0.16
Pidilite Industries Egypt - SAE	0.07	-	-	0.07	0.07	-	-	0.07
Hybrid Coatings	0.06	-	-	0.06	0.07	-	-	0.07
Building Envelope Systems India Ltd	0.06	-	-	0.06	0.07	-	-	0.07
Nitin Enterprises	-	-	-	-	0.04	-	-	0.04
Pidilite Innovation Centre Pte Ltd	0.02	-	-	0.02	0.02	-	-	0.02
Pidilite East Africa Ltd.	0.14			0.14	-	-	-	-
Bamco Supply and Services Ltd*	0.00	-	-	0.00	0.00	-	-	0.00
Sub-Total (c)	4.60	-	-	4.60	5.76	-	-	5.76
d. Dividend Received								
Vinyl Chemicals (India) Ltd	-	1.79	-	1.79	-	2.16	-	2.16
Pidilite International Pte Ltd	-	-	-	-	9.77	-	-	9.77
Pidilite USA Inc	-	-	-	-	4.97	-	-	4.97
Sub-Total (d)	-	1.79	-	1.79	14.74	2.16	-	16.90

(₹ in crores)

Nature of Transaction	For the year ended 31st March 2020				For the year ended 31st March 2019			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
e. Purchase of Goods								
Vinyl Chemicals (India) Ltd	-	320.83	-	320.83	-	552.41	-	552.41
Nitin Enterprises	39.51	-	-	39.51	55.96	-	-	55.96
ICA Pidilite Pvt Ltd	47.23	-	-	47.23	45.58	-	-	45.58
Cipy Polyurathanes Pvt Ltd	3.22	-	-	3.22	-	-	-	-
Hybrid Coatings	2.72	-	-	2.72	2.35	-	-	2.35
Building Envelope Systems India Ltd	2.02	-	-	2.02	2.07	-	-	2.07
Sub-Total (e)	94.70	320.83	-	415.53	105.96	552.41	-	658.37
f. Royalty Paid								
Pidilite Innovation Centre Pte Ltd	2.54	-	-	2.54	2.37	-	-	2.37
Sub-Total (f)	2.54	-	-	2.54	2.37	-	-	2.37
g. Expense for services received								
Pidilite USA Inc	14.28	-	-	14.28	15.44	-	-	15.44
Pidilite Innovation Centre Pte Ltd	3.92	-	-	3.92	4.16	-	-	4.16
PT Pidilite Indonesia	0.71	-	-	0.71	0.71	-	-	0.71
Pidilite Industries Trading (Shanghai) Co. Ltd	0.72	-	-	0.72	0.63	-	-	0.63
Pidilite Chemical PLC	0.14	-	-	0.14	0.14	-	-	0.14
Sub-Total (g)	19.77	-	-	19.77	21.08	-	-	21.08
h. Investment in Share Capital								
ICA Pidilite Pvt Ltd	-	-	-	-	26.64	-	-	26.64
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	-	-	-	-	9.35	-	-	9.35
Pidilite Ventures LLC	-	-	-	-	7.41	-	-	7.41
Pidilite Middle East Ltd	-	-	-	-	5.31	-	-	5.31
Pidilite International Pte Ltd	18.03	-	-	18.03	4.16	-	-	4.16
Madhumala Ventures Pvt Ltd	126.49	-	-	126.49	-	-	-	-
Pidilite Litokol Pvt Ltd	0.60	-	-	0.60	-	-	-	-
Pidilite Industries Egypt - SAE	0.32	-	-	0.32	-	-	-	-
Pidilite Grupo Puma Mfg Ltd	0.01	-	-	0.01	-	-	-	-
Pidilite Chemical PLC	0.74	-	-	0.74	-	-	-	-
Cipy Polyurethanes Pvt Ltd	-	-	-	-	8.16	-	-	8.16
Sub-Total (h)	146.19	-	-	146.19	61.03	-	-	61.03
i. Profit on Sale/Transfer of Intangible Assets								
ICA Pidilite Pvt Ltd	-	-	-	-	33.41	-	-	33.41
Sub-Total (i)	-	-	-	-	33.41	-	-	33.41
j. Sale of Fixed Asset								
Parekh Marketing Ltd	-	-	0.32	0.32	-	-	-	-
Sub-Total (j)	-	-	0.32	0.32	-	-	-	-
k. Rent Paid/ (Received)								
Smt. Mala Parekh	-	-	0.71	0.71	-	-	0.78	0.78
Parekh Marketing Ltd	-	-	0.08	0.08	-	-	0.07	0.07
ICA Pidilite Pvt Ltd	0.03	-	-	0.03	-	-	-	-
Pargro Investment Pvt Ltd	-	-	(0.08)	(0.08)	-	-	(0.06)	(0.06)
Sub-Total (k)	0.03	-	0.71	0.74	-	-	0.79	0.79
l. Reimbursement of expenses made								
Pidilite MEA Chemicals LLC	6.11	-	-	6.11	8.03	-	-	8.03
Parekh Marketing Ltd	-	-	0.03	0.03	-	-	-	-
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.16	-	-	0.16	0.13	-	-	0.13
PIL Trading (Egypt) Company	0.09	-	-	0.09	0.06	-	-	0.06
Pidilite Innovation Centre Pte Ltd	0.10	-	-	0.10	0.04	-	-	0.04
ICA Pidilite Pvt Ltd	0.38	-	-	0.38	0.02	-	-	0.02
Pidilite Lanka (Pvt) Ltd	0.21	-	-	0.21	-	-	-	-
Sub-Total (l)	7.05	-	0.03	7.08	8.28	-	-	8.28

(₹ in crores)

Nature of Transaction	For the year ended 31st March 2020				For the year ended 31st March 2019			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
m. Reimbursement of expenses received								
Pidilite USA Inc	-	-	-	-	0.51	-	-	0.51
Pidilite MEA Chemicals LLC	0.34	-	-	0.34	0.50	-	-	0.50
ICA Pidilite Pvt Ltd	0.11	-	-	0.11	0.19	-	-	0.19
Pidilite Bamco Ltd	0.04	-	-	0.04	0.05	-	-	0.05
Pidilite Litokol Pvt Ltd	0.04	-	-	0.04	-	-	-	-
Pidilite Grupo Puma Mfg Ltd	0.03	-	-	0.03	-	-	-	-
Pidilite C-Techos Walling Ltd	0.04	-	-	0.04	-	-	-	-
Cipy Polyurethanes Pvt Ltd	1.07	-	-	1.07	-	-	-	-
Sub-Total (m)	1.67	-	-	1.67	1.25	-	-	1.25
n. Compensation of Key Management Personnel of the Company:								
Remuneration/ Commission to Directors:								
(Short Term Employee benefits)								
- Shri M B Parekh	-	-	4.15	4.15	-	-	3.98	3.98
- Shri Bharat Puri	-	-	13.96	13.96	-	-	15.42	15.42
- Shri A B Parekh	-	-	1.80	1.80	-	-	6.58	6.58
- Shri A N Parekh	-	-	5.84	5.84	-	-	5.57	5.57
- Shri Sabyasachi Patnaik	-	-	2.01	2.01	-	-	2.45	2.45
- Shri Debabrata Gupta	-	-	0.29	0.29			-	-
Sub-Total	-	-	28.05	28.05	-	-	34.00	34.00
Share-based payments								
- Shri Bharat Puri	-	-	16.65	16.65	-	-	11.03	11.03
- Shri Sabyasachi Patnaik	-	-	0.40	0.40	-	-	0.37	0.37
Sub-Total	-	-	17.05	17.05	-	-	11.40	11.40
o. Dividend Paid	-	-	158.25	158.25	-	-	68.26	68.26
p. Outstanding Balances:								
i Trade Receivables (net)								
Parekh Marketing Ltd	-	-	12.39	12.39	-	-	19.05	19.05
Pidilite MEA Chemicals LLC	22.63	-	-	22.63	17.00	-	-	17.00
Nina Percept Private Limited	24.76	-	-	24.76	18.71	-	-	18.71
Pidilite Industries Egypt - SAE	10.60	-	-	10.60	3.58	-	-	3.58
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	2.85	-	-	2.85	1.99	-	-	1.99
Pidilite USA Inc	1.93	-	-	1.93	0.94	-	-	0.94
Pidilite Lanka (Pvt) Ltd	3.23	-	-	3.23	1.53	-	-	1.53
Pidilite Bamco Ltd	-	-	-	-	0.26	-	-	0.26
Pidilite Innovation Centre Pte Ltd	0.32	-	-	0.32	-	-	-	-
PIL Trading (Egypt) Company	0.44	-	-	0.44	-	-	-	-
Sub-Total	66.76	-	12.39	79.15	44.01	-	19.05	63.06

(₹ in crores)

Nature of Transaction	For the year ended 31st March 2020				For the year ended 31st March 2019			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
ii Loans and advances								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	4.22	-	-	4.22	1.92	-	-	1.92
Pidilite MEA Chemicals LLC	2.68	-	-	2.68	1.53	-	-	1.53
Pidilite Industries Egypt - SAE	0.45	-	-	0.45	0.45	-	-	0.45
Pidilite Lanka (Pvt) Ltd	0.54	-	-	0.54	0.37	-	-	0.37
Pagel Concrete Technologies Pvt Ltd	0.33	-	-	0.33	0.33	-	-	0.33
ICA Pidilite Pvt Ltd	0.56	-	-	0.56	0.29	-	-	0.29
Pidilite Bamco Ltd	0.08	-	-	0.08	0.09	-	-	0.09
Pidilite Innovation Centre Pte Ltd	0.01	-	-	0.01	-	-	-	
Nebula East Africa Pvt Ltd	0.05	-	-	0.05	0.04	-	-	0.04
Bamco Supply and Services Ltd	0.03	-	-	0.03	0.02	-	-	0.02
Pidilite East Africa Ltd	0.14	-	-	0.14	-	-	-	-
Pidilite Litokol Pvt Ltd	0.04	-	-	0.04	-	-	-	-
Pidilite Grupo Puma Mfg Ltd	0.03	-	-	0.03	-	-	-	-
Pidilite C-Techos Walling Ltd	0.04	-	-	0.04	-	-	-	-
Cipy Polyurethanes Pvt Ltd	0.43	-	-	0.43	-	-	-	-
Sub-Total	9.63	-	-	9.63	5.04	-	-	5.04
iii Trade Payables (net)								
Vinyl Chemicals (India) Ltd	-	23.07	-	23.07	-	49.95	-	49.95
ICA Pidilite Pvt Ltd	3.57	-	-	3.57	6.51	-	-	6.51
Nitin Enterprises	0.16	-	-	0.16	1.50	-	-	1.50
Pidilite Industries Trading (Shanghai) Co. Ltd	0.72	-	-	0.72	1.03	-	-	1.03
Pidilite MEA Chemicals LLC	0.04	-	-	0.04	-	-	-	-
Pidilite USA Inc	1.85	-	-	1.85	-	-	-	-
Pidilite Innovation Centre Pte Ltd	-	-	-	-	0.29	-	-	0.29
Hybrid Coatings	0.02	-	-	0.02	0.39	-	-	0.39
Building Envelope Systems India Ltd	0.49	-	-	0.49	0.21	-	-	0.21
PIL Trading (Egypt) Company	0.23	-	-	0.23	0.04	-	-	0.04
PT Pidilite Indonesia	0.07	-	-	0.07	0.15	-	-	0.15
Pidilite Chemical PLC	0.02	-	-	0.02	0.03	-	-	0.03
Parekh Marketing Ltd	-	-	0.01	0.01	-	-	-	-
Sub-Total	7.17	23.07	0.01	30.25	10.15	49.95	-	60.10
q. Corporate guarantee given to bank on behalf of								
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	25.64	-	-	25.64	16.60	-	-	16.60
Pidilite Bamco Ltd	3.24	-	-	3.24	2.97	-	-	2.97
Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)	41.07	-	-	41.07	37.67	-	-	37.67
Pidilite Lanka (Pvt) Ltd	33.15	-	-	33.15	30.40	-	-	30.40
Bamco Supply & Services Ltd	1.09	-	-	1.09	1.00	-	-	1.00
Sub-Total (q)	104.19	-	-	104.19	88.64	-	-	88.64

* Amount is ₹ **41,485** (₹ 40,623 for the year ended 31st March 2019)

All figures above are inclusive of GST(wherever applicable)

45 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined Contribution Plans

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

(d) National Pension Scheme

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

(₹ in crores)

		For the year ended 31st March 2020	For the year ended 31st March 2019
(i)	Contribution to Provident Fund	**17.56**	14.23
(ii)	Contribution to Employees' Superannuation Fund	**0.87**	0.84
(iii)	Contribution to Employees' State Insurance Scheme	**0.20**	0.25
(iv)	Contribution to Employees' Pension Scheme 1995	**8.65**	7.31
(v)	Contribution to National Pension Scheme	**2.80**	1.88
	TOTAL	**30.08**	24.51
(B)	**Defined Benefit Plans**		
	Gratuity		
(C)	**Other Long-Term Benefits**		
(a)	Compensated Absences		
(b)	Anniversary Awards		
(c)	Premature Death Pension Scheme		
(d)	Total Disability Pension Scheme		

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

		Valuations as at	
		31st March 2020	31st March 2019
(i)	Discount Rate (per annum)	**6.65%**	7.40%
(ii)	Rate of increase in Compensation levels (per annum)	**1st yr-4%, thereafter 6.50%**	1st 2 yrs - 8.50%, thereafter 6.50%
(iii)	Expected Rate of Return on Assets	**6.65%**	7.40%
(iv)	Attrition Rate	**upto 5 yrs - 13%, 5 - 10 yrs - 5%, Above 10 yrs - 5%**	upto 5 yrs - 14%, 5 - 10 yrs - 8%, Above 10 yrs - 5%
(v)	Retirement Age	**60 years**	60 years

(vi) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment/ strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(vii) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(viii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Gratuity fund asset is managed by Life Insurance Corporation of India and the Company has funding ratio of about 94% (i.e. asset over liability ratio of 94%) in the current year, and hence, there is no material risk that the Company would be unable to meet its Gratuity liability. Also as the fund is set up as a trust, the monies as a part of the trust will not flow back into the Company until the last employee of the trust is paid.

Note on other risks:

1 **Investment Risk –** The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

2 **Interest Risk –** LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

3 **Longevity Risk –** Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non-risk.

4 **Salary Risk –** The liability is calculated taking into account the salary increase, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

		31st March 2020 Gratuity Funded	31st March 2019 Gratuity Funded
(i)	**Changes in Present value of Obligation**		
1	Present value of defined benefit obligation at the beginning of the year	**74.28**	62.72
2	Current Service Cost	**6.98**	5.52
3	Interest Cost	**4.97**	4.64
4	**Actuarial (Gains)/Loss**		
	Actuarial (gains)/ losses arising from changes in demographic assumption	**(0.04)**	0.40
	Actuarial (gains)/ losses arising from changes in financial assumption	**1.28**	2.33
	Actuarial (gains)/ losses arising from changes in experience adjustment	**13.42**	1.81
5	Past Service cost	**-**	-
6	Benefits Paid	**(13.32)**	(3.14)
7	**Present value of defined benefit obligation at the end of the year**	**87.57**	74.28
(ii)	**Changes in Fair value of Plan Assets**		
1	Fair value of plan assets at the beginning of the year	**69.89**	64.12
2	Expected Return on Plan Assets	**5.17**	4.74
3	Actuarial Gain/(Loss)	**(0.21)**	0.17
4	Employer's Contributions	**16.40**	4.00
5	Benefits Paid	**(5.51)**	(3.14)
6	**Fair value of plan assets at the end of the year**	**85.74**	69.89

(₹ in crores)

		31st March 2020 Gratuity Funded	31st March 2019 Gratuity Funded
(iii)	**Net Benefit (Asset)/ Liability**		
1	Defined benefit obligation	**87.57**	74.28
2	Fair value of plan assets	**85.74**	69.89
3	**Net Benefit (Asset)/ Liability (refer Note 26)**	**1.83**	4.39
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
1	Current Service Cost	**6.98**	5.52
2	Interest cost on benefit obligation (net)	**(0.21)**	(0.11)
3	Total Expenses recognised in the Statement of Profit and Loss	**6.77**	5.41
(v)	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**		
1	Actuarial (gains)/ losses arising from changes in demographic assumption	**(0.04)**	0.40
2	Actuarial (gains)/ losses arising from changes in financial assumption	**1.28**	2.33
3	Actuarial (gains)/ losses arising from changes in experience adjustment	**13.42**	1.81
4	Return on plan asset	**0.21**	(0.16)
5	Recognised in Other Comprehensive Income	**14.88**	4.37
(vi)	**Actual return on plan assets**	**4.96**	4.91

		For the year ended 31st March 2020	For the year ended 31st March 2019
(vii)	**Sensitivity Analysis**		
	Defined Benefit Obligation		
	Discount Rate		
	a Discount Rate - 100 basis points	**93.28**	79.42
	b Discount Rate + 100 basis points	**82.55**	69.78
	Salary Increase Rate		
	a Rate - 100 basis points	**82.47**	69.72
	b Rate + 100 basis points	**93.27**	79.39

Note on Sensitivity Analysis

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

		For the year ended 31st March 2020	For the year ended 31st March 2019
(viii)	**Expected Future Cashflows**		
	Year 1	**13.89**	14.36
	Year 2	**8.35**	6.08
	Year 3	**8.81**	7.45
	Year 4	**7.91**	8.02
	Year 5	**7.05**	7.08
	Year 6 to 10	**35.71**	31.89
(ix)	**Average Expected Future Working Life (yrs)**	**11.09**	10.24

46 Employee Stock Option Scheme

a) Details of Employee Share Options

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

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

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

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

	Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value (₹)
1	Granted on 27th July 2015-ESOS 2012	1,00,000	27.07.2015	10.04.2017	1.00	521.11
		1,00,000	27.07.2015	10.04.2018	1.00	521.11
2	Granted on 29th January 2016-ESOS 2012	14,400	29.01.2016	29.01.2017	1.00	532.20
		14,400	29.01.2016	29.01.2018	1.00	532.20
		2,500	29.01.2016	29.01.2018	1.00	525.01
		2,500	29.01.2016	29.01.2019	1.00	525.01
3	Granted on 29th July 2016-ESOS 2012	6,000	29.07.2016	29.07.2017	1.00	722.31
		9,000	29.07.2016	29.07.2018	1.00	722.31
4	Granted on 29th July 2016-ESOP 2016	23,600	29.07.2016	29.07.2017	1.00	730.61
		23,600	29.07.2016	29.07.2018	1.00	730.61
5	Granted on 9th November 2016-ESOS 2012	1,500	09.11.2016	09.11.2017	1.00	661.86
		1,500	09.11.2016	09.11.2018	1.00	661.86
6	Granted on 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15
7	Granted on 11th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
		4,150	11.04.2018	11.04.2020	1.00	976.94
8	Granted on 30th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
		1,33,200	30.10.2018	30.10.2020	1.00	931.19
		1,500	30.10.2018	30.10.2019	1.00	924.50
		1,500	30.10.2018	30.10.2020	1.00	924.50
		2,000	30.10.2018	30.10.2021	1.00	924.50
9	Granted on 23rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1112.48
		3,000	23.01.2019	23.01.2023	1.00	1112.48
		4,000	23.01.2019	23.01.2024	1.00	1112.48
		1,500	23.01.2019	29.01.2021	1.00	1127.85
		1,500	23.01.2019	29.01.2022	1.00	1127.85
		1,500	23.01.2019	01.02.2021	1.00	1127.85
		1,500	23.01.2019	01.02.2022	1.00	1127.85
10	Granted on 13th May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
11	Granted on 29th January 2020-ESOP 2016	4,000	29.01.2020	31.01.2021	1.00	1449.90
		500	29.01.2020	31.01.2021	1.00	1444.56
		500	29.01.2020	31.01.2021	1.00	1444.56
		2,500	29.01.2020	18.11.2022	1.00	1433.92
		2,500	29.01.2020	18.11.2023	1.00	1433.92

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

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

Inputs into the model	Granted on 27th July 2015-ESOS 2012	Granted on 29th January 2016-ESOS 2012	Granted on 29th July 2016-ESOS 2012	Granted on 29th July 2016-ESOP 2016	Granted on 9th November 2016-ESOS 2012	Granted on 8th November 2017-ESOP 2016
Share price (on the date previous to grant date)	544.95	556.80	751.60	751.60	691.40	758.55
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	**10.04.2017**	**29.01.2017**	**29.07.2017**	**29.07.2017**	**09.11.2017**	**08.11.2018**
Dividend yield (%)	0.91	0.93	0.79	0.74	0.89	0.85
Option life (no. of years)	3.50	3.50	3.50	2.50	3.50	2.50
Risk free interest rate (%)	8.07	7.80	7.39	7.28	6.73	6.69
Expected volatility (%)	52.17	54.46	21.51	17.70	20.94	22.12
Date of vesting (2)	**10.04.2018**	**29.01.2018**	**29.07.2018**	**29.07.2018**	**09.11.2018**	**08.11.2019**
Dividend yield (%)	0.97	1.21	0.85	0.79	0.96	0.91
Option life (no. of years)	4.50	4.50	4.50	3.50	4.50	3.50
Risk free interest rate (%)	8.07	7.80	7.56	7.39	6.93	6.64
Expected volatility (%)	52.17	54.46	24.25	21.51	23.94	24.01
Date of vesting (3)	**-**	**29.01.2019**	**-**	**-**	**-**	**-**
Dividend yield (%)	-	1.27	-	-	-	-
Option life (no. of years)	-	5.50	-	-	-	-
Risk free interest rate (%)	-	7.80	-	-	-	-
Expected volatility (%)	-	54.46	-	-	-	-

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

Inputs into the model	Granted on 13th May 2019-ESOP 2016	Granted on 29th January 2020-ESOP 2016		
Share price (on the date previous to grant date)	1,154.45	1,461.60	1,461.60	1,461.60
Exercise price	1.00	1.00	1.00	1.00
Date of vesting (1)	**13.05.2020**	**31.01.2021**	**18.11.2022**	**31.01.2021**
Dividend yield (%)	0.84	0.74	0.74	0.74
Option life (no. of years)	2.50	4.01	5.80	4.01
Risk free interest rate (%)	7.03	6.15	6.39	6.15
Expected volatility (%)	23.06	23.69	24.49	23.69
Date of vesting (2)	**-**	**-**	**18.11.2023**	**31.01.2022**
Dividend yield (%)	-	-	0.74	0.74
Option life (no. of years)	-	-	6.80	5.01
Risk free interest rate (%)	-	-	6.43	6.39
Expected volatility (%)	-	-	24.56	23.76

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

Particulars	During the year ended 31st March 2020		During the year ended 31st March 2019	
	Options (No.s)	Weighted average exercise price per option	Options (No.s)	Weighted average exercise price per option
Option outstanding at the beginning of the year				
- ESOS 2012	**-**	₹ 1	1,19,400	₹ 1
- ESOP 2016	**3,15,750**	₹ 1	79,000	₹ 1
Granted during the year				
- ESOP 2016*	**12,500**	₹ 1	2,95,700	₹ 1
Vested during the year - ESOS 2012	**-**	₹ 1	1,10,500	₹ 1
Vested during the year - ESOP 2016**	**1,55,850**	₹ 1	47,200	₹ 1
Exercised during the year - ESOS 2012	**-**	₹ 1	1,19,400	₹ 1
Exercised during the year - ESOP 2016***	**1,45,500**	₹ 1	48,550	₹ 1
Lapsed during the year******				
- ESOP 2016 (granted on 29th July 2016)	**-**	₹ 1	1,000	₹ 1
- ESOP 2016 (granted on 8th November 2017)	**2,400**	₹ 1	3,500	₹ 1
- ESOP 2016 (granted on 11th April 2018)	**-**	₹ 1	5,000	₹ 1
- ESOP 2016 (granted on 30th October 2018)	**9,500**	₹ 1	900	₹ 1
Options outstanding at the end of the year				
- ESOP 2016	**1,70,850**	₹ 1	3,15,750	₹ 1
Options available for grant				
- ESOS 2012	**34,200**	₹ 1	34,200	₹ 1
- ESOP 2016	**41,13,500**	₹ 1	41,14,100	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 1331.62**		₹ 1239.18
Range of exercise price for options outstanding at the end of the year		₹ 1		₹ 1

* Includes 1,000 options (Previous year 2,200) granted to Eligible Employees of the Subsidiary Companies.

** Includes 1100 options (Previous year 1,950) vested by Eligible Employees of the Subsidiary Companies

*** Includes 400 options (Previous year 1,950) exercised by Eligible Employees of the Subsidiary Companies

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

The Company has allotted 3,300 equity shares on 10th June 2020 of face value of ₹ 1/- each under Employee Stock Option Plan - 2016 to the employees of the Company and its subsidiaries to whom the options were granted.

47 Financial Instruments

(A) Capital Management

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

(B) Categories of financial instruments

(₹ in crores)

	As at 31st March 2020	As at 31st March 2019
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds, Preference Shares, Debentures and Bonds	**1,025.81**	1,515.91
Derivative assets towards Foreign Exchange Forward Contracts	**1.70**	0.03
Derivative Asset towards call option to buy subsidiary shares	**0.24**	7.61
Measured at amortised cost		
Trade Receivables	**806.63**	774.98
Cash and Cash Equivalents	**564.17**	60.24
Other Bank balances	**4.67**	56.94
Loans	**29.42**	18.32
Other Financial Assets	**19.41**	20.12
Total Financial Assets	**2,452.05**	2,454.15
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards Foreign Exchange Forward Contracts	**0.42**	0.96
Derivative liability towards put option to buy subsidiary shares	**34.83**	42.20
Measured at amortised cost (including trade payables)		
Trade Payables	**494.81**	449.15
Lease Liabilities	**73.34**	-
Other Financial Liabilities	**524.42**	443.70
Total Financial Liabilities	**1,127.82**	936.01

(C) Financial risk management objectives

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

(D) Market risk

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

(E) Foreign currency risk management

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

	Foreign Currency Exposure (in FC)		Foreign Currency Exposure (₹ in crores)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Amounts recoverable/ (advance) in foreign currency on account of the following:				
EUR	**7,99,474.10**	14,88,215.92	**6.65**	11.56
USD	**1,18,56,074.29**	1,49,08,116.35	**89.42**	103.13
AUD	**38,745.00**	-	**0.18**	-
Amounts (payable)/ advance in foreign currency on account of the following:				
AED	**2,36,491.04**	41,460.00	**0.49**	0.08
AUD	**1,820.00**	1,820.00	**0.01**	0.01
BDT*	**50,000.00**	50,000.00	**0.00**	0.00
CHF	**(5,212.31)**	27,261.36	**(0.04)**	0.19
EUR	**(2,86,454.95)**	3,70,602.70	**(2.38)**	2.88
GBP	**(1,65,553.39)**	(4,75,406.00)	**(1.54)**	(4.30)
JPY	**(75,78,800.00)**	(60,58,500.00)	**(0.53)**	(0.38)
SGD	**-**	(89,517.00)	**-**	(0.46)
USD	**(1,42,44,907.61)**	(1,27,67,358.70)	**(107.44)**	(88.32)
ZAR	**64,255.58**	83,679.60	**0.03**	0.04

* BDT exposure is ₹ **44,400** as at 31st March 2020 (₹ 41,110 as at 31st March 2019).

(i) Foreign currency sensitivity analysis

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

(₹ in crores)

	USD impact	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Impact on profit or loss for the year (a)	**(0.36)**	0.30

	EUR impact	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Impact on profit or loss for the year (b)	**0.09**	0.06

	JPY impact	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Impact on profit or loss for the year (c)	**(0.01)**	(0.01)

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

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

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

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

(ii) Foreign exchange forward contracts

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

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

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

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

Outstanding contracts	Average exchange rates (₹)		Foreign Currency	
	31st March 2020	31st March 2019	**31st March 2020**	31st March 2019
USD - Buy	**72.30**	67.18	**55,78,888.40**	1,03,54,128.00
EUR - Sell	**-**	78.98	**-**	1,84,546.50
EUR - Buy	**80.43**	-	**72,00,000.00**	-
Outstanding contracts	**Nominal Amounts (₹ in crores)**		**Fair value assets/ (liabilities) (₹ in crores)**	
	31st March 2020	31st March 2019	**31st March 2020**	31st March 2019
USD - Buy	**40.61**	73.09	**1.70**	(0.93)
EUR - Sell*	**-**	1.44	**-**	(0.00)
EUR - Buy	**60.22**	-	**(0.42)**	-
TOTAL			**1.28**	**(0.93)**

*Fair Value Liability of EUR Sell is ₹ 25,849 as at 31st March 2019.

The line-items in the financial statements that include the above hedging instruments are "Other Financial Assets" of ₹ **1.70** crores (₹ 0.03 crores as at 31st March 2019) and "Other Financial Liabilities" of ₹ **0.42** crores (₹ 0.96 crores as at 31st March 2019) (refer Note 13 and 24 respectively).

At 31st March 2020, the aggregate amount of gain under foreign exchange forward contracts recognised in the Statement of Profit and Loss is ₹ **2.42** crores (loss of ₹ 0.93 crores as at 31st March 2019).

(F) Credit risk management

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

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

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

(G) Liquidity risk management

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

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

(i) Liquidity risk tables

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

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company will be liable to pay.

(₹ in crores)

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
As at 31st March 2020					
Non-interest bearing					
- Trade Payables	494.81	-	-	494.81	494.81
- Other Financial Liabilities	**393.31**	**7.26**	**-**	**400.57**	**400.57**
	888.12	**7.26**	**-**	**895.38**	**895.38**
- Lease Liabilities (undiscounted)	27.86	53.38	7.54	88.78	73.34
Fixed interest rate instruments					
- Trade/ Security Deposit received	123.86	-	-	123.86	123.86
Derviative liabilities towards foreign exchange forward contracts	**0.42**	**-**	**-**	**0.42**	**0.42**
Derviative liability towards put option to buy subsidiary shares	**34.83**	**-**	**-**	**34.83**	**34.83**
Financial guarantee contracts	104.19	-	-	104.19	-
As at 31st March 2019					
Non-interest bearing					
- Trade Payables	449.15	-	-	449.15	449.15
- Other Financial Liabilities	**330.00**	**3.81**	**-**	**333.81**	**333.81**
	779.15	**3.81**	**-**	**782.96**	**782.96**
Fixed interest rate instruments					
- Trade/ Security Deposit received	109.89	-	-	109.89	109.89
Derviative liabilities towards foreign exchange forward contracts	0.96	-	-	0.96	0.96
Derviative liability towards put option to buy subsidiary shares	-	42.20	-	42.20	42.20
Financial guarantee contracts	88.64	-	-	88.64	-

(H) Fair value measurements

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

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

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

Financial Assets/ Financial Liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st March 2020	As at 31st March 2019		
1 Investment in Mutual/Alternate Investment Funds, Preference Shares, Debentures and Bonds	**Various listed funds - aggregate fair value of ₹ 1025.81 crores**	Various listed funds - aggregate fair value of ₹ 1,515.91 crores	Level 1	Quoted bid prices in active market
2 Derivative assets and liabilities towards foreign currency forward contracts	**Assets - ₹ 1.70 crores Liabilities- ₹ 0.42 crores**	Assets - ₹ 0.03 crores; and Liabilities - ₹ 0.96 crores	Level 2	Mark to market values acquired from banks, with whom the Company contracts.
3 Derivative asset and liability towards call and put option to buy subsidiary shares	**Assets - ₹ 0.24 crores; and Liabilities- ₹34.83 crores**	Assets - ₹ 7.61 crores; and Liabilities - ₹ 42.2 crores	Level 2	Fair values of options using black scholes valuation model based on Independent Valuer's report

(ii) Financial instruments measured at amortised cost

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

(₹ in crores)

48 Taxes

1 Deferred Tax

	As at 31st March 2020	As at 31st March 2019
Deferred Tax Assets	**(38.60)**	(28.26)
Deferred Tax Liabilities	**114.57**	141.23
TOTAL	**75.97**	**112.97**

a 2019- 2020

Deferred Tax (Assets)/ Liabilities in relation to :

	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	51.95	(33.87)	-	**18.08**
Intangible Assets	72.08	0.99	-	**73.07**
FVTPL Financial Assets	17.07	(12.84)	-	**4.23**
Provisions for VRS	0.12	(0.12)	-	**-**
Allowance for doubtful debts	(12.86)	5.05	-	**(7.81)**
Provision for Employee Benefits	(14.99)	6.34	(3.68)	**(12.33)**
Share issue and buy-back costs	(0.40)	1.88	-	**1.48**
Others	-	(0.75)	-	**(0.75)**
TOTAL	**112.97**	**(33.32)**	**(3.68)**	**75.97**

b 2018- 2019

Deferred Tax (Assets)/ Liabilities in relation to:

	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	52.59	(0.64)	-	**51.95**
Intangible Assets	63.80	8.28	-	**72.08**
FVTPL Financial Assets	16.68	0.39	-	**17.07**
Provisions for VRS	(2.49)	2.61	-	**0.12**
Allowance for doubtful debts	(11.41)	(1.46)	-	**(12.86)**
Provision for Employee Benefits	(13.10)	(0.50)	(1.39)	**(14.99)**
Share issue and buy-back costs	(3.17)	2.77	-	**(0.40)**
Total	**102.90**	**11.45**	**(1.39)**	**112.97**

(₹ in crores)

2 Income Taxes relating to continuing operations

a Income Tax recognised in profit or loss

	As at 31st March 2020	As at 31st March 2019
Current Tax		
In respect of the current year	**368.65**	438.43
In respect of prior years	**-**	(52.87)
TOTAL	**368.65**	385.56
Deferred Tax		
In respect of the current year	**(33.32)**	11.45
TOTAL	**(33.32)**	11.45
Total Income Tax expense recognised in the current year relating to continuing operations	**335.33**	**397.01**

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	As at 31st March 2020	As at 31st March 2019
Profit Before Tax	**1,436.95**	1,376.45
Income Tax Rate (%)	**25.17**	34.94
Income Tax expense	**361.65**	480.99
Effect of income that is exempt from taxation	**(4.19)**	(6.49)
Effect of expenses that are not deductible in determining taxable profit	**21.93**	4.59
Effect of concessions (research and development and backward area deductions)	**(3.46)**	(17.05)
Effect of lower rate of tax	**(48.22)**	(17.72)
Others	**7.62**	5.56
TOTAL	**335.33**	449.88
Adjustments recognised in the current year in relation to the current tax for prior years	**-**	(52.87)
Income tax expense recognised in profit or loss	**335.33**	**397.01**

* The Tax rate used for the above reconciliation is the corporate tax rate of 25.168% (34.944% for the year ended 31st March 2019) payable by corporate entities in India on taxable profits under Indian Tax Law.

Income Tax recognised in Other Comprehensive Income

	As at 31st March 2019	As at 31st March 2018
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**3.68**	1.39
Total Income Tax recognised in Other Comprehensive Income	**3.68**	**1.39**

(₹ in crores)

49 Research & Development Expenditure

	For the year ended 31st March 2020	For the year ended 31st March 2019
Capital expenditure included in Property, Plant and Equipment	**1.85**	0.45
Revenue expenditure charged to Statement of Profit and Loss	**69.37**	64.09
TOTAL	**71.22**	**64.54**

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

		As at 31st March 2020	As at 31st March 2019
(i)	Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	**9.30**	20.96
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year*	**-**	0.00
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-
	TOTAL	**9.30**	**20.96**

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.

* Amount is ₹ **Nil** (₹ 45,519 for the year ended 31st March 2019).

51 Lease

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 110.88 crores and a corresponding lease liability of ₹ 69.85 crores and transfer from asset amounting to ₹ 41.03 crores. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cashoutflows from financing activities on account of lease payments.

Refer Note 47 for contractual maturities of lease liabilities.

Reconciliation of operating lease commitments as at 31st March 2019 with the lease liabilities recognised in the Balance Sheet as at 1st April 2019:

Particulars	
Operating lease commitments disclosed as at 31st March 2019	34.28
Discounted using incremental borrowing rate of at 1st April 2019	46.51
Add : finance lease liabilities recognised as at 31st March 2019	-
(Less) : short-term leases not recognised as a liability	(10.94)
(Less) : low-value leases not recognised as a liability	-
Lease liability recognised as at 1st April 2019	**69.85**
Of which are:	
Current lease liabilities	**16.49**
Non-current lease liabilities	**53.36**

(₹ in crores)

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

Particulars	For the year ended 31st March 2020
Interest on lease liabilities (refer Note 35)	6.08
Depreciation of Right-of-use assets (refer Note 36)	24.19
Deferred tax (credit)	(0.97)
Impact on the statement of profit and loss for the period	**29.30**
Expenses related to short term lease incurred during the year	**11.96**

52 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the year is ₹ **24.81** crores (₹ 23.12 crores for the year ended 31st March 2019)

(b) Amount spent during the year on:

(₹ in crores)

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	**-**
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	**26.30**	**-**	**26.30**
		(23.50)	(-)	**(23.50)**

Figures in brackets() represent previous year

53 Other Information

a) During the year, Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala), a wholly owned subsidiary of the Company:

(i) invested an amount of ₹ 2.00 crores in the Aapkapainter Solutions Pvt Ltd (Aapkapainter). Madhumala has agreed to make an investment of ₹ 5.00 crores in Aapkapainter, a company engaged in providing painting and waterproofing solutions to retail consumer.

(ii) invested an amount of ₹ 71.47 crores in the Trendsutra Platform Services Pvt Ltd (Pepperfry) by subscription to Compulsory Convertible Non-Cumulative Preference Shares. Pepperfry is an online furniture chain in India.

(iii) invested an amount of ₹ 49.00 crores in the Homevista Décor & Furnishings Pvt Ltd (HomeLane) by subscription to Compulsory Convertible Cumulative Preference Shares. HomeLane is a fast growing home interiors company backed by strong tech-stack and presence in 7 cities with 16 experience centers in India.

b) During previous year, Percept Waterproofing Services Limited (Percept) (80% Subsidiary of the Company) was merged with Nina Waterproofing Systems Pvt Ltd (Nina) (70% Subsidiary of the Company), pursuant to the Hon'ble National Company Law Tribunal, Mumbai Bench, order dated 11th January 2019, w.e.f. the Appointed date i.e. 1st April 2017 and consequently, Percept stands dissolved without winding up. Further, post the said merger, w.e.f 27th March 2019, Nina is known as AEKAM Construction Specialties Private Limited (AEKAM) and w.e.f 15th April 2019, AEKAM is known as Nina Percept Private Limited. Accordingly, the company's investment in Percept are merged with Nina Percept Private Limited and the Company holds 71.53% stake in the merged entity.

c) During the year, Nina Percept Private Limited (NPPL), subsidiary of the Company along with Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB), step-down subsidiary of the Company, has incorporated a subsidiary in Bangladesh namely 'Nina Percept (Bangladesh) Pvt Ltd' to carry on the business of roofing and waterproofing services. NPPL shall hold 99% of the paid up share capital of Nina Percept (Bangladesh) Pvt Ltd and the balance 1% shall be held by PSCB.

d) During the year, the Company has incorporated a subsidiary in the name of 'Pidilite Litokol Private Limited' (PLPL). This subsidiary is incorporated to carry on the business of chemicals epoxy grouts, chemical based products, etc. In terms of Shareholder's agreement, the Company shall hold 60% of the paid-up share capital and balance capital held by Litokol SPA, Italy.

e) During the year, The Company has incorporated a subsidiary in the name of 'Pidilite Grupo Puma Manufacturing Limited' (PGPML) to carry on the business of manufacturing, processing, trading or dealing in technical mortars, building materials, high quality C2 tile adhesives, other materials used in construction etc. The Company shall hold 50% of the paid-up share capital and balance capital held by Corporacion Empresarial Grupo Puma S.L. (Grupo Puma).

f) The Board of Directors at its meeting held on 29th January 2020 have approved a restructuring proposal whereby the Company shall, for operational convenience and synergies, acquire the business of wholly owned entity, M/s Nitin Enterprise (a partnership firm having two partners which are wholly owned subsidiaries of the Company) on a slump sale basis for a cash consideration of an amount not exceeding ₹ 18.50 crores. The Company has applied and awaiting for necessary approvals.

g) During the year, the Company has incorporated a Subsidiary Company in the name of "Pidilite C-Techos Walling Limited" (PCWL) to carry on the business of construction of building works or any other structural or architectural work of any kind using C-Techos wall technology, manufacturing of ACC panels and other ancillary products. The Company shall hold 60% of the paid-up share capital and balance capital held by Chetana Exponential Technologies Pvt Ltd.

h) During current year, the Company decided to sell plant and machinery pertaining to Synthetic Elastomer project located at Dahej having a carrying value of ₹ 60.52 crores as on 1st April 2019 (included in capital work in progress). Accordingly, reclassified these assets as "Assets held for sale" at fair market value of ₹ 38.28 crores and an impairment loss amounting to ₹ 22.24 crores was provided in September 2019. The Company has undertaken its best efforts to find buyers for these assets. In absence of buyer, as at 31st March 2020, these assets were fair valued at estimated realizable scrap value in accordance with Ind AS 113 "Fair Value Measurement", being asset categorized as Level 3, whereby fair value is determined based on the inputs to the valuation technique.

Out of these assets, Company has identified certain plant & machinery amounting to ₹ 5.33 crores for its internal use and remaining plant & machinery amounting to ₹ 32.95 crores have been further impaired. Hence, an impairment loss aggregating to ₹ 55.19 crores is disclosed as an exceptional item in the financial statements.

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

j) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The operation of the Company were disrupted since mid of March 20. As on date, The Company has already restarted the operations albeit in a phased manner after obtaining necessary permissions as required. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc.

The Company has evaluated the impact of COVID-19 on the operations of the Company, order booking and revenue, cash flow, assets and liabilities and factored in the impact of it upto the date of approval of these financial statements on the carrying value of its assets and liabilities.

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

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

54 Events after reporting period

The Company has entered into a definitive agreement with Tenax SPA Italy (Tenax Italy) for acquiring 70% of the share capital of Tenax India Stone Products Pvt Ltd (Tenax India) for cash consideration of approximately ₹ 80.00 crores (depending upon the actual cash and working capital at the time of closing), subject to certain preconditions being met prior to closing of the transaction. Tenax Italy is the leading manufacturer of adhesives, coating, surface treatment chemicals and abrasives for the marble, granite and stone industry. Tenax India is a subsidiary of Tenax Italy engaged in the sales and distribution of Tenax Italy products for the retail market in India.

55 Approval of the financial statements

The financial statements are approved for issue by the Audit Committee and by the Board of Directors at their respective meetings held on 17th June 2020.

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

1. Company's Philosophy on Code of Governance

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

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

2. Board of Directors

During the financial year 2019-20, six Board Meetings were held on 14th May 2019, 6th August 2019, 13th November 2019, 18th November 2019, 29th January 2020 and 5th March 2020#.

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

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder. The Independent Directors constitute 50% of the Board's strength. The details of composition of the Board, category, attendance of Directors at the Board Meetings and previous Annual General Meeting (50th AGM), number of other Directorships and Committee positions as on 31st March 2020 are given below:

Sr. No.	Name	DIN	Category	No. of Board Meetings attended @	Attendance at 50th AGM	No. of Directorships held in other companies(***)	No. of Committee positions held in other companies ****	
							Member -ships	Chairman- ships
1.	Shri M B Parekh (Executive Chairman)	00180955	ED (P)	6	Yes	9	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED (P)	6	Yes	10	1	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	6	Yes	4	1	-
4.	Shri A B Parekh (Whole Time Director)	00035317	ED (P)	3	No	14	-	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED (P)	6	Yes	6	1	-
6.	Shri Sabyaschi Patnaik (Whole Time Director)*	07183784	ED	5	Yes	-	-	-
7.	Shri B S Mehta	00035019	NED (I)	4	Yes	5	4	-
8.	Shri Sanjeev Aga	00022065	NED (I)	6	Yes	6	2	1
9.	Shri Uday Khanna	00079129	NED (I)	6	Yes	5	1	3
10.	Smt Meera Shankar	06374957	NED (I)	5	Yes	4	2	-
11.	Shri Vinod Kumar Dasari	00345657	NED (I)	4	Yes	4	-	-
12.	Shri Piyush Pandey	00114673	NED (I)	6	Yes	6	3	-
13.	Shri Debabrata Gupta (Whole Time Director)**	01500784	ED	1	-	-	-	-

Notes:

The meeting was held on 5th March 2020 and continued till 8th March 2020

@ Including participation by Video conference.

* Ceased to be a Director on the Board of the Company from the close of business hours of 29th February 2020 due to his resignation.

** Appointed as an Additional Director w.e.f. 1st March 2020. He is also appointed as a Whole Time Director designated as Director-Operations for 3 years w.e.f. 1st March 2020 at the Board meeting held on 29th January 2020.

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

**** Position in Audit Committee and Stakeholders Relationship Committee only (excluding private limited company, foreign company and section 8 company) as provided in Regulation 26(1) of Listing Regulations.

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

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

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold Memberships/Chairmanships more than the prescribed limits.

Names of listed entity wherein Directors are holding position of Director & the category of Directorship as on 31st March 2020:

Name of Director	Name of the Listed company	Category of Directorship
Shri M B Parekh	Vinyl Chemicals (India) Limited	Managing Director and Chairperson
	Excel Industries Limited	Non-Executive - Independent Director
Shri N K Parekh	Vinyl Chemicals (India) Limited	Non-Executive – Non Independent Director
Shri Bharat Puri	Tata Consumer Products Limited (formerly known as Tata Global Beverages Ltd)	Non-Executive - Independent Director
Shri A B Parekh	Vinyl Chemicals (India) Limited	Non-Executive – Non Independent Director
Shri A N Parekh	-	-
Shri B S Mehta	Procter & Gamble Hygiene and Health Care Limited	Non-Executive - Independent Director
	Century Enka Limited	Non-Executive - Independent Director
	Gillette India Limited	Non-Executive - Independent Director - Chairperson
	Atul Limited	Non-Executive - Independent Director
Shri Sanjeev Aga	UFO Moviez India Limited	Non-Executive - Independent Director-Chairperson
	Mahindra Holidays & Resorts India Limited	Non-Executive - Independent Director
	Larsen & Toubro Infotech Limited	Non-Executive - Independent Director
	Larsen And Toubro Limited	Non-Executive - Independent Director
Shri Uday Khanna	Castrol India Limited	Non-Executive - Independent Director
	Pfizer Limited	Non-Executive - Independent Director
	Kotak Mahindra Bank Limited	Non-Executive - Independent Director
Smt Meera Shankar	ITC Limited	Non-Executive - Independent Director
	Adani Transmission Limited	Non-Executive - Independent Director
	Hexaware Technologies Limited	Non-Executive - Independent Director
	JK Tyre & Industries Ltd.	Non-Executive - Independent Director
Shri Vinod Kumar Dasari	Eicher Motors Ltd	Executive Director
Shri Piyush Pandey	D. B. Corp Limited	Non-Executive - Independent Director
	Zee Entertainment Enterprises Limited	Non-Executive - Independent Director
Shri Sabyaschi Patnaik (Upto 29th February, 2020)	-	-
Shri Debabrata Gupta (w.e.f. 1st March 2020)	-	-

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

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

The number of shares held by Non-Executive Directors as on 31st March 2020:

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

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

Skills/expertise/competencies identified by the Board of Directors (as on 31st March 2020)

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

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

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, meetings of the Independent Directors of the Company were held on 13th November 2019 and 5th March 2020.

This is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

3. Audit Committee

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

During the financial year 2019-20, five meetings of the Audit Committee were held on 13th May 2019, 5th August 2019, 12th November 2019, 28th January 2020 and 5th March 2020 (in respect of all the aforesaid meetings except the meeting held on 5th March 2020 certain business items were transacted and then meeting were adjourned to the next consecutive day for discussion on financial results and other related matters)

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

Sr. No.	Name	Designation	Category	No. of Meetings attended
1	Shri B S Mehta	Chairman	NED (I)	4
2	Shri M B Parekh	Member	ED (P)	5
3	Shri Uday Khanna	Member	NED (I)	5
4	Shri Sanjeev Aga	Member	NED (I)	5*

* Shri Sanjeev Aga was not able to attend the meeting held on 28th January 2020. However, he attended the adjourned Audit committee meeting held on 29th January 2020.

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

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

The Chairman of the Audit Committee was present at the 50th AGM held on 6th August 2019.

4. Nomination and Remuneration Committee (NRC)

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

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

During the financial year 2019-20, five meetings of the NRC were held on 13th May 2019, 13th November 2019, 16th December 2019, 29th January 2020 and 5th March 2020.

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

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

*Shri Vinod Dasari was appointed as member of NRC at the Board Meeting held on 13th November 2019.

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

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

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

The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness. The Board evaluation for financial year 2019-20 was completed and summary of findings and recommendations were discussed by the Directors.

A. Remuneration of Directors

Details of Executive Directors' remuneration for the financial year 2019-20 are given below:

(₹ in crores)

Sr. No.	Name	Salary *	Commission Payable	Variable Pay (Provision)	Perquisites and other allowances	Total	Tenure (No. of years)
1	Shri M B Parekh (Executive Chairman)	1.85	0	0	1.98	3.83	5 years from 01.08.2018
2	Shri Bharat Puri (Managing Director)	5.74	3.61	1.37	18.73	29.45	5 years from 10.04.2020@
3	Shri A B Parekh (Whole Time Director)	0.79	0	0	0.85	1.64	5 years from 01.08.2018
4	Shri A N Parekh (Whole Time Director)	0.69	4.34	0	0.68	5.71	5 years from 01.07.2020@
5	Shri Sabyaschi Patnaik (Whole Time Director)**	0.58	0	0	1.73	2.31	3 years from 19.05.2018
6	Shri Debabrata Gupta #	0.09	0	0.11	0.08	0.28	3 years from 01.03.2020

* Includes House Rent Allowance

** Resigned as a Director from the close of business hours of 29th February 2020.

\# Appointed as a Director w.e.f 1st March 2020.

@ Subject to approval of Shareholders, Board has re-appointed Shri Bharat Puri as Managing Director and Shri A N Parekh as Whole-time Director.

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

Details of Stock options:

Sr. No.	Name of the Director	Vesting date	No. of options#	Exercise period
1	Shri Bharat Puri	30.10.2019	1,10,000*	Within 3 years from the date of vesting
		30.10.2020	1,10,000	Within 3 years from the date of vesting
2	Shri Sabyaschi Patnaik	30.10.2019	1,150*	Within 3 years from the date of vesting
		08.11.2019	1,500*	
		30.10.2020	1,150**	

The stock options are issued at the face value.

* Vested and exercised.

** Options lapsed due to resignation.

B. Service contracts, notice period, severance fees

Notice period for the Executive Directors is as applicable to the senior employees of the Company except for Shri Bharat Puri where the notice period is of 365 days (as per agreement). No severance fee is payable to the Executive Directors on termination of employment.

C. Details of sitting fees and commission to Non-Executive Directors

The details of sitting fees paid for attending the Board/ Committee meetings and commission due to the Non-Executive Directors for the year ended 31st March 2020 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	3,90,000	20,00,000	23,90,000
2	Shri Sanjeev Aga	5,22,000	20,00,000	25,22,000
3	Shri Uday Khanna	3,60,000	20,00,000	23,60,000
4	Smt. Meera Shankar	2,10,000	20,00,000	22,10,000
5	Shri Vinod Kumar Dasari	2,10,000	20,00,000	22,10,000
6	Shri N K Parekh	7,50,000	20,00,000	27,50,000
7	Shri Piyush Pandey	1,80,000	20,00,000	21,80,000

The Non-Executive Directors did not have pecuniary relationships or transactions vis-à-vis the Company. The Company regularly obtains services from Ogilvy and Mather Pvt. Ltd., in which Shri Piyush Pandey, Independent Director of the Company, is a Whole-time Director. The Company has not granted any Stock option to any of its Non-Executive Directors.

In terms of Special Resolution passed by the Members at Annual General Meeting held on 30th August 2018, the aggregate commission paid to the Non-Executive Directors does not exceed 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The commission is determined by the Board of Directors considering the time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

5. Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the Listing Regulations. During the financial year 2019-20, fourteen meetings of the Share Transfer Committee were held and one meeting of Stakeholders Relationship Committee was held on 29th January 2020 which was attended by all the members of the Committee.

Details of composition of the Stakeholders Relationship Committee are given below:

Sr. No.	Name	Designation	Category
1	Shri Sanjeev Aga	Chairman	NED (I)
2	Shri N K Parekh	Member	NED (P)
3	Shri A B Parekh	Member	ED (P)

The Committee is empowered to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/transmission of shares, non-receipt of declared dividends, non-receipt of Annual Reports, effective exercise of voting rights by shareholder, service standards for Registrar and Share Transfer Agent, reducing quantum of unclaimed dividend, etc.

The status of investor grievances and share transfers is reported to the Board on periodic basis.

Shri Puneet Bansal, Company Secretary and Smt. Manisha Shetty, Additional Company Secretary, are the Compliance Officers for complying with the requirements of the Securities Laws and Listing Regulations.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and TSR Darashaw Consultants Pvt Ltd, have attended to all the shareholders'/investors' grievances/correspondences generally within a period of 15 days from the date of receipt.

The total number of letters received from the shareholders were 808 of which only 9 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 1 request for transfer of shares was pending as on 31st March 2020. This pending request lodged in the last week of March 2020 has been subsequently processed and completed.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) the Company has adopted a Code of Conduct for Prevention of Insider Trading (Code). All the Directors, employees and other persons specified therein are governed by this Code.

The Company appointed Shri A N Parekh, Whole Time Director, Shri Puneet Bansal, Company Secretary and Smt. Manisha Shetty, Additional Company Secretary as the Compliance Officers under PIT Regulations.

6. Risk Management Committee

In compliance with the provisions of the Companies Act, 2013 and Regulation 21 of Listing Regulations, the Risk Management Committee has been constituted under Chairmanship of Shri B S Mehta and Shri Uday Khanna, Shri A N Parekh, Shri Sabyaschi Patnaik (upto 29th February 2020), Shri Debabrata Gupta (with effect from 1st March, 2020), Shri A. D. Ubhaykar, Shri Sanjay Bahadur and Shri Pankaj Bhargava (with effect from 1st March 2020) as members. During the year, one meeting of the Committee was held on 12th November 2019.

The Company also has a Management Risk Committee, also known as the Risk Identification and Mitigation Committee (RIMC). 2 meetings of the RIMC were held during the financial year 2019-20.

7. Corporate Social Responsibility (CSR) Committee

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met two times during the financial year 2019-20 i.e. on 14th May 2019 and 28th January 2020. The constitution of the CSR Committee along with the details of the meetings attended during the financial year 2019-20 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri N K Parekh	Member	NED (P)	2
2	Shri Sanjeev Aga	Member	NED (I)	1
3	Shri A B Parekh	Member	ED (P)	2
4	Shri Sabyaschi Patnaik#	Member	ED	2
5	Smt. Meera Shankar	Member	NED (I)	2
6	Shri Debabrata Gupta*	Member	ED	-

Shri Sabyaschi Patnaik ceased to be a member of CSR Committee w.e.f. 01.03.2020 due to his resignation.

* Shri Debabrata Gupta was appointed as a member of CSR Committee w.e.f. 01.03.2020

Members elect Chairperson of the Committee at each meeting. The Company Secretary acts as Secretary to the Committee.

The CSR Committee is empowered, pursuant to its terms of reference, inter alia, to:

a) Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.

b) Recommend the amount of expenditure to be incurred.

c) Monitor the implementation of Corporate Social Responsibility Policy.

The details of the CSR initiatives of the Company form part of the Social & Community Services Initiatives Report and Annexure to the Directors' Report. The CSR Policy has been placed on the website of the Company: www.pidilite.com

8. General Body Meetings

Details of location, date and time of the Annual General Meetings held during the last three years are given below:

Financial Year	Venue	Date & Time	Details of special resolution passed at the AGM
2018-19	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	6th August 2019 at 3.00 p.m.	• Re-appointment of Shri N K Parekh as a Non-Executive Director, who retired by rotation. • Re-appointment of Shri B S Mehta as an Independent Director for a second consecutive term of 5 years • Re-appointment of Shri Uday Khanna as an Independent Director for a second consecutive term of 5 years • Re-appointment of Smt. Meera Shankar as an Independent Director for a second consecutive term of 5 years
2017-18	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	30th August 2018 at 11.00 a.m.	• Re-appointment of Shri M B Parekh as the Whole Time Director designated as Executive Chairman for a period of 5 years
2016-17	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	31st August 2017 at 11.00 a.m.	• Adoption of new Articles of Association of the Company.

The above mentioned Special Resolutions were passed with requisite majority.

Postal Ballot

No postal ballot was conducted during the financial year 2019-20. There is no immediate proposal for passing any resolution through postal ballot.

9. Means of Communication

- The extract of standalone and consolidated results are normally published in The Economic Times and Maharashtra Times and are displayed on the website of the Company: www.pidilite.com
- Official news releases and presentations made to Institutional Investors or to Analysts and transcripts of meeting with the Analysts are posted on the Company's website.
- The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other regulations issued by the SEBI.
- The Annual Report with Audited Financial Statements of the Company and its subsidiaries are available in downloadable formats on the website of the Company www.pidilite.com. The Annual Report and Audited Financial Statements of the Company are also available on the websites of the Stock Exchanges.

10. General Information for Shareholders

Detailed information in this regard is provided in the "Information for Shareholders" section, appearing in the Annual Report.

11. Disclosures

During the financial year 2019-20:

- There were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Company has a Vigil Mechanism and Whistle Blower Policy for Directors and Employees to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee Chairman.
- The Company has no material subsidiary. The Policy for determining 'material' subsidiary is uploaded on the website of the Company: www.pidilite.com
- Company's Policy on Related Party Transactions is uploaded on the website of the Company: www.pidilite.com
- The Company has not made preferential allotment or qualified institutional placement.
- There were no instances, wherein the Board had not accepted recommendations made by any committee of the Board.
- Total fees of ₹ 1.52 crores for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditor of the Company and all entities in the network firm/network entity of which the Statutory Auditor is a part.

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

The details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations are as follows:

Description	No. of Records	No. of Equity Shares of ₹ 1/- each
No. of shareholders and outstanding shares at the beginning of the year	48	43,619
No. of shareholder's request received for transfer of shares during the year	0	0
No. of shareholders to whom shares transferred during the year	0	0
No. of shareholders and shares transferred to IEPF A/C	5	4,833
No. of shareholders and outstanding shares at the end of the year	**43**	**38,786**

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

13. Compliance of discretionary requirements under Regulation 27 of Listing Regulations

a. The Chairman of the Company, Shri M B Parekh, is the Executive Chairman.

b. As the financial results are published in the newspapers and also posted on Company's website, the same are not being sent to the shareholders.

c. The Company's financial statements for the financial year ended 31st March 2020 do not contain any modified audit opinion.

d. Shri Bharat Puri is the Managing Director and Chief Executive Officer of the Company. He is not related to any Director, Key Managerial Personnel or their relatives of the Company.

e. The Internal Auditor reports directly to the Audit Committee.

14. Information relating to Directors

Information relating to Directors seeking appointment/reappointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the ensuing 51st Annual General Meeting.

15. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2019-20

a. Number of complaints filed during the financial year: 1

b. Number of complaints disposed of during the financial year: Nil

c. Number of complaints pending as on end of the financial year: 1

16. Certificate from Company Secretary in Practice:

A certificate from Shri M M Sheth of M/s. M M Sheth & Co., Company Secretary in Practice has been attached with this Report stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

17. Declaration by the Managing Director under Schedule V (D) of Listing Regulations:

'Pursuant to Schedule V (D) of Listing Regulations, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March 2020.'

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of
M/s. Pidilite Industries Limited

CIN: L24100MH1969PLC014336
Nominal Capital: ₹ 70 crores

We have examined relevant records of M/s Pidilite Industries Ltd. (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31st March 2020 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31st March 2020 as stipulated in the Listing Regulations.

This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 17th June 2020

For M M SHETH & CO.
(Company Secretaries)

M M SHETH
(Prop)
FCS No. 1455, CP No. 729
UDIN: F001455B000351244

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
M/s. Pidilite Industries Limited,
Regent Chambers, 7th Floor,
208, Nariman Point, Mumbai – 400021.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Pidilite Industries Limited** having **CIN: L24100MH1969PLC014336** and having registered office at **Regent Chambers, 7th Floor, 208, Nariman Point, Mumbai – 400021, Maharashtra, India** (hereinafter referred to as **'the Company'**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of Appointment in Company
1	Narendrakumar Kalyanji Parekh	00111518	28/07/1969
2	Madhukar Balvantray Parekh	00180955	31/08/1972
3	Ajay Balvantray Parekh	00035317	26/06/1985
4	Bansidhar Sunderlal Mehta	00035019	25/07/2000
5	Apurva Narendrakumar Parekh	00111366	01/07/2005
6	Bharat Tilakraj Puri	02173566	28/05/2008
7	Uday Chander Khanna	00079129	03/04/2014
8	Meera Shankar	06374957	30/07/2014
9	Sabyaschi Patnaik*	07183784	19/05/2015
10	Sanjeev Aga	00022065	29/07/2011
11	Vinod Kumar Dasari	00345657	01/09/2015
12	Piyush Indernarayan Pandey	00114673	11/04/2018
13	Debabrata Sujit Gupta	01500784	01/03/2020

*Resigned from the close of business hours of 29/02/2020

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

Place: Mumbai
Date: 17th June 2020

For M M SHETH & CO.
(Company Secretaries)

M M SHETH
(Prop)
FCS No. 1455, CP No. 729
UDIN: F001455B000351244

Annual General Meeting

Day, Date and Time:
Thursday, 10th September 2020 at 3.00 p.m.

Venue:

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

Financial Year: 1st April 2019 to 31st March 2020

Date of Book Closure:

Friday, 4th September 2020 to Thursday, 10th September 2020

(both days inclusive-only in case of shares held in physical form).

Dividend

An interim dividend of ₹ 7/- per equity share of ₹ 1/- each amounting to ₹ 355.61 crores, which was declared and paid during the financial year, will be considered as the final dividend.

Listing of Shares on Stock Exchanges:

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).The Annual Listing fee for the financial year 2019-20 has been paid to BSE and NSE.

Stock Codes

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

Market Price Data

Share prices during the financial year 2019-20 at NSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2019	1,312.60	1,195.00
May 2019	1,301.40	1,095.00
June 2019	1,304.80	1,209.10
July 2019	1,254.00	1,168.10
August 2019	1400.00	1,186.10
September 2019	1,493.50	1,288.00
October 2019	1,467.25	1,321.00
November 2019	1,424.45	1,278.00
December 2019	1,409.40	1,290.00
January 2020	1,545.00	1,381.95
February 2020	1,607.00	1,475.00
March 2020	1,709.90	1,185.55

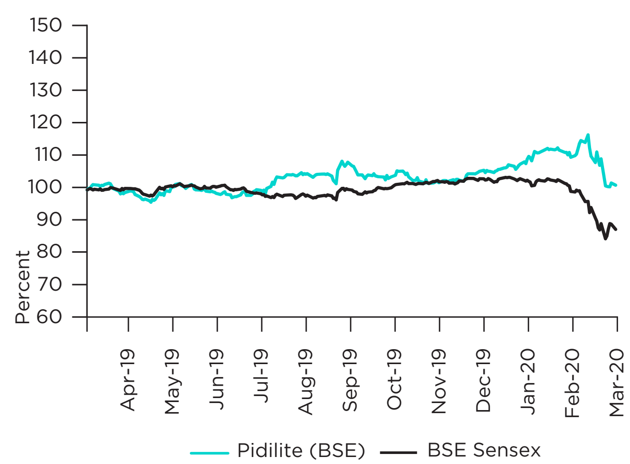
Share prices during the financial year 2019-20 at BSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2019	1,311.00	1,197.05
May 2019	1,296.20	1,090.00
June 2019	1,305.00	1,209.65
July 2019	1,253.00	1,168.80
August 2019	1,399.80	1,187.05
September 2019	1,494.90	1,288.50
October 2019	1,466.90	1,287.25
November 2019	1,424.30	1,278.70
December 2019	1,409.00	1,291.10
January 2020	1,544.00	1,382.25
February 2020	1,609.00	1,477.00
March 2020	1,709.85	1,186.05

Stock Performance

Base is considered to be 100 as on 1st April 2019.

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



Registrar & Share Transfer Agent

TSR Darashaw Consultants Private Limited
(formerly known as TSR Darashaw Limited),
Unit: Pidilite Industries Limited
6-10, Haji Moosa Patrawala Ind. Estate, 20,
Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011
Tel : 022 - 66568484
Fax : 022 - 66568494
E-mail : csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Share Transfer System

The Company has delegated the authority to approve shares received for transfer in physical form to TSR Darashaw Consultants Private Limited, Registrar & Share Transfer Agent and Share Transfer Committee comprising of the Directors viz, Sarva Shri N K Parekh, A B Parekh and A N Parekh.

Presently the share transfers documents are processed and the share certificates duly transferred are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March 2020

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Upto 5000	1,83,206	98.64	2,57,43,246	5.07
5001-10000	1,520	0.82	1,13,36,618	2.23
10001-20000	431	0.23	61,64,493	1.21
20001-30000	122	0.06	30,22,869	0.60
30001-40000	70	0.04	24,40,280	0.48
40001-50000	47	0.02	21,00,601	0.41
50001-100000	127	0.07	89,77,754	1.77
100001 and above	215	0.12	44,83,37,919	88.23
Total	**1,85,738**	**100.00**	**50,81,23,780**	**100.00**
No. of Shareholders & shares in physical mode	877	0.47	14,09,335	0.28
No. of beneficial owners & shares in electronic mode	1,84,861	99.53	50,67,14,445	99.72
Total	**1,85,738**	**100.00**	**50,81,23,780**	**100.00**

Dematerialisation of shares and liquidity

As on 31st March 2020, 99.72% of total equity shares of the Company were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under **ISIN - INE318A01026.**

Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

Transfer of unclaimed dividend & shares to the Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends and shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more have been transferred by the Company to the Investor Education and Protection Fund (IEPF) Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred to IEPF following unpaid or unclaimed dividends and corresponding shares as under:

Particulars	Amount of dividend (₹)	No. of shares
Final Dividend for the Financial Year 2011-12	11,38,340	35,987

The Company has uploaded the above mentioned details on its website: www.pidilite.com and also on the website of the IEPF Authority (www.iepf.gov.in).

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares from the IEPF Authority.

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, need to apply to the IEPF Authority by making an application in Form IEPF-5 (available on http://www.iepf.gov.in). Company has appointed Shri Puneet Bansal as Nodal Officer and Smt Manisha Shetty, as Deputy Nodal Officer.

Plant Locations

Major Plant locations-Mahad, Taloja, Karad (Maharashtra); Vapi, Surat, Dahej (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi, Nalagarh (Himachal Pradesh); Secunderabad (Telangana); Guwahati (Assam), Vizag (Andhra Pradesh).

Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2020. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA respectively. There was no revision in the said ratings during the year under review.

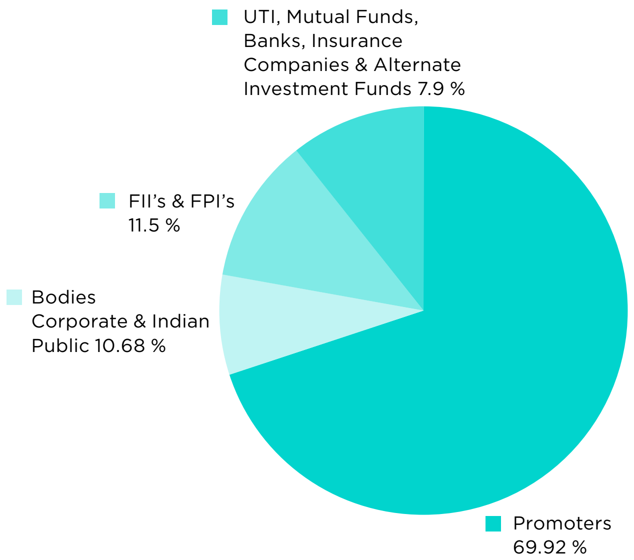
Commodity price risk / Foreign Exchange Risk and Hedging Activities

Certain key raw materials and packing materials used by the Company are derivatives of commodities such as crude oil, paper, aluminium etc. Any material price fluctuation in such commodities can impact the margins of the Company till the impact is appropriately factored in the pricing of Company's products. The Company does not undertake commodity hedging activities.

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with the policies of the Company.

Exposure to commodity and commodity risks faced by the Company throughout the year is Nil.

Shareholding Pattern as on 31st March 2020



Address for Correspondence

Registered Office:

Regent Chambers, 7th Floor, Jamnalal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021
Tel No: 022-2282 2708
CIN: L24100MH1969PLC014336

Corporate Office:

Ramkrishna Mandir Road,
Off. Mathuradas Vasanji Road,
Andheri (E), Mumbai - 400 059
Tel No : 022-28357000/7949
Fax No : 022-28216007
E-mail : investor.relations@pidilite.co.in
Website : www.pidilite.com

Corporate Secretarial/Investors' Assistance Department

The Company's Secretarial Department headed by Shri Puneet Bansal, Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/ Investors may contact Shri. Puneet Bansal or Smt. Manisha Shetty at the Corporate Office in Mumbai for any assistance they may need.

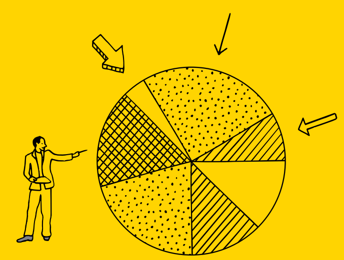
Outstanding GDRs/ADRs/Warrants

The Company has no outstanding GDRs/ADRs/ Warrants as on 31st March 2020.

Employee Stock Options

The information with regard to the Employee Stock Options are set out under Annexure to Directors' Report.

CONSOLIDATED



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pidilite Industries Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate and share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries and an associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Existence and condition of Inventories of raw and Packing Material, Work-in-progress, finished goods and stock in trade (Refer note 17 to the consolidated financial statements)	**We performed the following alternate audit procedures to audit the existence and condition of inventories of Parent Company in India, as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", as at the year-end, since we were not able to physically observe the physical verification of inventories:**
The Parent Company in India has a policy of performing physical verification of inventories, with the assistance of appointed independent third parties, on a planned cyclical basis, for all its locations, throughout the year. In accordance with such cyclical plan, physical verification of inventories at certain locations of Parent Company in India, which was planned to be performed as at year-end, was performed by the management subsequent to the year-end, which we were unable to physically observe, due to the restrictions imposed on account of COVID-19. The total value of inventory as at 31st March 2020 is ₹ 929.47 crores.	Evaluated the design and implementation of the controls over physical verification of inventory on a cyclical basis and tested the operating effectiveness of these controls throughout the year. Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end at certain locations. Consequently, we have performed the following alternate procedures to audit the existence and condition of inventory: a. Observed the physical verification of inventories carried out by the Management at the selected locations subsequent to year-end through virtual mediums, to determine existence and condition of inventory and on a sample basis performed roll back procedures to arrive at the quantities at the balance sheet date. b. For stocks held at third party locations, obtained direct confirmation of the inventory held by them as at the year end. c. Performed additional alternate procedures which included inspection of supporting documentation relating to purchases, sales and production records relating to inventory as at year end.

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Other Matters

(a) We did not audit the financial statements/ financial information of 32 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 1,552.94 crores as at 31st March 2020, total revenues of ₹ 945.53 crores and net cash inflows (net) amounting to ₹ 60.34 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 3.03 crores for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

(b) We did not audit the financial information of 2 subsidiaries, whose financial information reflect total assets of ₹ NIL as at 31st March 2020, total revenues of ₹ NIL and net cash inflows/ (outflows) amounting to ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ NIL for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of a joint venture, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors of the Parent as on 31st March 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

    ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN 20045474AAAABG3573

Place: **Mumbai**
Date: 17th June 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2020

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 10 subsidiary companies and an associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN 20045474AAAABG3573

Place: **Mumbai**
Date: 17th June 2020

CONSOLIDATED STATEMENT OF BALANCE SHEET

as at 31st March 2020

(₹ in crores)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	1,141.95	913.32
(b) Right of Use Assets	5	147.00	-
(c) Capital Work-In-Progress	4	259.33	242.13
(d) Goodwill	6	184.03	184.99
(e) Other Intangible Assets	6	333.73	349.30
(f) Investments accounted for using equity method	7	25.30	24.43
(g) Financial Assets			
(i) Investments	8	441.16	371.87
(ii) Loans	11	4.09	3.06
(iii) Other Financial Assets	13	42.85	41.74
(h) Income Tax Assets (net)	18	109.53	102.06
(i) Deferred Tax Assets (net)	53	13.00	10.72
(j) Other Non-Current Assets	20	72.78	88.89
Total Non-Current Assets		**2,774.75**	2,332.51
2 Current Assets			
(a) Inventories	17	929.47	934.45
(b) Financial Assets			
(i) Investments	9	719.73	1,151.40
(ii) Trade Receivables	10	1,088.50	1,056.01
(iii) Cash and Cash Equivalents	15	692.23	128.12
(iv) Bank balances other than (iii) above	16	11.02	62.31
(v) Loans	12	17.38	12.12
(vi) Other Financial Assets	14	103.18	71.61
(c) Current Tax Assets (net)	19	1.93	2.62
(d) Other Current Assets	21	197.51	163.36
Total Current Assets		**3,760.95**	3,582.00
TOTAL ASSETS		**6,535.70**	**5,914.51**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	50.81	50.80
(b) Other Equity	23	4,404.80	4,097.29
Equity attributable to owners of the Company		**4,455.61**	4,148.09
Non-Controlling Interests	42(b)	**215.65**	207.15
Total Equity		**4,671.26**	4,355.24
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	25.13	8.51
(ii) Lease Liabilities	54	83.08	-
(iii) Other Financial Liabilities	27	7.26	85.98
(b) Provisions	29	51.95	43.93
(c) Deferred Tax Liabilities (net)	53	82.29	120.14
Total Non-Current Liabilities		**249.71**	258.56
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	143.99	102.54
(ii) Trade Payables	26		
- Total Outstanding Dues of Micro Enterprise and Small Enterprises		23.13	31.55
- Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises		597.88	549.09
(ii) Lease Liabilities	54	28.39	-
(iii) Other Financial Liabilities	28	668.74	497.22
(b) Other Current Liabilities	31	122.34	89.55
(c) Provisions	30	21.59	19.79
(d) Current Tax Liabilities (net)	32	8.67	10.97
Total Current Liabilities		**1,614.73**	1,300.71
TOTAL LIABILITIES		**1,864.44**	1,559.27
TOTAL EQUITY AND LIABILITIES		**6,535.70**	**5,914.51**
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

PRADIP KUMAR MENON
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2020

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
Revenue from Operations	33	7,294.47	7,077.96
Other Income	34	149.43	146.64
Total Income		**7,443.90**	7,224.60
EXPENSES			
Cost of Materials Consumed	35	2,997.71	3,265.51
Purchases of Stock-in-Trade		383.57	396.28
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	21.22	(75.21)
Employee Benefits Expense	37	927.22	836.66
Finance Costs	38	33.60	26.07
Depreciation, Amortisation and Impairment Expense	39	169.92	132.74
Other Expenses	40	1,388.73	1,286.51
Total Expenses		**5,921.97**	5,868.56
Profit before Share of profit/ (loss) of Associate and Joint venture, Exceptional Items and Tax		**1,521.93**	1,356.04
Share of Profit in Associate (net of tax)	42(a)	3.03	3.60
Total Share of profit/ (loss) of Associate and Joint Venture		3.03	3.60
Profit before Exceptional Items and Tax		1,524.96	1,359.64
Exceptional Items	41	55.19	18.02
Profit before Tax		**1,469.77**	1,341.62
Tax Expense			
Current Tax	53	383.99	406.58
Deferred Tax	53	(36.27)	6.65
Net Tax Expense		**347.72**	413.23
Profit for the year		**1,122.05**	928.39
Attributable to:			
Shareholders of the Company		1,116.42	924.91
Non-Controlling Interest	42(b)	5.63	3.48
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(14.63)	(6.29)
Income tax relating to items that will not be reclassified to profit or loss		3.58	1.83
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		14.59	7.23
Total Other Comprehensive (Loss)/ Income		**3.54**	2.77
Attributable to:			
Shareholders of the Company		3.42	2.82
Non-Controlling Interest	42(b)	0.12	(0.05)
Total Comprehensive Income for the year		**1,125.59**	931.16
Attributable to:			
Shareholders of the Company		1,119.84	927.73
Non-Controlling Interest		5.75	3.43
Earnings Per Equity Share:	46		
Basic (₹)		21.98	18.21
Diluted (₹)		21.97	18.20
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

PRADIP KUMAR MENON
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2020

(₹ in crores)

a. Equity Share Capital	Amount
Balance as at 1st April 2018	**50.78**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Scheme - 2012 (refer Note 49)	0.01
• Issue of equity shares under Employee Stock Option Plan - 2016* (refer Note 49)	0.00
Balance as at 31st March 2019	**50.80**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Plan - 2016 (refer Note 49)	0.01
Balance as at 31st March 2020	**50.81**

* Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 48,550 during the year 2018-19.

(₹ in crores)

b. Other Equity

	Reserves and Surplus										Equity attributable to owners of the Company	Non-Controlling interest	TOTAL EQUITY
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings			
Balance as at 1st April 2018	**0.34**	**-**	**0.50**	**0.95**	**0.24**	**0.15**	**9.03**	**7.31**	**1,335.38**	**2,169.36**	**3,523.26**	**175.01**	**3,698.27**
Profit for the year	-	-	-	-	-	-	-	-	-	924.91	924.91	3.48	**928.39**
Addition of Foreign Currency Translation Reserve during the year	-	-	-	-	-	-	-	7.05	-	-	7.05	0.18	**7.23**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(4.24)	(4.24)	(0.23)	**(4.47)**
Payment of dividends (including tax thereon)	-	-	-	-	-	-	-	-	-	(364.32)	(364.32)	-	**(364.32)**
Non controlling interest on acquisition of subsidiary/ Issue of share capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	28.71	**28.71**
Recognition of share-based payments (refer Note 49)	-	10.01	-	-	-	-	0.62	-	-	-	10.63	-	**10.63**
Transferred to Securities Premium on Options exercised during the year	-	10.01	-	-	-	-	(10.01)	-	-	-	-	-	**-**
Exercised during the year	-	-	-	-	-	-	1.64	-	-	-	1.64	-	**1.64**
Amortised during the year	-	-	-	-	-	-	9.51	-	-	-	9.51	-	**9.51**
Lapsed during the year	-	-	-	-	-	-	(0.52)	-	-	-	(0.52)	-	**(0.52)**
Balance as at 31st March 2019	**0.34**	**10.01**	**0.50**	**0.95**	**0.24**	**0.15**	**9.65**	**14.36**	**1,335.38**	**2,725.71**	**4,097.29**	**207.15**	**4,304.44**

(₹ in crores)

b. Other Equity

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

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

(₹ in crores)

		For the year ended 31st March 2020		For the year ended 31st March 2019	
A	**Cash Flows From Operating Activities**				
	Profit before tax		**1,469.77**		1,341.62
	Adjustments for:				
	Share of profit from Associate	**(3.03)**		(3.60)	
	Finance costs recognised in Statement of Profit and Loss	**33.60**		26.07	
	Interest income recognised in Statement of Profit and Loss	**(12.46)**		(20.60)	
	Dividend income recognised in Statement of Profit and Loss	**(11.59)**		(10.02)	
	Dividend from Associate	**2.16**		2.43	
	Exceptional Item - Impairment in value of Assets and Investments	**55.19**		18.02	
	(Profit)/ Loss on disposal of Property, Plant and Equipment	**(2.67)**		1.71	
	Net gain arising on financial assets designated at FVTPL	**(109.79)**		(88.09)	
	Allowance for Doubtful Debts	**8.45**		9.78	
	Depreciation, Amortisation and Impairment Expense	**169.92**		132.74	
	Unrealised Foreign Exchange loss (Net)	**6.90**		6.26	
	Provision for Employee Benefits	**(10.12)**		5.91	
	Provision/ Write back of Warranties and Others	**5.31**		0.28	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**14.44**		10.64	
	Operating Profits before Working Capital changes		**1,616.08**		1,433.15
	Movements in Working Capital:				
	(Increase)/ Decrease in Operating Assets				
	Trade Receivables	**(37.58)**		(127.02)	
	Inventories	**0.02**		(135.56)	
	Non-Current Loans	**(1.03)**		2.85	
	Current Loans	**(5.26)**		(0.27)	
	Non-Current Financial Assets	**(1.34)**		(3.94)	
	Other Current Financial Assets	**(32.57)**		(6.05)	
	Other Non-Current Non Financial Assets	**2.65**		(3.02)	
	Other Current Non Financial Assets	**(34.15)**		12.13	
	(Decrease)/ Increase in Operating Liabilities				
	Trade Payables	**41.70**		30.70	
	Other Current Financial Liabilities	**166.92**		50.07	
	Other Non-Current Financial Liabilities	**(75.61)**		(9.45)	
	Other Current Non Financial Liabilities	**32.79**		10.46	
	Cash generated from Operations		**1,672.62**		1,254.05
	Taxes paid (net of refunds)		**(393.07)**		(409.27)
	Net Cash generated from Operating Activities [A]		**1,279.55**		**844.78**
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**(467.13)**		(262.52)	
	Proceeds from disposal of Property, Plant and Equipment & Other Intangible Assets	**23.20**		8.77	
	Payments to purchase Investments	**(1,438.73)**		(2,310.50)	
	Proceeds on sale of Investments	**1,910.03**		2,078.81	
	Decrease/ (Increase) in Bank Deposits	**53.03**		(53.14)	
	(Increase)/ Decrease in Other Bank Balances	**(1.51)**		6.08	
	Interest received	**12.46**		9.34	
	Dividend received	**11.59**		10.02	
	Net cash generated from/ (used in) Investing Activities [B]		**102.94**		**(513.14)**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2020

(₹ in crores)

		For the year ended 31st March 2020		For the year ended 31st March 2019	
C	**Cash Flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company	**0.01**		0.01	
	Payment of Lease Liabilities	**(34.02)**		-	
	Net increase/ (decrease) in Current Borrowings	**10.77**		(10.22)	
	Net increase in Non-Current Borrowings	**22.03**		1.07	
	Proceeds from Share Capital issued to Minority	**2.75**		28.71	
	Dividend paid on Equity Shares (including tax thereon)	**(825.36)**		(363.45)	
	Interest paid	**(25.39)**		(16.68)	
	Net cash used in Financing Activities [C]		**(849.21)**		**(360.56)**
	Net increase/ (decrease) in Cash and Cash Equivalents [A+B+C]		**533.28**		(28.92)
	Cash and Cash Equivalents at the beginning of the year (refer Note 15)	**72.94**		102.14	
	Bank unrealised gain	**0.33**		0.05	
	Cash and Cash Equivalents at the beginning of the year		**73.27**		**102.19**
	Cash and Cash Equivalents at the end of the year (refer Note 15)	**606.37**		72.94	
	Bank Unrealised Gain	**0.18**		0.33	
	Cash and Cash Equivalents at the end of the year		**606.55**		73.27
	Net increase/ (decrease) in Cash and Cash Equivalents		**533.28**		**(28.92)**

Notes:

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

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

(₹ in crores)

Particulars	As at 31st March 2019	Cash Flows	Non-Cash Changes Current/ Non-Current Classification	As at 31st March 2020
Borrowings - Non-Current	8.51	16.62	-	**25.13**
	(7.11)	(1.40)	(-)	**(8.51)**
Borrowings - Current	47.37	10.77	-	**58.14**
	(57.59)	((10.22))	(-)	**(47.37)**
Other Financial Liabilities				
- Current portion of Non-Current Borrowings	1.69	5.41	-	**7.10**
	(2.02)	((0.33))	(-)	**(1.69)**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 17th June 2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

PRADIP KUMAR MENON
Chief Financial Officer

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 17th June 2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

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

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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

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

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

b. Employee Stock Options - at Fair value

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Pidilite Industries Limited (the "Parent") and its subsidiaries (together referred to as "Group") and Group's share of profit/ loss in its Associate and Joint Venture as at 31st March 2020. Control exists when the Group has:

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

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

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

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

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March 2020.

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

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

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

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

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

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

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

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

2.3 Business Combination

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

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

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

2.4 Goodwill

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

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

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

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

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

2.5 Investments in Associates and Joint Ventures

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

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

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

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

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

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

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

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

2.6 Revenue Recognition

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

2.6.1.a Sale of goods

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

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

2.6.1.b Sale of Services

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

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

2.6.2 Dividend, Interest income and Royalty

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

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

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

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

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

2.7 Leasing

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1st April 2019.

2.7.1 Group as Lessor

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

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

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

2.7.2 Group as Lessee

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

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

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

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

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

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

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

Transition

Effective 1st April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group 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 Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March 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 31st March 2019.

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

i) Applied single discount rate to a portfolio of leases with reasonably similar characteristics.

ii) 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.

iii) Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

v) 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 31st March 2019 under Ind AS 17 disclosed under annual consolidated financial statements forming part of 2019 Annual Report and the value of the lease liability as of 1st April 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 Group has applied the incremental borrowing rate to derive lease liabilities as at 1st April 2019.

2.8 Foreign Currencies

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

2.9 Share-based payment transactions of the Group

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

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

2.10 Taxation

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

2.10.1 Current Tax

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

2.10.2 Deferred Tax

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

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

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

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

2.10.3 Current and Deferred Tax for the year

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

2.11 Property, Plant and Equipment

2.11.1 Property, Plant and Equipment acquired separately

Freehold Land is stated at cost and not depreciated.

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

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

2.11.2 Capital Work-In-Progress

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

2.11.3 Depreciation

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

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

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings	20-60 years
Leasehold Improvements	5-20 years
Plant and Machinery	1-25 years
Vehicles	1-10 years
Furniture and Fixtures	3-15 years
Office Equipment	1-20 years

2.12 Intangible Assets

2.12.1 Intangible assets acquired separately

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

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

2.12.2 Intangible assets acquired in a business combination

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

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

2.12.3 Internally generated Intangible Assets – Research and Development Expenditure

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

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

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

2.12.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

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

2.13 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

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

2.14 Inventories

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

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

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

2.15 Provisions (other than Employee Benefits)

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

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

Contingent liabilities are not recognised but disclosed in the Notes to the consolidated financial statements.

2.16 Financial Instruments

2.16.1 Initial Recognition and Measurement

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

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

2.16.2 Subsequent measurement of Financial Assets

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

2.16.3 Impairment of Financial Assets

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

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

2.16.4 Financial Liabilities and Equity Instruments

2.16.4.1 Classification of debt or equity

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

2.16.4.2 Equity Instruments

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

2.16.4.3 Financial Liabilities

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

2.16.5 Derecognition of Financial Assets and Liabilities

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

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

2.16.6 Derivative Financial Instruments

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

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

2.17 Cash Flow Statement

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

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

2.18 Segment Reporting

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

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

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

2.19 Employee Benefits

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

2.19.1 Defined Contribution Plans

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

2.19.2 Defined Benefit Plans

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

2.19.3 Short-Term and Other Long-Term Employee Benefits

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

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

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

2.20 Earnings per share

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

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

2.21 Assets held for sale

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

2.22 Discontinued operations

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

2.23 Non-current assets and disposal groups held for sale

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

3. Critical Accounting Judgements and key sources of Estimation Uncertainty

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

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

3.1 Critical Judgments

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

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

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

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

3.2 Key accounting, judgements, assumptions and estimates

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

3.2.1 Impairment of Goodwill and Other Intangible Assets

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

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

3.2.2 Business Combinations and Intangible Assets

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

3.2.3 Employee related provisions

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

3.2.4 Income taxes

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

3.2.5 Property, Plant and Equipment and Other Intangible Assets

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

3.2.6 Leases

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

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

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

(₹ in crores)

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

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Freehold Land	**123.33**	85.28
• Buildings	**381.68**	289.55
• Plant and Machinery	**552.22**	467.01
• Vehicles	**7.17**	7.83
• Furniture and Fixtures	**34.54**	31.71
• Office Equipment	**43.01**	31.94
	1,141.95	913.32
Capital Work-In-Progress*	**259.33**	242.13
TOTAL	**1,401.28**	**1,155.45**

* Net of Impairment ₹ **55.19** crores (₹ 5.92 crores as at 31st March 2019) (refer Note 41)

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2018	**84.39**	**321.34**	**1,089.68**	**25.06**	**84.47**	**110.25**	**1,715.19**
Additions	0.03	67.96	134.03	1.02	5.12	16.15	**224.31**
Disposals/ Adjustments	-	(0.68)	(38.40)	(1.39)	(1.01)	(5.66)	**(47.14)**
Foreign Currency Translation	0.86	2.77	1.97	0.17	0.43	(0.70)	**5.50**
Balance as at 31st March 2019	**85.28**	**391.39**	**1,187.28**	**24.86**	**89.01**	**120.04**	**1,897.86**
Additions	36.73	103.95	170.62	1.14	9.57	21.91	**343.92**
Disposals/ Adjustments	-	(3.39)	(16.15)	(0.41)	(0.19)	0.64	**(19.50)**
Foreign Currency Translation	1.32	6.86	4.01	0.29	1.05	0.43	**13.96**
Balance as at 31st March 2020	**123.33**	**498.81**	**1,345.76**	**25.88**	**99.44**	**143.02**	**2,236.24**
Accumulated Depreciation and Impairment							
Balance as at 1st April 2018	**-**	**(89.02)**	**(672.02)**	**(16.30)**	**(52.01)**	**(83.25)**	**(912.60)**
Eliminated on disposal of assets	-	0.06	28.75	1.32	0.66	5.08	**35.87**
Depreciation expense	-	(12.11)	(76.31)	(1.94)	(5.69)	(9.74)	**(105.79)**
Foreign Currency Translation	-	(0.77)	(0.69)	(0.11)	(0.26)	(0.19)	**(2.02)**
Balance as at 31st March 2019	**-**	**(101.84)**	**(720.27)**	**(17.03)**	**(57.30)**	**(88.10)**	**(984.54)**
Eliminated on disposal of assets	-	1.63	13.21	0.28	(1.09)	(0.13)	**13.90**
Depreciation expense	-	(15.03)	(84.11)	(1.75)	(5.84)	(11.73)	**(118.46)**
Foreign Currency Translation	-	(1.89)	(2.37)	(0.21)	(0.67)	(0.05)	**(5.19)**
Balance as at 31st March 2020	**-**	**(117.13)**	**(793.54)**	**(18.71)**	**(64.90)**	**(100.01)**	**(1,094.29)**
Net Carrying Amount							
Balance as at 1st April 2018	**84.39**	**232.32**	**417.66**	**8.76**	**32.46**	**27.00**	**802.59**
Additions	0.03	67.96	134.03	1.02	5.12	16.15	**224.31**
Disposals/ Adjustments	-	(0.68)	(38.40)	(1.39)	(1.01)	(5.66)	**(47.14)**
Depreciation expense	-	(12.11)	(76.31)	(1.94)	(5.69)	(9.74)	**(105.79)**
Depreciation Eliminated on disposal of assets	-	0.06	28.75	1.32	0.66	5.08	**35.87**
Foreign Currency Translation	0.86	2.00	1.28	0.06	0.17	(0.89)	**3.48**
Balance as at 31st March 2019	**85.28**	**289.55**	**467.01**	**7.83**	**31.71**	**31.94**	**913.32**
Additions	36.73	103.95	170.62	1.14	9.57	21.91	**343.92**
Disposals/ Adjustments	-	(3.39)	(16.15)	(0.41)	(0.19)	0.64	**(19.50)**
Depreciation expense	-	(15.03)	(84.11)	(1.75)	(5.84)	(11.73)	**(118.46)**
Depreciation Eliminated on disposal of assets	-	1.63	13.21	0.28	(1.09)	(0.13)	**13.90**
Foreign Currency Translation	1.32	4.97	1.64	0.08	0.38	0.38	**8.77**
Balance as at 31st March 2020	**123.33**	**381.68**	**552.22**	**7.17**	**34.54**	**43.01**	**1,141.95**

Notes:

(₹ in crores)

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

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Freehold Land	**13.79**	13.79
• Buildings	**22.29**	21.27
TOTAL	**36.08**	**35.06**

	Freehold Land	Buildings	TOTAL
Gross Carrying Amount			
Balance as at 1st April 2018	**13.79**	**26.12**	**39.91**
Additions	-	1.29	**1.29**
Disposals/ Adjustments	-	0.79	**0.79**
Balance as at 31st March 2019	**13.79**	**28.20**	**41.99**
Additions	-	3.12	**3.12**
Balance as at 31st March 2020	**13.79**	**31.32**	**45.11**
Accumulated Depreciation and Impairment			
Balance as at 1st April 2018	**-**	**(5.87)**	**(5.87)**
Eliminated on disposal of assets	-	(0.10)	**(0.10)**
Depreciation expense	-	(0.96)	**(0.96)**
Balance as at 31st March 2019	**-**	**(6.93)**	**(6.93)**
Depreciation expense	-	(2.10)	**(2.10)**
Balance as at 31st March 2020	**-**	**(9.03)**	**(9.03)**
Net Carrying Amount			
Balance as at 1st April 2018	**13.79**	**20.25**	**34.04**
Additions	-	1.29	**1.29**
Disposals/ Adjustments	-	0.79	**0.79**
Depreciation expense	-	(0.96)	**(0.96)**
Depreciation Eliminated on disposal of assets	-	(0.10)	**(0.10)**
Balance as at 31st March 2019	**13.79**	**21.27**	**35.06**
Additions	-	3.12	**3.12**
Depreciation expense	-	(2.10)	**(2.10)**
Balance as at 31st March 2020	**13.79**	**22.29**	**36.08**

b) Buildings include shares of co-operative societies of ₹ 0.01 crores (₹ 0.01 crores as at 31st March 2019)

(₹ in crores)

5 Right of Use Assets

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Leasehold Land	**67.34**	-
• Leasehold Buildings	**79.25**	-
• Plant and Machinery	**0.41**	-
TOTAL	**147.00**	**-**

	Leasehold Land	Leasehold Buildings	Plant and Machinery	TOTAL
Gross Carrying Amount				
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 54)	**66.25**	**82.36**	**0.55**	**149.16**
Additions	3.53	24.79	-	**28.32**
Foreign Currency Translation	1.34	(0.50)	-	**0.84**
Balance as at 31st March 2020	**71.12**	**106.65**	**0.55**	**178.32**
Accumulated Depreciation and Impairment				
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 54)	**-**	**-**	**-**	**-**
Depreciation expense	(3.66)	(27.63)	(0.14)	**(31.43)**
Foreign Currency Translation	(0.12)	0.23	-	**0.11**
Balance as at 31st March 2020	**(3.78)**	**(27.40)**	**(0.14)**	**(31.32)**
Net Carrying Amount				
Recognised on adoption of Ind AS 116 as at 1st April 2019 (refer Note 54)	**66.25**	**82.36**	**0.55**	**149.16**
Additions	3.53	24.79	-	**28.32**
Depreciation expense	(3.66)	(27.63)	(0.14)	**(31.43)**
Foreign Currency Translation	1.22	(0.27)	-	**0.95**
Balance as at 31st March 2020	**67.34**	**79.25**	**0.41**	**147.00**

6 Goodwill and Other Intangible Assets

	As at 31st March 2020	As at 31st March 2019
Carrying Amounts		
• Goodwill on Consolidation	**81.78**	81.10
• Goodwill (acquired separately)	**102.25**	103.89
Total Goodwill (A)	**184.03**	184.99
Other Intangible Assets		
• Trademark	**240.59**	242.66
• Computer Software	**15.24**	15.71
• Copyrights	**4.48**	4.72
• Technical Knowhow Fees	**38.34**	44.64
• Commercial Knowhow Fees	**34.03**	40.02
• Non Compete Fees	**1.05**	1.55
Total Other Intangible Assets (B)	**333.73**	349.30
Total Intangible Assets (A+B)	**517.76**	**534.29**

(₹ in crores)

	Goodwill	Trade-mark	Com-puter Software	Copy-rights	Technical Knowhow Fees	Com-mercial Knowhow Fees	Non Compete Fees	Intangible assets under develop-ment	TOTAL
Gross Carrying Amount									
Balance as at 1st April 2018	**177.42**	**251.52**	**50.37**	**4.72**	**74.13**	**59.95**	**6.51**	**-**	**624.62**
Additions	8.58	0.02	7.29	-	1.33	0.02	-	-	**17.24**
Disposals/ Adjustments	-	-	0.10	-	-	-	-	-	**0.10**
Foreign Currency Translation	(1.01)	(0.67)	(0.08)	-	(0.18)	-	(1.10)	-	**(3.04)**
Balance as at 31st March 2019	**184.99**	**250.87**	**57.68**	**4.72**	**75.28**	**59.97**	**5.41**	**-**	**638.92**
Additions	-	-	4.39	-	-	-	-	-	**4.39**
Disposals/ Adjustments	-	(0.24)	0.23	(0.24)	(0.76)	-	(0.02)	-	**(1.03)**
Foreign Currency Translation	(0.96)	0.91	(0.10)	-	0.06	-	0.03	-	**(0.06)**
Balance as at 31st March 2020	**184.03**	**251.54**	**62.20**	**4.48**	**74.58**	**59.97**	**5.42**	**-**	**642.22**
Accumulated Amortisation and Impairment									
Balance as at 1st April 2018	**-**	**(8.41)**	**(36.23)**	**-**	**(24.43)**	**(11.50)**	**(4.45)**	**-**	**(85.02)**
Eliminated on disposal of assets	-	-	(0.01)	-	-	-	-	-	**(0.01)**
Amortisation expense	-	(0.01)	(5.78)	-	(6.26)	(8.45)	(0.53)	-	**(21.03)**
Foreign Currency Translation	-	0.21	0.05	-	0.05	-	1.12	-	**1.43**
Balance as at 31st March 2019	**-**	**(8.21)**	**(41.97)**	**-**	**(30.64)**	**(19.95)**	**(3.86)**	**-**	**(104.63)**
Eliminated on disposal of assets	-	-	(0.12)	-	0.68	-	0.02	-	**0.58**
Amortisation expense	-	(2.45)	(4.87)	-	(6.31)	(5.99)	(0.53)	-	**(20.15)**
Foreign Currency Translation	-	(0.29)	-	-	0.03	-	-	-	**(0.26)**
Balance as at 31st March 2020	**-**	**(10.95)**	**(46.96)**	**-**	**(36.24)**	**(25.94)**	**(4.37)**	**-**	**(124.46)**
Net Carrying Amount									
Balance as at 1st April 2018	**177.42**	**243.11**	**14.14**	**4.72**	**49.70**	**48.45**	**2.06**	**-**	**539.60**
Additions	8.58	0.02	7.29	-	1.33	0.02	-	-	**17.24**
Disposals/ Adjustments	-	-	0.10	-	-	-	-	-	**0.10**
Amortisation expense	-	(0.01)	(5.78)	-	(6.26)	(8.45)	(0.53)	-	**(21.03)**
Amortisation Eliminated on disposal of assets	-	-	(0.01)	-	-	-	-	-	**(0.01)**
Foreign Currency Translation	(1.01)	(0.46)	(0.03)	-	(0.13)	-	0.02	-	**(1.61)**
Balance as at 31st March 2019	**184.99**	**242.66**	**15.71**	**4.72**	**44.64**	**40.02**	**1.55**	**-**	**534.29**
Additions	-	-	4.39	-	-	-	-	-	**4.39**
Disposals/ Adjustments	-	(0.24)	0.23	(0.24)	(0.76)	-	(0.02)	-	**(1.03)**
Amortisation expense	-	(2.45)	(4.87)	-	(6.31)	(5.99)	(0.53)	-	**(20.15)**
Amortisation Eliminated on disposal of assets	-	-	(0.12)	-	0.68	-	0.02	-	**0.58**
Foreign Currency Translation	(0.96)	0.62	(0.10)	-	0.09	-	0.03	-	**(0.32)**
Balance as at 31st March 2020	**184.03**	**240.59**	**15.24**	**4.48**	**38.34**	**34.03**	**1.05**	**-**	**517.76**

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

(₹ in crores)

	As at 31st March 2020	As at 31st March 2019
Goodwill on Consolidation		
• Cipy Polyurethanes Pvt Ltd (CIPY)	**57.62**	57.62
• Pidilite Bamco Ltd (Bamco)	**22.27**	21.57
• Bhimad Commercial Co Pvt Ltd (Bhimad)	**0.01**	0.01
• Madhumala Traders Pvt Ltd (Madhumala)	**0.01**	0.01
• Pidilite Industries Egypt SAE (PIE)	**1.87**	1.89
Total (A)	**81.78**	81.10
Goodwill acquired separately*		
• Pidilite Industries Limited	**86.11**	86.11
• Nitin Enterprises (Nitin)	**0.23**	0.23
• Building Envelope Systems India Ltd (BESI)	**0.55**	0.55
• Nina Percept Pvt Ltd (Nina Percept)	**5.13**	5.13
• ICA Pidilite Pvt Ltd (ICA)	**2.08**	2.08
• Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda (Pulvitec)	**7.63**	9.30
• Pidilite USA Inc (PUSA)	**0.52**	0.49
Total (B)	**102.25**	103.89
Total Goodwill (A+B)	**184.03**	**184.99**

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

Goodwill, Copyrights and Trademark

Goodwill, copyrights and trademark in the books of the Group pertains mainly to Consumer and Bazaar business (majorly consists of Consumer and Bazaar business of Parent). At the end of each reporting period, the Group reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cashflows from Consumer and Bazaar business. Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill, copyrights and trademark in the books as on 31st March 2020. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark is required to be recognised.

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

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management approved by the management for next year, estimates prepared for the next 4 years thereafter and a discount rate of 12% per annum (13.1% per annum as at 31st March 2019).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 8% per annum (8% per annum as at 31st March 2019) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:	
Budgeted sales growth	Sales growth is assumed at 17.5% (CAGR) (14.5% as at 31st March 2019) in line with current year projections. The values assigned to the assumption reflect past experience and current market scenario considering COVID-19 impact and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next five years is reasonably achievable.
Raw materials price inflation	Forecast for material cost growth CAGR higher by 0.2% (1% as at 31st March 2019) vs. sales growth, considering impact of commodity cost inflation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

7 Investments accounted for using equity method

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
Carrying amount determined using the Equity method of accounting				
A] Investment in Equity Instruments (Quoted)				
Investment in Associates (fully paid up)				
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18
Add: Share in accumulated Profits/ Reserves		**24.12**		23.25
Total [A]		**25.30**		24.43
B] Investment in Joint Venture (fully paid up) (Unquoted)				
• Equity Shares of AED 1000 each of Plus Call Technical Services LLC	**57**	**0.21**	57	0.21
Add: Share in accumulated Profits/ Reserves		**1.56**		1.56
		1.77		1.77
Less: Impairment in value of Investments*		**(1.77)**		(1.77)
Total [B]		**-**		-
TOTAL [(A)+(B)]		**25.30**		**24.43**

*During the year, Group has recognised impairment amounting to ₹ **Nil** crores (₹ 1.77 crores for the year ended 31st March 2019) for investment made in Joint Venture and ₹ **Nil** crores (₹ 4.36 crores for the year ended 31st March 2019) for the loan given to Joint Venture (refer Note 41).

• Aggregate carrying value of quoted investments	**25.30**	24.43
• Aggregate market value of quoted investments	**31.15**	60.10
• Aggregate carrying value of unquoted investments	**-**	-
• Aggregate amount of Impairment in value of investments	**1.77**	1.77

8 Investments - Non-Current

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Equity Instruments (fully paid up) (at FVTPL) (Unquoted)				
Equity Shares of ₹ 10 each of Pal Peugeot Ltd	**1,21,300**	**0.12**	1,21,300	0.12
Less: Impairment in value of Investments		**(0.12)**		(0.12)
Total [A]		**-**		-
B] Investment in Preference Shares (at FVTPL) (Quoted)				
Non-Cumulative Perpetual Preference Shares of Kotak Mahindra Bank Ltd	**3,00,00,000**	**15.20**	3,00,00,000	15.00
Total [B]		**15.20**		15.00
C] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
Units of Bharat Bond ETFs	**2,50,000**	**25.55**	-	-
Total [C]		**25.55**		-
D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)				
Units of Fireside Ventures Investment Fund II	**50,000**	**4.13**	-	-
Total [D]		**4.13**		-
E] Investment in Promissory Note (at FVTPL) (Unquoted)				
Convertible Promissory Note of Clare Inc [refer Note 56 (a)]	**1**	**3.77**	1	3.46
Total [E]		**3.77**		3.46
F] Investments in Preference Shares (at FVTPL) (Unquoted) [refer Note 56 (b)]				
Compulsory Convertible Cumulative Preference Shares of Homevista Décor & Furnishings Pvt Ltd	**17,52,734**	**49.00**	-	-
Compulsory Convertible Non-Cumulative Preference Shares of Trendsutra Platform Services Pvt Ltd	**1,47,80,200**	**71.48**	-	-
Compulsory Convertible Cumulative Preference Shares of Aapkapainter Solutions Pvt Ltd	**1,625**	**2.00**	-	-
Total [F]		**122.48**		-

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
G] Investment in Promissory Note (at amortised cost) (Unquoted)				
Convertible Promissory Note of Optmed Inc**	1	5.65	1	5.20
Less : Impairment in value of Investments		(1.41)		(1.31)
Total [G]		4.24		3.89
H] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	1,00,00,000	11.81	1,00,00,000	10.82
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	2,00,00,000	23.55	2,00,00,000	21.59
• Units of DSP BlackRock FMP S223-39M - Direct Growth	1,50,00,000	17.76	1,50,00,000	16.27
• Units of DSP BlackRock FMP S224-39M - Direct Growth	1,50,00,000	17.67	1,50,00,000	16.21
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	1,00,00,000	11.81	1,00,00,000	10.82
• Units of IDFC FTP Series 140 Direct Plan - Growth (1145 days)	1,50,00,000	17.73	1,50,00,000	16.25
• Units of Kotak FMP Series 219 - Direct Growth	1,50,00,000	17.77	1,50,00,000	16.29
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	50,00,000	5.91	50,00,000	5.42
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	1,00,00,000	11.83	1,00,00,000	10.83
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	2,00,00,000	23.12	2,00,00,000	21.01
• Units of SBI FMP Series C33 1216 days - Direct Growth	2,00,00,000	22.69	2,00,00,000	20.66
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	2,00,00,000	22.06	2,00,00,000	20.08
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	2,00,00,000	22.57	2,00,00,000	20.54
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	2,00,00,000	22.21	2,00,00,000	20.20
• Units of IDFC FTP Series 149- Direct Plan Growth	1,50,00,000	17.26	1,50,00,000	16.17
• Units of IDFC Money Manager Fund	9,191	0.04	-	-
• Units of ICICI Prudential Short Term Fund - Growth	-	-	1,12,15,155	45.25
• Units of Axis Banking & PSU Debt fund - Direct Plan Growth	-	-	1,16,058	20.54
• Units of IDFC Banking and PSU Debt Fund - Direct Plan Growth	-	-	1,23,89,578	20.10
• Units of SBI Banking & PSU Debt Fund - Direct Plan Growth	-	-	95,378	20.47
Total [H]		265.79		349.52
Total [A+B+C+D+E+F+G+H]		441.16		371.87
• Aggregate carrying value of quoted investments		40.75		15.00
• Aggregate market value of quoted investments		40.75		15.00
• Aggregate carrying value of unquoted investments		400.41		356.87
• Aggregate amount of Impairment in value of investments		1.53		1.43

The Group invested in convertible promissory note of Optimed Inc., the conversion of which is subject to various covenants and an option to convert at the sole discretion of the Group upon certain future event. Management has considered and valued this investment as a 'debt instrument' and believes that the valuation of the option can be done only after the occurrence of the specific future event. During the year, Group has recognised impairment amounting to ₹ **Nil crores (₹ 1.31 crores for the year ended 31st March 2019) (refer Note 41) and has written off the accrued interest receivable on the promissory notes amounting to ₹ **Nil** crores (₹ 1.10 crores for the year ended 31st March 2019).

9 Investments - Current

	As at 31st March 2020		As at 31st March 2019	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
• Tax-free bonds of Housing and Urban Development Corporation Ltd	2,00,000	21.27	2,00,000	21.04
• Tax-free bonds of National Housing Bank	10,000	5.59	10,000	5.48
• Tax-free bonds of Indian Railway Finance Corporation 12 Feb 22	70,000	7.57	70,000	7.56
• Tax-free bonds of Indian Railway Finance Corporation 11 Jan 26	1,000	10.40	1,000	10.39
• Secured, redeemable, non-convertible debentures of Citicorp Finance (India) Ltd	-	-	2,500	26.59
• Secured, redeemable, non-convertible debentures of HDB Financial services	-	-	250	30.38
Total [A]		44.83		101.44
B] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of HDFC Overnight Fund - Direct Growth	6,79,896	201.88	1,68,854	47.66
• Units of SBI Overnight Fund - Direct Plan Growth	6,46,655	210.40	1,60,785	49.72
• Units of Aditya Birla Sun Life Overnight Fund - Direct Growth	9,22,816	99.70	-	-
• Units of ICICI Overnight Fund - Direct Growth	1,51,16,609	162.92	-	-
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	-	-	4,81,11,596	61.87
• Units of Reliance Banking & PSU Debt Fund - Direct Growth Plan	-	-	5,52,03,331	75.04
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	-	-	2,67,44,404	58.92
• Units of ICICI Prudential Liquid Plan- Direct Growth	-	-	657	0.02
• Units of ICICI Prudential Equity Arbitrage Fund - Direct Plan Dividend - DR	-	-	6,02,48,585	87.31
• Units of Kotak Equity Arbitrage Fund - Direct Plan Fortnightly Dividend	-	-	3,92,78,155	92.46
• Units of Kotak Savings Fund - Direct Plan Growth	-	-	3,63,21,092	110.97
• Units of Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Growth	-	-	15,28,949	36.99
• Units of Aditya Birla Sun Life Corporate Bond Fund - Direct Plan Growth	-	-	64,44,650	46.49
• Units of Aditya Birla Sun Life Equity Arbitrage Fund - Direct Dvd reinvst	-	-	7,90,33,020	87.13
• Units of Reliance Arbitrage Fund - Direct Dvd reinvst	-	-	6,98,70,243	90.08
• Units of HDFC Short Term Debt Fund - Direct Plan Growth	-	-	1,77,04,254	36.88
• Units of HDFC Corporate Bond Fund - Direct Plan Growth	-	-	2,31,55,787	48.48
• Units of ICICI Prudential Bond Fund - Direct Plan Growth	-	-	1,31,84,101	34.82
• Units of ICICI Prudential Corporate Bond Fund - Direct Plan Growth	-	-	4,33,00,226	85.12
Total [B]		674.90		1,049.96
C] Other Investments				
Deposits (at amortised cost)				
• IL & FS Financial Services Limited		1.55		1.55
• Infrastructure Leasing & Financial Services Limited		7.25		7.25
		8.80		8.80
Less: Impairment in value of Investments*		(8.80)		(8.80)
Total [C]		-		-
TOTAL [A+B+C]		719.73		1,151.40
• Aggregate carrying value of quoted investments		44.83		101.44
• Aggregate market value of quoted investments		44.83		101.44
• Aggregate carrying value of unquoted investments		674.90		1,049.96
• Aggregate amount of Impairment in value of investments		8.80		8.80

*During the year, Group has recognised impairment amounting to ₹ **Nil** (₹ 8.80 crores for the year ended 31st March 2019) and has written off the accrued interest receivable on the deposits amounting to ₹ **Nil** crores (₹ 1.78 crores for the year ended 31st March 2019) (refer Note 41)

(₹ in crores)

10 Trade Receivables

	As at 31st March 2020	As at 31st March 2019
• Secured, Considered good	**105.20**	87.67
• Unsecured, Considered good	**983.30**	968.34
• Unsecured, Considered doubtful	**77.52**	68.44
• Unsecured which have Significant Increase in Credit Risk	**-**	-
• Unsecured, Credit Impaired	**-**	-
	1,166.02	1,124.45
Less: Allowance for expected credit loss	**(77.52)**	(68.44)
TOTAL	**1,088.50**	**1,056.01**

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

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

Movement in expected credit loss allowance

	For the year ended 31st March 2020	For the year ended 31st March 2019
Balance at the beginning of the year	**68.44**	58.66
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**9.08**	9.78
Balance at the end of the year	**77.52**	**68.44**

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

11 Loans - Non-Current

	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**4.09**	3.06
Loans to Joint Venture*	**4.97**	4.36
Less: Impairment in value of loan**	**(4.97)**	(4.36)
	-	-
TOTAL	**4.09**	**3.06**

* Loans given for business purpose.

** During the year, Group has recognised impairment amounting to ₹ **Nil** crores (₹ 4.36 crores for the year ended 31st March 2019) for the loan given to Joint Venture and ₹ **Nil** crores (₹ 1.77 crores for the year ended 31st March 2019) for investment made in Joint Venture (refer Note 41).

12 Loans - Current

	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**17.38**	12.12
TOTAL	**17.38**	**12.12**

*Loans given for business purpose.

(₹ in crores)

13 Other Financial Assets - Non-Current

	As at 31st March 2020	As at 31st March 2019
Security Deposit	**19.52**	16.74
Fixed Deposits with Banks with original maturity of more than 12 months	**3.29**	3.52
Retention Money Receivable	**19.99**	21.47
Other Receivables		
Unsecured, Considered good	**0.05**	0.01
Considered doubtful	**1.74**	1.74
	1.79	1.75
Less: Allowance for doubtful balances	**(1.74)**	(1.74)
	0.05	0.01
TOTAL	**42.85**	**41.74**

14 Other Financial Assets - Current

	As at 31st March 2020	As at 31st March 2019
Security Deposit		
Unsecured, Considered good	**8.51**	8.19
Considered doubtful	**0.55**	0.45
	9.06	8.64
Less: Allowance for doubtful balances	**(0.55)**	(0.45)
	8.51	8.19
Derivative assets towards foreign exchange forward contracts	**1.81**	0.03
Retention Money Receivable		
Unsecured, Considered good	**17.58**	13.64
Considered doubtful	**1.51**	0.51
	19.09	14.15
Less: Allowance for doubtful balances	**(1.51)**	(0.51)
	17.58	13.64
Uncertified Revenue from Works Contract	**70.60**	45.03
Other Receivables*	**4.68**	4.72
TOTAL	**103.18**	**71.61**

* Includes Windmill income and Insurance claim receivable.

15 Cash and Cash Equivalents

	As at 31st March 2020	As at 31st March 2019
Cash and Cash Equivalents		
Cash on Hand	**0.39**	0.29
Cheques on Hand	**0.85**	27.82
Balance with banks		
In Current Account	**169.22**	71.70
In EEFC Account	**12.89**	20.00
In Fixed Deposit Accounts with original maturity of 3 months or less	**508.88**	8.31
TOTAL	**692.23**	128.12
Cash and Cash Equivalents (as above)	**692.23**	128.12
Cash Credits and Bank Overdrafts (refer Note 25)	**(85.86)**	(55.18)
Cash and Cash equivalents (as per Statement of Cash Flows)	**606.37**	**72.94**

(₹ in crores)

16 Bank Balances other than Cash and Cash Equivalents above	As at 31st March 2020	As at 31st March 2019
Balance with banks		
In Escrow Account	**0.14**	0.04
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**-**	0.29
In Fixed Deposit Accounts with original maturity of more than 3 months but upto 12 months (refer Note a)	**7.62**	60.13
Earmarked Account		
Dividend Payment Bank Account	**3.26**	1.85
TOTAL	**11.02**	**62.31**
a. Includes Fixed Deposit under lien	**0.99**	2.57

17 Inventories (at lower of cost and net realisable value)	As at 31st March 2020	As at 31st March 2019
Raw Material and Packing Material	**420.44**	404.72
Work-in-Progress	**78.75**	84.02
Finished Goods	**312.62**	321.24
Stock-in-Trade (acquired for trading)	**111.30**	118.63
Stores and Spares	**6.36**	5.84
TOTAL	**929.47**	934.45
Included above Goods-in-Transit		
Raw Material and Packing Material	**41.79**	43.99
Work-in-Progress	**1.87**	1.80
Finished Goods	**41.15**	43.90
Stock-in-Trade (acquired for trading)	**8.69**	6.28
TOTAL	**93.50**	**95.97**

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **3,402.50** crores (₹ 3,586.58 crores for the year ended 31st March 2019).

b. The cost of inventories recognised as an expense includes ₹ **0.37** crores in respect of write-downs of inventory to net realisable value (₹ 0.27 crores for the year ended 31st March 2019).

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

18 Income Tax Assets (net) - Non-Current	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes (net of provisions)	**109.53**	102.06
TOTAL	**109.53**	**102.06**

(₹ in crores)

19 Current Tax Assets (net)	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes (net of provisions)	**1.93**	2.62
TOTAL	**1.93**	**2.62**

20 Other Non-Current Assets	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered good		
Capital Advances	**47.50**	19.93
Prepaid Expenses	**0.27**	41.53
Balance with Government Authorities*	**25.01**	27.43
TOTAL	**72.78**	**88.89**

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

21 Other Current Assets	As at 31st March 2020	As at 31st March 2019
Export Benefits receivable		
Unsecured, Considered good	**11.14**	11.63
Considered doubtful	**-**	0.20
	11.14	11.83
Less: Allowance for doubtful balances	**-**	(0.20)
	11.14	11.63
Balance with Government Authorities*		
Unsecured, Considered good	**126.88**	111.77
Considered doubtful	**0.08**	0.07
	126.96	111.84
Less: Allowance for doubtful balances	**(0.08)**	(0.07)
	126.88	111.77
Advances to Vendors		
Unsecured, Considered good	**45.16**	26.86
Considered doubtful	**0.01**	0.10
	45.17	26.96
Less: Allowance for doubtful balances	**(0.01)**	(0.10)
	45.16	26.86
Prepaid Expenses	**14.33**	13.10
TOTAL	**197.51**	**163.36**

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

(₹ in crores)

	As at 31st March 2020	As at 31st March 2019
22 Equity Share Capital		
Authorised Capital:		
70,00,00,000 Equity Shares of ₹ 1 each	**70.00**	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31st March 2019)		
TOTAL	**70.00**	**70.00**
Issued, Subscribed and Paid-up Capital:		
50,81,23,780 Equity Shares of ₹ 1 each, fully paid up	**50.81**	50.80
(50,79,78,280 Equity Shares of ₹ 1 each as at 31st March 2019)		
TOTAL	**50.81**	**50.80**

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

	Number of Shares	₹ in crores
Balance as at 1st April 2018	50,78,10,330	50.78
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	1,19,400	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016*	48,550	0.00
Balance as at 31st March 2019	50,79,78,280	50.80
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	1,45,500	0.01
Balance as at 31st March 2020	**50,81,23,780**	**50.81**

* Issue of equity shares under Employee Stock Option Plan-2016 amounts to ₹ 48,550 during the year 2018-19.

b. Terms/ Rights attached to equity shares

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

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

During the year ended 31st March 2020, the Company had paid Final Dividend of ₹ 6.50 per equity share of ₹ 1 each for the financial year 2018-19 and Interim Dividend of ₹ 7.00 per equity share of ₹ 1 each for the financial year 2019-20.

During the year ended 31st March 2019, the Company had paid Final Dividend of ₹ 6.00 per equity share of ₹ 1 each for the financial year 2017-18.

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

	As at 31st March 2020		As at 31st March 2019	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,20,51,286**	**10.24**	5,27,62,286	10.39
Shri Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.68**	5,42,73,688	10.69
Shri Ajay Balvantray Parekh	**4,74,33,489**	**9.34**	4,74,33,489	9.34
Shri Sushilkumar Kalyanji Parekh	**4,13,97,646**	**8.15**	4,18,17,646	8.23
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.16**	2,62,24,280	5.16

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date:

	As at 31st March 2020	As at 31st March 2019
	Number of Shares	Number of Shares
Equity Shares		
Buy-back of Shares	**50,00,000**	50,00,000

e. Equity Shares reserved for issuance under Employee Stock Option Scheme/Plan:

	As at 31st March 2020	As at 31st March 2019
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme-2012	**34,200**	34,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan-2016	**41,13,500**	41,14,100

(₹ in crores)

23 Other Equity	As at 31st March 2020	As at 31st March 2019
Capital Reserve	**0.34**	0.34
Securities Premium Reserve	**23.21**	10.01
Capital Redemption Reserve	**0.50**	0.50
Cash Subsidy Reserve	**0.95**	0.95
Legal Reserve	**0.25**	0.24
State Investment Reserve	**0.15**	0.15
Share Options Outstanding Account	**10.89**	9.65
Foreign Currency Translation Reserve	**28.83**	14.36
General Reserve	**1,335.38**	1,335.38
Retained Earnings	**3,004.30**	2,725.71
TOTAL	**4,404.80**	**4,097.29**

23.1 Capital Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.34**	0.34
Add/ (Less): Additions/ (Deductions) during the year	**-**	-
Closing Balance	**0.34**	**0.34**

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

23.2 Securities Premium Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**10.01**	-
Add : Premium on Shares issued against ESOP	**13.20**	10.01
Closing Balance	**23.21**	**10.01**

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

23.3 Capital Redemption Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.50**	0.50
Add : Transferred from General Reserve on Buy-back of Shares	**-**	-
Closing Balance	**0.50**	**0.50**

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

(₹ in crores)

23.4 Cash Subsidy Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.95**	0.95
Add/ (Less): Additions/ (Deductions) during the year	**-**	-
Closing Balance	**0.95**	**0.95**

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

23.5 Legal Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.24**	0.24
Add/ (Less) : Additions/ (Deductions) during the year	**0.01**	-
Closing Balance	**0.25**	**0.24**

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

23.6 State Investment Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**0.15**	0.15
Add/ (Less): Additions/ (Deductions) during the year	**-**	-
Closing Balance	**0.15**	**0.15**

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

23.7 Share Options Outstanding Account	As at 31st March 2020	As at 31st March 2019
Employees Stock Options Outstanding		
Balance at the beginning of the year	**29.38**	12.54
Add : Options granted during the year	**1.72**	27.87
Less : Transferred to Securities Premium on Options exercised during the year	**(13.20)**	(10.01)
Less : Lapsed during the year	**(0.95)**	(1.02)
Closing Balance (A)	**16.95**	29.38
Deferred Employees Stock Options Cost		
Balance at the beginning of the year	**(19.73)**	(3.51)
Less : Options granted during the year	**(1.72)**	(27.87)
Add : Amortised and exercised during the year	**14.84**	11.15
Add : Lapsed during the year	**0.55**	0.50
Closing Balance (B)	**(6.06)**	(19.73)
Closing Balance (A+B)	**10.89**	**9.65**

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

(₹ in crores)

23.8 Foreign Currency Translation Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	14.36	7.31
Add : Exchange difference arising on translatory foreign operations	14.47	7.05
Closing Balance	**28.83**	**14.36**

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

23.9 General Reserve	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	1,335.38	1,335.38
Add : Transferred from Statement of Profit & Loss	-	-
Closing Balance	**1,335.38**	**1,335.38**

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

	As at 31st March 2020	As at 31st March 2019
23.10 Retained Earnings		
Balance at the beginning of the year	2,725.71	2,169.36
Add : Profit for the year	1,116.42	924.91
Less : Payment of Final Dividend	(330.19)	-
Payment of Interim Dividend for the year 2019-20	(355.61)	(304.69)
Tax on Dividend paid	(140.97)	(59.63)
Other Comprehensive Income for the year, net of income tax	(11.06)	(4.24)
Closing Balance	**3,004.30**	**2,725.71**

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

24 Borrowings - Non-Current

	As at 31st March 2020	As at 31st March 2019
Secured- Term Loan from Bank	18.60	-
Unsecured- Term Loan from Bank	6.53	8.51
TOTAL	**25.13**	**8.51**

i) Secured term loan for international subsidiaries at 9% - 11.97% is secured by hypothecation of plant and machineries, land and building.

ii) Unsecured term loan from bank for an international subsidiary carries an interest rate of AWPLR - 0.50% p.a. (SLIBOR + 0.80% p.a., AWPLR - 0.50% p.a. as at 31st March 2019). The maturity date for international subsidiaries varies from January 2024 to October 2024 which is repayable in monthly, quarterly instalments.

(₹ in crores)

25 Borrowings - Current

	As at 31st March 2020	As at 31st March 2019
Secured - at amortised cost		
1) Loans repayable on demand from banks		
i) Working Capital Demand Loan	39.63	27.44
ii) Cash Credit	-	4.42
iii) Bank Overdraft	50.34	18.93
2) Amount due on Factoring	7.32	10.43
Unsecured - at amortised cost		
Loans repayable on demand from banks		
i) Working Capital Demand Loan	11.18	9.49
ii) Bank Overdraft	35.52	31.83
TOTAL	**143.99**	**102.54**

Secured

1) i) Secured working capital demand loan for domestic subsidiaries carries interest rate of 8.5% p.a. (9.10% - 9.35% p.a. as at 31st March 2019) and for international subsidiaries at 11.50% - 12.43%, LIBOR + 2.7% p.a.(4.44% p.a. as at 31st March 2019). The group working capital demand loan is secured by receivables, inventories, outstanding monies and other assets.

ii) Secured cash credit facility interest rate for domestic subsidiaries is NIL (9.65% p.a. as at 31st March 2019) and secured against hypothecation of inventory and receivables.

iii) Secured bank overdraft for domestic subsidiaries carries interest rate of 8.90% p.a. (9.60% to 9.80% p.a. as at 31st March 2019) and for international subsidiaries at AWPLR + 0.35% p.a. (AWPLR + 0.35% p.a. as at 31st March 2019). It is secured by way of charge on receivables and inventory.

2) Secured amount due on factoring for domestic subsidiaries carries interest rate (including factoring cost) of 11.00% to 11.75% p.a. (11.00% to 11.75% p.a. as at 31st March 2019). It is secured by a charge against certain trade receivables.

Unsecured

1) i) Unsecured working capital demand loan of international subsidiaries carries interest rate of 9.50% p.a. (9.94% p.a. as at 31st March 2019).

ii) Unsecured bank overdraft for international subsidiaries carries interest rate of EIBOR + 1.55% p.a.(EIBOR+ 1.85% p.a. as at 31st March 2019).

(₹ in crores)

26 Trade Payables

	As at 31st March 2020	As at 31st March 2019
Trade Payables		
Total outstanding dues of micro enterprise and small enterprises	23.13	31.55
Total outstanding dues of creditors other than micro enterprise and small enterprises	597.88	549.09
TOTAL	**621.01**	**580.64**

27 Other Financial Liabilities - Non-Current

	As at 31st March 2020	As at 31st March 2019
BTA payable (refer Note 45 a)	-	2.89
Payable on purchase of assets	-	3.11
Gross obligation towards acquisition (refer Note 45 b)	-	76.17
Retention money payable	6.79	2.99
Employees related liabilities	0.47	0.82
TOTAL	**7.26**	**85.98**

(₹ in crores)

28 Other Financial Liabilities - Current

	As at 31st March 2020	As at 31st March 2019
Unclaimed Dividend	**3.25**	1.85
BTA payable (refer Note 45 a)	**3.12**	0.46
Contingent consideration payable	**-**	7.81
Payable on purchase of assets	**7.39**	9.60
Trade/ Security Deposit received	**123.93**	109.96
Liabilities for expenses	**392.84**	320.01
Gross obligation towards acquisition (refer Note 45 b)	**81.23**	-
Derivative liabilities towards foreign exchange forward contracts	**0.42**	1.27
Current portion of non-current borrowings (refer Note 24)	**7.10**	1.69
Retention money payable	**17.14**	11.41
Employees related liabilities	**32.32**	33.16
TOTAL	**668.74**	**497.22**

29 Provisions - Non-Current

	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
Gratuity (net) (refer Note 51)	**4.21**	3.70
Compensated Absences	**38.97**	32.71
Anniversary Awards	**0.82**	1.03
Premature Death Pension Scheme	**1.55**	1.34
Total Disability Pension Scheme	**0.32**	0.27
Other Retirement Benefits	**5.29**	3.91
Others (refer Note 55)	**0.79**	0.97
TOTAL	**51.95**	**43.93**

30 Provisions - Current

	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
Gratuity (net) (refer Note 51)	**2.50**	4.79
Compensated Absences	**12.26**	12.27
Anniversary Awards	**0.16**	0.18
Premature Death Pension Scheme	**0.01**	0.01
Total Disability Pension Scheme	**0.05**	0.04
Other Retirement Benefits	**1.85**	1.23
Provision for warranty expenses (refer Note 55)	**4.76**	1.27
TOTAL	**21.59**	**19.79**

(₹ in crores)

31 Other Current Liabilities

	As at 31st March 2020	As at 31st March 2019
Statutory remittances	**79.40**	57.10
Advance from customers	**41.10**	27.69
Other liabilities	**1.84**	4.76
TOTAL	**122.34**	**89.55**

32 Current Tax Liabilities (net)

	As at 31st March 2020	As at 31st March 2019
Provision for Tax (net of Advance Tax)	**8.67**	10.97
TOTAL	**8.67**	**10.97**

33 Revenue from Operations

	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from Operations*		
Sale of Products	**6,985.44**	6,713.40
Sale of Services	**268.72**	320.62
TOTAL (A)	**7,254.16**	7,034.02
Other Operating Revenue		
Scrap Sales	**12.18**	13.65
Export Incentives	**19.11**	15.67
GST Refund	**3.40**	8.60
Others	**5.62**	6.02
TOTAL (B)	**40.31**	43.94
TOTAL (A+B)	**7,294.47**	**7,077.96**

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

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

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

	For the year ended 31st March 2020	For the year ended 31st March 2019
Contracted Price	**7,941.25**	7,635.97
Reduction towards variable consideration components	**(687.09)**	(601.95)
Revenue Recognised	**7,254.16**	**7,034.02**

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

(₹ in crores)

34 Other Income	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest on:		
Bank Deposit (at amortised cost)	3.34	2.75
Overdue Trade Receivables	0.05	0.56
Tax Free Bonds (at FVTPL)	3.26	2.03
Income Tax Refund	-	11.26
Others	5.81	4.00
Dividend on:		
Investments in Mutual Funds and Others (at FVTPL)	11.59	10.02
Other Non-Operating Income:		
Windmill Income	3.21	1.44
Insurance claim received	0.46	0.59
Liabilities no longer required written back	1.59	16.21
Rental Income from Operating Leases	1.38	2.25
Net gain arising on financial assets designated as at FVTPL	109.79	88.09
Profit on Sale of Assets (net)	2.67	0.72
Miscellaneous Income	6.28	6.72
TOTAL	149.43	146.64

35 Cost of Materials Consumed	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventory at the beginning of the year	404.72	351.63
Add: Purchases	3,013.43	3,318.60
	3,418.15	3,670.23
Less: Inventory at the end of the year	420.44	404.72
TOTAL	2,997.71	3,265.51

36 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	For the year ended 31st March 2020	For the year ended 31st March 2019
Inventories at the end of the year		
Stock-in-Trade	111.30	118.63
Work-in-Progress	78.75	84.02
Finished Goods	312.62	321.24
Total (A)	502.67	523.89
Inventories at the beginning of the year		
Stock-in-Trade	118.63	90.46
Work-in-Progress	84.02	66.84
Finished Goods	321.24	291.38
Total (B)	523.89	448.68
TOTAL (B-A)	21.22	(75.21)

(₹ in crores)

37 Employee Benefits Expense	For the year ended 31st March 2020	For the year ended 31st March 2019
Salaries and Wages	833.74	758.34
Contribution to Provident and Other Funds (refer Note 51)	50.83	42.46
Share-based Payments to Employees (refer Note 49)	14.44	10.65
Staff Welfare Expenses	28.21	25.21
TOTAL	927.22	836.66

38 Finance Costs	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest expense on:		
Borrowings	9.38	7.50
Lease Liability (refer Note 54)	8.21	-
Unwinding of Liabilities (refer Note 45)	8.26	11.04
Dealer Deposits & others	7.75	7.53
TOTAL	33.60	26.07

39 Depreciation, Amortisation and Impairment Expense	For the year ended 31st March 2020	For the year ended 31st March 2019
Depreciation on Property, Plant and Equipment (refer Note 4)	118.46	105.79
Depreciation on Right of Use of Assets (refer Note 5)	31.31	-
Amortisation of Other Intangible Assets (refer Note 6)	20.15	21.03
Impairment in value of Capital Work-in-Progress (refer Note 4)	-	5.92
TOTAL	169.92	132.74

(₹ in crores)

40 Other Expenses

		For the year ended 31st March 2020	For the year ended 31st March 2019
Consumption of Stores and Spares		**37.58**	29.63
Clearing, Forwarding and Octroi Duty		**297.45**	279.61
Power and Fuel		**63.07**	63.06
Contract Labour		**75.47**	53.72
Water Charges		**4.12**	3.37
Rent (refer Note 54)		**20.35**	48.95
Rates and Taxes		**4.80**	5.72
Insurance		**10.58**	6.01
License Fees		**1.12**	0.99
Repairs :			
Buildings	**9.63**		9.55
Machinery	**21.27**		19.77
Others	**9.32**		10.30
		40.22	39.62
Directors' Fees		**0.44**	0.47
Advertisement and Publicity		**284.64**	229.89
Legal, Professional and Consultancy Fees		**57.27**	46.89
Communication Expenses		**9.84**	16.57
Printing and Stationery		**7.25**	8.65
Travelling and Conveyance Expenses		**122.13**	111.64
Bad Debts		**3.88**	5.01
Provision for Doubtful Debts		**8.45**	9.78
Processing and Packing Charges		**76.80**	77.51
Sales Commission		**10.34**	11.28
Payments to Auditor (refer Note a)		**2.57**	2.19
Donations		**0.17**	0.91
Corporate Social Responsibility Expenses		**27.12**	24.14
Loss on Fixed Assets Sold/ Discarded (net)		**-**	2.43
Net Loss on Foreign Currency Transactions and Translation		**4.13**	7.96
Miscellaneous Expenses		**218.94**	200.51
TOTAL		**1,388.73**	1,286.51
a. Details of Payments to Auditors of Parent and Subsidiaries (net of taxes)			
a) Auditor		**2.01**	1.75
b) Tax Matters		**0.21**	0.16
c) Other Services		**0.33**	0.27
d) Reimbursement of Expenses		**0.02**	0.01
TOTAL		**2.57**	2.19

41 Exceptional Items

	For the year ended 31st March 2020	For the year ended 31st March 2019
Impairment in value of Asset held for Sale [refer Note 56(i)]	**55.19**	-
Provision for Diminution/ Impairment in value of Investment (including loan given to Joint venture)	**-**	18.02
TOTAL	**55.19**	18.02

42 a) Associates and Joint Ventures

A. (i) Details of Associate

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group As at 31st March 2020	As at 31st March 2019
Vinyl Chemicals (India) Ltd	Trading in chemicals		**40.64%**	40.64%

(₹ in crores)

(ii) Financial information in respect of Associate

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Group's share of profit	**3.03**	3.60
Group's share of Other Comprehensive Income	**-**	-
Group's share of Total Comprehensive Income	**3.03**	**3.60**

(iii) Reconciliation with carrying amount of investment

Particulars	As at 31st March 2020	As at 31st March 2019
Net assets of the Associate excluding dividend adjustment	**59.31**	57.20
Share in accumulated Profits/Reserves (%)	**40.64%**	40.64%
Share in accumulated Profits/Reserves	**24.12**	23.25
Investment in Equity Share Capital	**1.18**	1.18
Total Investment	**25.30**	**24.43**

B. (i) Details of Joint Venture

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group As at 31st March 2020	As at 31st March 2019
Plus Call Technical Services LLC (refer Note 7B)	Flooring, tiling, painting, concrete work and related contracting activities	United Arab Emirates	**40.00%**	40.00%

(₹ in crores)

(ii) Financial information in respect of Joint Venture

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Group's share of profit/ (loss)	**-**	-
Group's share of Other Comprehensive Income	**-**	-
Group's share of Total Comprehensive Income	**-**	**-**

(₹ in crores)

42 b) Non-Controlling Interest

	As at 31st March 2020	As at 31st March 2019
Balance at the beginning of the year	**207.15**	175.01
Share of Profit for the year	**5.63**	3.48
Share of Other Comprehensive Income for the year	**0.12**	(0.05)
Non-Controlling Interests arising on the acquisition of:		
Pidilite East Africa Ltd	**2.11**	-
Pidilite Litokol Pvt Ltd	**0.40**	-
Nina Lanka Construction Technologies (Private) Limited	**0.18**	-
Nina Percept (Bangladesh) Pvt Ltd	**0.10**	-
Additional non-controlling interests arising on increase in capital of :		
Pidilite Lanka (Pvt) Ltd	**0.35**	2.11
ICA Pidilite Pvt Ltd	**-**	26.60
Dividend paid to Non-Controlling interests		
Bamco Supply and Services Ltd	**(0.39)**	-
TOTAL	**215.65**	**207.15**

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

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	
		As at 31st March 2020	As at 31st March 2019
Nina Percept Pvt Ltd [refer Note 56(c)]	India	**28%**	28%
ICA Pidilite Pvt Ltd	India	**50%**	50%
Cipy Polyurethanes Pvt Ltd	India	**30%**	30%
Building Envelope Systems India Pvt Ltd	India	**40%**	40%
Pidilite Lanka (Pvt) Ltd	Srilanka	**24%**	24%
Bamco Supply and Services Ltd	Thailand	**49%**	49%

(₹ in crores)

Name of subsidiaries	Profit/ (Loss) allocated to non-controlling interests		Other Comprehensive Income		Accumulated non-controlling interest	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Nina Percept Pvt Ltd [Refer Note 56(c)]	**0.86**	2.88	**0.03**	(0.11)	**42.03**	41.14
ICA Pidilite Pvt Ltd	**0.77**	(4.35)	**0.07**	(0.03)	**122.09**	121.25
Cipy Polyurethanes Pvt Ltd	**3.35**	4.41	**(0.11)**	(0.11)	**27.99**	24.75
Building Envelope Systems India Pvt Ltd	**0.84**	0.52	**0.01**	-	**9.51**	8.66
Bamco Supply and Services Ltd	**0.37**	0.75	**(0.17)**	0.08	**3.59**	3.78
Pidilite Lanka (Pvt) Ltd	**(0.29)**	(0.72)	**0.05**	0.12	**7.60**	7.49
Individually immaterial subsidiaries with non-controlling interests	**(0.27)**	(0.01)	**0.24**	-	**2.84**	0.08
TOTAL	**5.63**	**3.48**	**0.12**	**(0.05)**	**215.65**	**207.15**

(₹ in crores)

43 Contingent Liabilities and Commitments

		As at 31st March 2020	As at 31st March 2019
A)	**Contingent liabilities not provided for:**		
1.	Claims against the Group not acknowledged as debts comprises of:		
	a) Income Tax demand against the Group not provided for and relating to issues of deduction and allowances in respect of which the Group is in appeal	**59.96**	31.37
	b) Excise Duty and Service Tax claims disputed by the Group relating to issues of classifications	**51.12**	31.13
	c) Sales Tax (VAT, CST, Entry Tax and GST) claims disputed by the Group relating to issues of declaration forms and classifications	**167.08**	182.14
	d) Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, open access charges, etc.)	**6.64**	5.49
2.	Guarantees given by Banks in favour of Government and others *	**57.60**	62.72
	* Guarantees given are for business purpose.		
B)	**Commitments:**		
	a) Estimated amount of contracts, net of advances, remaining to be executed on Property, Plant and Equipment, investments and not provided for	**206.10**	71.06
	b) For other commitments, refer Note 50(E)(ii) Financial instruments, 45 Business Combinations, 54 Lease and Note 56(b)(iii) & Note 57 for committed investment in other entities		

C) The Supreme Court in a judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis.

(₹ in crores)

44 Research & Development Expenditure

	For the year ended 31st March 2020	For the year ended 31st March 2019
Capital expenditure included in Property, Plant and Equipment	**2.52**	1.27
Revenue expenditure charged to Statement of Profit and Loss	**70.20**	64.89
TOTAL	**72.72**	**66.16**

45

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

The terms and conditions of the BTA included a total purchase consideration of ₹ 82.02 crores, out of which ₹ 78.90 crores was paid by the Company to the Seller as of 31st March 2020. A balance amount of ₹ 3.12 crores (refer Note 28) including Holdback Amount will be payable by the Company to the Seller by 31st October 2020 (The original terms of BTA agreement is extended till 15th April 2020) and the settlement of which is to be completed by 31st October 2020, post verification of books of account.

An amount of Net Working Capital, i.e. Receivables, Inventories, Retention Monies receivables, etc which would not have been fully realised by 15th April 2020, the settlement of which is to be completed by 31st October 2020, post verification of books of account), shall be deducted by the Company from the Holdback amount payable to seller or will be recoverable from the seller.

(b) During the financial year 2017-18, 70% shareholding in CIPY Polyurathanes Pvt Ltd (CIPY) was acquired by entering into a share purchase agreement for cash consideration of ₹ 96.40 crores.

Pursuant to share purchase agreement, the Company has an option to purchase and the seller has an option to sell balance 30% of equity share capital of CIPY on or after expiry of 3 years from acquisition date i.e. on or after 8th February 2021. Accordingly, a gross liability towards acquisition (refer Note 28) has been recognised in this financial statement based on a valuation report obtained from an independent valuer.

(₹ in crores)

46 Earnings Per Share (EPS)

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

	For the year ended 31st March 2020	For the year ended 31st March 2019
Basic:		
Profit attributable to shareholders of the Company (₹ in crores)	**1,116.42**	924.91
Weighted average number of equity shares in calculating basic EPS	**50,79,93,224**	50,78,95,621
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**21.98**	18.21
Diluted:		
Profit attributable to shareholders of the Company (₹ in crores)	**1,116.42**	924.91
Weighted average number of equity shares in calculating basic EPS	**50,79,93,224**	50,78,95,621
Add: Effect of Employee Stock Option Scheme/Plan	**1,70,850**	3,18,250
Weighted average number of equity shares in calculating diluted EPS	**50,81,64,074**	50,82,13,871
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**21.97**	18.20

47 Related Party Disclosures

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

(i)	**Relationships:**		
	a.	Vinyl Chemicals (India) Ltd	Associate
	b.	Plus Call Technical Services LLC	Joint Venture
	c.	Parekh Marketing Ltd	Significant Influence of KMP
	d.	Pargro Investment Pvt Ltd	Significant Influence of KMP
	e.	Kalva Marketing and Services Ltd	Significant Influence of KMP
(ii)	**Key Management Personnel (KMP):**		
	a.	Shri M B Parekh	Executive Chairman
	b.	Shri Bharat Puri	Managing Director
	c.	Shri A B Parekh	Whole Time Director
	d.	Shri A N Parekh	Whole Time Director
	e.	Shri Sabyasachi Patnaik (upto 31st March 2020)	Whole Time Director
	f.	Shri Debabrata Gupta (from 1st March 2020)	Whole Time Director
(iii)	**Close member of Key Management Personnel:**		
	a.	Smt Mala M Parekh	Wife of Executive Chairman

(₹ in crores)

47 (iv) Transactions with Related Parties for the year ended 31st March 2020 are as follows:

	Nature of Transaction	For the year ended 31st March 2020			For the year ended 31st March 2019		
		Associate and Joint Venture	KMP/ Significant Influence of KMP/Close member of KMP	Total	Associate and Joint Venture	KMP/ Significant Influence of KMP/Close member of KMP	Total
a.	**Sales and Related Income**						
	Parekh Marketing Ltd	**-**	**73.97**	**73.97**	-	98.70	98.70
	Sub-Total (a)	**-**	**73.97**	**73.97**	-	98.70	98.70
b.	**Dividend Received**						
	Vinyl Chemicals (India) Ltd	**1.79**	**-**	**1.79**	2.16	-	2.16
	Sub-Total (b)	**1.79**	**-**	**1.79**	2.16	-	2.16
c.	**Purchase of Goods**						
	Vinyl Chemicals (India) Ltd	**320.83**	**-**	**320.83**	552.41	-	552.41
	Sub-Total (c)	**320.83**	**-**	**320.83**	552.41	-	552.41
d.	**Sale of Fixed Asset**						
	Parekh Marketing Ltd	**-**	**0.32**	**0.32**	-	-	-
	Sub-Total (d)	**-**	**0.32**	**0.32**	-	-	-
e.	**Rent Paid/ (Received)**						
	Smt Mala Parekh	**-**	**0.71**	**0.71**	-	0.78	0.78
	Parekh Marketing Ltd	**-**	**0.08**	**0.08**	-	0.07	0.07
	Pargro Investment Pvt Ltd	**-**	**(0.08)**	**(0.08)**	-	(0.06)	(0.06)
	Sub-Total (e)	**-**	**0.71**	**0.71**	-	0.79	0.79
f.	**Reimbursement of expenses made**						
	Parekh Marketing Ltd	**-**	**0.03**	**0.03**	-	-	-
	Sub-Total (f)	**-**	**0.03**	**0.03**	-	-	-
g.	**Compensation of Key Management Personnel of the Company:**						
	Remuneration/ Commission to Directors:						
	(Short Term Employee benefits)						
	- Shri M B Parekh	**-**	**4.15**	**4.15**	-	3.98	3.98
	- Shri Bharat Puri	**-**	**13.96**	**13.96**	-	15.42	15.42
	- Shri A B Parekh	**-**	**1.80**	**1.80**	-	6.58	6.58
	- Shri A N Parekh	**-**	**5.84**	**5.84**	-	5.57	5.57
	- Shri Sabyasachi Patnaik	**-**	**2.01**	**2.01**		2.45	2.45
	- Shri Debabrata Gupta	**-**	**0.29**	**0.29**	-	-	-
	Sub-Total (g)	**-**	**28.05**	**28.05**	-	34.00	34.00
	Share-based payments						
	Shri Bharat Puri	**-**	**16.65**	**16.65**	-	11.03	11.03
	Shri Sabyasachi Patnaik	**-**	**0.40**	**0.40**	-	0.37	0.37
	Sub-Total	**-**	**17.05**	**17.05**	-	11.40	11.40
h.	**Dividend Paid**	**-**	**158.25**	**158.25**	-	68.26	68.26
i.	**Outstanding Balances:**						
	- Trade Receivables (net)						
	Parekh Marketing Ltd	**-**	**12.39**	**12.39**	-	19.05	19.05
	Pargro Investment Pvt Ltd	**-**	**-**	**-**	-	-	-
	Sub-Total	**-**	**12.39**	**12.39**	-	19.05	19.05
	- Trade Payables (net)						
	Vinyl Chemicals (India) Ltd	**23.07**	**-**	**23.07**	49.95	-	49.95
	Parekh Marketing Ltd	**-**	**0.01**	**0.01**	-	-	-
	Sub-Total (i)	**23.07**	**0.01**	**23.08**	49.95	-	49.95

48 Segment information

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

During the year, the Company has re-organised its internal reporting, whereby the Chief Operating Decision Maker (CODM) evaluates the business activities and operating results of IP segments and certain business units which was until previous year shown under C&B segment, are now reclassified under new B2B segment, based on customer type. Therefore, in accordance with 'Ind AS 108 – Operating Segments', the segment information for C&B and IP segments pertaining to these business units in respect of previous year reported have been regrouped, respectively to C&B and B2B segments. Operating Segment disclosures are consistent with the information provided to and reviewed by the Managing Director (Chief Operating Decision Maker).

(₹ in crores)

Business Segments	Year 2019-20				Year 2018-19			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Revenue								
Segment Revenue	**5,573.85**	**1,796.81**	**76.45**	**7,447.11**	5,419.18	1,730.22	89.86	7,239.26
Less: Inter Segment Revenue (at cost plus fixed margin)	**(24.19)**	**(127.53)**	**(0.92)**	**(152.64)**	(36.84)	(122.80)	(1.66)	(161.30)
Net Revenue	**5,549.66**	**1,669.28**	**75.53**	**7,294.47**	5,382.34	1,607.42	88.20	7,077.96
Revenue based on geography								
India				**6,132.03**				6,040.46
Outside India				**1,162.44**				1,037.50
Segment Result	**1,547.26**	**271.00**	**(4.55)**	**1,813.71**	1,386.65	216.02	(7.99)	1,594.68
Unallocable Expenses				**(391.45)**				(345.40)
Unallocable Income				**109.21**				102.21
Operating Income				**1,531.47**				1,351.49
Finance Cost				**(33.60)**				(26.07)
Interest/ Dividend Income				**24.05**				30.62
Share of Profit of Associates/ Joint Ventures				**3.03**				3.60
Profit Before Tax and Exceptional items				**1,524.95**				1,359.64
Exceptional items				**55.19**				18.02
Profit Before Tax				**1,469.76**				1,341.62
Tax Expense				**347.72**				413.23
Profit for the year				**1,122.04**				928.39
Other Comprehensive Income				**3.54**				2.77
Total Comprehensive Income				**1,125.58**				931.16
Non-Controlling Interest				**5.75**				3.43
Total Comprehensive Income attributable to shareholders				**1,119.83**				927.73
The above includes:								
Depreciation, Amortisation and Impairment (allocable)	**84.02**	**33.26**	**3.86**	**121.14**	72.45	24.21	2.82	99.48
Depreciation, Amortisation and Impairment (unallocable)				**48.78**				33.26
Capital Expenditure (including Capital Work-In-Progress) (allocable)	**265.95**	**115.78**	**6.14**	**387.87**	158.19	52.35	11.49	222.03
Capital Expenditure (unallocable)				**31.88**				39.92
Capital Expenditure				**419.75**				261.95
India				**388.08**				239.75
Outside India				**31.67**				22.20

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue

Segment Assets & Liabilities	As at 31st March 2020				As at 31st March 2019			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Segment Assets	**3,070.32**	**1,382.59**	**76.36**	**4,529.27**	2,608.25	1,173.22	79.24	3,860.71
Unallocable Assets				**2,006.43**				2,053.80
Total Assets				**6,535.70**				5,914.51
India				**5,871.94**				5,409.18
Outside India				**663.76**				505.33
Segment Liabilities	**962.11**	**696.40**	**4.77**	**1,663.28**	746.08	573.92	10.99	1,330.99
Unallocable Liabilities				**201.16**				228.28
Total Liabilities				**1,864.44**				1,559.27
Capital Employed				**4,671.26**				4,355.24

49 Employee Stock Option Scheme

a) Details of Employee Share Options

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

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

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

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

	Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value at grant date (₹)
1	Granted on 27th July 2015-ESOS 2012	1,00,000	27.07.2015	10.04.2017	1.00	521.11
		1,00,000	27.07.2015	10.04.2018	1.00	521.11
2	Granted on 29th January 2016-ESOS 2012	14,400	29.01.2016	29.01.2017	1.00	532.20
		14,400	29.01.2016	29.01.2018	1.00	532.20
		2,500	29.01.2016	29.01.2018	1.00	525.01
		2,500	29.01.2016	29.01.2019	1.00	525.01
3	Granted on 29th July 2016-ESOS 2012	6,000	29.07.2016	29.07.2017	1.00	722.31
		9,000	29.07.2016	29.07.2018	1.00	722.31
4	Granted on 29th July 2016-ESOP 2016	23,600	29.07.2016	29.07.2017	1.00	730.61
		23,600	29.07.2016	29.07.2018	1.00	730.61
5	Granted on 9th November 2016-ESOS 2012	1,500	09.11.2016	09.11.2017	1.00	661.86
		1,500	09.11.2016	09.11.2018	1.00	661.86
6	Granted on 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15
7	Granted on 11th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
		4,150	11.04.2018	11.04.2020	1.00	976.94
8	Granted on 30th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
		1,33,200	30.10.2018	30.10.2020	1.00	931.19
		1,500	30.10.2018	30.10.2019	1.00	924.50
		1,500	30.10.2018	30.10.2020	1.00	924.50
		2,000	30.10.2018	30.10.2021	1.00	924.50
9	Granted on 23rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1,112.48
		3,000	23.01.2019	23.01.2023	1.00	1,112.48
		4,000	23.01.2019	23.01.2024	1.00	1,112.48
		1,500	23.01.2019	29.01.2021	1.00	1,127.85
		1,500	23.01.2019	29.01.2022	1.00	1,127.85
		1,500	23.01.2019	01.02.2021	1.00	1,127.85
		1,500	23.01.2019	01.02.2022	1.00	1,127.85
10	Granted on 13th May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
11	Granted on 29th January 2020-ESOP 2016	4,000	29.01.2020	31.01.2021	1.00	1,449.90
		500	29.01.2020	31.01.2021	1.00	1,444.56
		500	29.01.2020	31.01.2021	1.00	1,444.56
		2,500	29.01.2020	18.11.2022	1.00	1,433.92
		2,500	29.01.2020	18.11.2023	1.00	1,433.92

b) Fair value of share options granted

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

Inputs into the model	Granted on 27th July 2015-ESOS 2012	Granted on 29th January 2016-ESOS 2012	Granted on 29th July 2016-ESOS 2012	Granted on 29th July 2016-ESOP 2016	Granted on 9th November 2016-ESOS 2012	Granted on 8th November 2017-ESOP 2016
Share price (on the date previous to grant date)	544.95	556.80	751.60	751.60	691.40	758.55
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	10.04.2017	29.01.2017	29.07.2017	29.07.2017	09.11.2017	08.11.2018
Dividend yield (%)	0.91	0.93	0.79	0.74	0.89	0.85
Option life (no. of years)	3.50	3.50	3.50	2.50	3.50	2.50
Risk free interest rate (%)	8.07	7.80	7.39	7.28	6.73	6.69
Expected volatility (%)	52.17	54.46	21.51	17.70	20.94	22.12
Date of vesting (2)	10.04.2018	29.01.2018	29.07.2018	29.07.2018	09.11.2018	08.11.2019
Dividend yield (%)	0.97	1.21	0.85	0.79	0.96	0.91
Option life (no. of years)	4.50	4.50	4.50	3.50	4.50	3.50
Risk free interest rate (%)	8.07	7.80	7.56	7.39	6.93	6.64
Expected volatility (%)	52.17	54.46	24.25	21.51	23.94	24.01
Date of vesting (3)	-	29.01.2019	-	-	-	-
Dividend yield (%)	-	1.27	-	-	-	-
Option life (no. of years)	-	5.50	-	-	-	-
Risk free interest rate (%)	-	7.80	-	-	-	-
Expected volatility (%)	-	54.46	-	-	-	-

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

Inputs into the model	Granted on 13th May 2019-ESOP 2016	Granted on 29th January 2020-ESOP 2016		
Share price (on the date previous to grant date)	1,154.45	1,461.60	1,461.60	1,461.60
Exercise price	1.00	1.00	1.00	1.00
Date of vesting (1)	13.05.2020	31.01.2021	18.11.2022	31.01.2021
Dividend yield (%)	0.84	0.74	0.74	0.74
Option life (no. of years)	2.50	4.01	5.80	4.01
Risk free interest rate (%)	7.03	6.15	6.39	6.15
Expected volatility (%)	23.06	23.69	24.49	23.69
Date of vesting (2)	-	-	18.11.2023	31.01.2022
Dividend yield (%)	-	-	0.74	0.74
Option life (no. of years)	-	-	6.80	5.01
Risk free interest rate (%)	-	-	6.43	6.39
Expected volatility (%)	-	-	24.56	23.76

c) Movements in Share Options during the year

Particulars	During the year ended 31st March 2020		During the year ended 31st March 2019	
	Options (No.s)	Weighted average exercise price per option	Options (No.s)	Weighted average exercise price per option
Option outstanding at the beginning of the year				
- ESOS 2012	-	₹ 1	1,19,400	₹ 1
- ESOP 2016	3,15,750	₹ 1	79,000	₹ 1
Granted during the year				
- ESOP 2016	12,500	₹ 1	2,95,700	₹ 1
Vested during the year - ESOS 2012	-	₹ 1	1,10,500	₹ 1
Vested during the year - ESOP 2016	1,55,850	₹ 1	47,200	₹ 1
Exercised during the year - ESOS 2012	-	₹ 1	1,19,400	₹ 1
Exercised during the year - ESOP 2016	1,45,500	₹ 1	48,550	₹ 1
Lapsed during the year*				
- ESOP 2016 (granted on 29th July 2016)	-	₹ 1	1,000	₹ 1
- ESOP 2016 (granted on 8th November 2017)	2,400	₹ 1	3,500	₹ 1
- ESOP 2016 (granted on 11th April 2018)	-	₹ 1	5,000	₹ 1
- ESOP 2016 (granted on 30th October 2018)	9,500	₹ 1	900	₹ 1
Options outstanding at the end of the year				
- ESOP 2016	1,70,850	₹ 1	3,15,750	₹ 1
Options available for grant				
- ESOS 2012	34,200	₹ 1	34,200	₹ 1
- ESOP 2016	41,13,500	₹ 1	41,14,100	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		₹ 1,331.62		₹ 1,239.18
Range of exercise price for options outstanding at the end of the year		₹ 1		₹ 1

* Lapsed due to termination of employment with the Group.

The Company has allotted 3,300 equity shares on 10th June 2020 of face value of ₹ 1/- each under Employee Stock Option Plan - 2016 to the employees of the Company and its subsidiaries to whom the options were granted.

50 Financial Instruments

(A) Capital Management

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

(B) Categories of Financial Instruments

(₹ in crores)

	As at 31st March 2020	As at 31st March 2019
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds, Preference Shares, Debentures and Bonds	**1,152.88**	1,515.92
Derivative assets towards foreign exchange forward contracts	**1.81**	0.03
Investments in Promissory Notes	**3.77**	3.46
Measured at amortised cost		
Investments in Deposits & Promissory Notes	**4.24**	3.89
Trade Receivables	**1,088.50**	1,056.01
Cash and Cash Equivalents	**692.23**	128.12
Other Bank balances	**11.02**	62.31
Loans	**21.47**	15.18
Other Financial Assets	**144.22**	113.32
Total Financial Assets	**3,120.14**	2,898.24
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards foreign exchange forward contracts	**0.42**	1.27
Measured at amortised cost (including trade payables)		
Borrowings	**176.22**	112.75
Trade Payables	**621.01**	580.64
Lease Liabilities	**111.47**	-
Gross obligation towards acquisition	**81.23**	76.17
Other Financial Liabilities	**587.25**	504.07
Total Financial Liabilities	**1,577.60**	1,274.90

(C) Financial risk management objectives

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

(D) Market risk

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

(E) Foreign currency risk management

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

	Foreign Currency Exposure (in FC)		Foreign Currency Exposure (₹ in crores)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Amounts recoverable/ (advance) in foreign currency on account of the following:				
EUR	**7,99,474.10**	14,88,215.92	**6.65**	11.56
USD	**1,81,84,244.20**	1,52,41,632.25	**137.14**	105.44
AUD	**38,745.00**	-	**0.18**	-
SGD	**-**	22,268.00	**-**	0.11
Amounts (payable)/ advance in foreign currency on account of the following:				
AED	**2,36,491.04**	88,540.00	**0.49**	0.17
AUD	**1,820.00**	40,820.00	**0.01**	0.20
BDT	**50,000.00**	50,000.00	**0.00**	0.00
CHF	**(5,212.31)**	27,261.36	**(0.04)**	0.19
EUR	**17,44,843.41**	35,56,087.70	**14.51**	27.62
GBP	**(1,65,553.39)**	(1,98,406.00)	**(1.54)**	(1.79)
JPY	**(75,78,800.00)**	(60,58,500.00)	**(0.53)**	(0.38)
SGD	**1,628.00**	(39,550.00)	**0.01**	(0.20)
USD	**(1,04,46,059.69)**	(1,02,73,326.43)	**(78.80)**	(71.07)
THB	**5,36,113.88**	-	**0.12**	-
ZAR	**64,255.58**	83,679.60	**0.03**	0.04

(i) Foreign currency sensitivity analysis

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

(₹ in crores)

	USD impact	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Impact on profit or loss for the year (refer Note a)	**1.17**	0.69

(₹ in crores)

	EUR impact	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Impact on profit or loss for the year (refer Note b)	**0.42**	0.78

(₹ in crores)

	JPY impact	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Impact on profit or loss for the year (refer Note c)	**(0.01)**	(0.01)

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

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

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

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

(ii) Foreign exchange forward contracts

It is the policy of the Group to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD, EUR, GBP and AUD. The Group enters in to contracts with terms upto 90 days.

The Group's philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

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

Mode of taking Cover: Based on the outstanding details of import payable and exports receivable (in weekly baskets) the net trade import exposure is arrived at (i.e. Imports – Exports = Net trade exposures).

The Net trade import exposure arrived at is netted off with the outstanding forward cover as on date and with the surplus foreign currency balance available in EEFC A/Cs.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

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

Outstanding contracts	Average exchange rates (₹)		Foreign Currency (Amount)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
USD - Buy	**72.27**	67.18	**62,48,647.15**	1,11,33,891.64
GBP - Buy	**91.75**	91.09	**-**	2,77,000.00
EUR - Sell	**80.40**	79.00	**-**	5,04,189.99
EUR - Buy	**80.43**	79.02	**77,48,100.00**	2,59,000.00
AUD - Buy	**47.80**	51.45	**-**	28,000.00

Outstanding contracts	Nominal Amounts (₹ in crores)		Fair value assets/ (liabilities) (₹ in crores)	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
USD - Buy	**45.58**	78.63	**1.77**	(1.06)
GBP - Buy	**-**	2.61	**-**	(0.10)
EUR - Sell*	**-**	1.44	**-**	(0.00)
EUR - Buy	**64.82**	4.61	**(0.44)**	(0.07)
AUD - Buy	**-**	0.14	**-**	(0.01)
TOTAL			**1.33**	**(1.24)**

*Fair Value Liability of EUR Sell is ₹ 25,849 as at 31st March 2019.

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" of ₹ **1.81** crores (₹ 0.03 crores as at 31st March 2019) and "Other financial liabilities" ₹ **0.42** crores (₹ 1.27 crores as at 31st March 2019) (refer Note 14 and 28 respectively).

At 31st March 2020, the aggregate amount of gain under foreign exchange forward contracts recognised in profit or loss is ₹ **1.33** crores (loss of ₹ 1.24 crores as at 31st March 2019).

(F) Credit risk management

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

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

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

(G) Liquidity risk management

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

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

(i) Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in crores)

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
As at 31st March 2020					
Non-interest bearing					
- Trade Payables	621.01	-	-	621.01	**621.01**
- Other Financial Liabilities	456.06	7.26	-	463.32	**463.32**
	1,077.07	7.26	-	1,084.33	**1,084.33**
- Lease Liabilities (undiscounted)	35.13	66.89	48.93	150.95	**111.47**
Fixed interest rate instruments					
- Trade/ Security Deposit received	123.93	-	-	123.93	**123.93**
Variable interest rate instruments					
- Borrowings	143.99	25.13	-	169.12	**169.12**
- Current Maturity of Term Loan	7.10	-	-	7.10	**7.10**
Derivative liabilities towards foreign exchange forward contracts	0.42	-	-	0.42	**0.42**
Gross obligation towards acquisition	-	81.23	-	81.23	**81.23**
As at 31st March 2019					
Non-interest bearing					
- Trade Payables	580.64	-	-	580.64	580.64
- Other Financial Liabilities	384.30	9.81	-	394.11	394.11
	964.94	9.81	-	974.75	974.75
Fixed interest rate instruments					
- Trade/ Security Deposit received	109.96	-	-	109.96	109.96
Variable interest rate instruments					
- Borrowings	102.54	8.51	-	111.05	111.05
- Current Maturity of Term Loan	1.69	-	-	1.69	1.69
Derivative liabilities towards foreign exchange forward contracts	1.27	-	-	1.27	1.27
Gross obligation towards acquisition	-	76.17	-	76.17	76.17

(H) Fair value measurements

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

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

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

	Financial Assets/ Financial Liabilities	Fair value		Fair value hierarchy	Valuation Technique(s) and key input(s)
		As at 31st March 2020	As at 31st March 2019		
1	Investment in Mutual/Alternate Investment Funds, Preference Shares, Debentures and Bonds	**Various listed funds - aggregate fair value of ₹ 1,034.49 crores**	Various listed funds - aggregate fair value of ₹ 1,515.92 crores	Level 1	Quoted bid prices in active market
2	Derivative assets & liabilities towards foreign currency forward contracts	**Assets - ₹ 1.81 crores; and liabilities - ₹ 0.42 crores**	Assets - ₹ 0.03 crores; and liabilities - ₹ 1.27 crores	Level 2	Mark to market values acquired from banks, with whom the Group contracts.
3	Gross obligation towards acquisition	**Liabilities - ₹ 81.23 crores**	Liabilities - ₹ 76.17 crores	Level 2	Fair values of options using black scholes valuation model based on Independent valuer's report
4	Investment in Promissory Notes	**Aggregate fair value of ₹ 122.48 crores**	-	Level 3	Fair value is derived considering recent financial rounds of investment
5	Investment in Promissory Notes	**Aggregate fair value of ₹ 3.77 crores**	Aggregate fair value of ₹ 3.46 crores	Level 3	Fair value is derived considering recent financial rounds of investment

(ii) Financial instruments measured at amortised cost

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

51 Employee Benefits

The Group has classified various employee benefits as under:

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined Contribution Plans

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

(d) National Pension Scheme

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

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

(₹ in crores)

		For the year ended 31st March 2020	For the year ended 31st March 2019
(i)	Contribution to Provident Fund	**19.17**	20.43
(ii)	Contribution to Employees' Superannuation Fund	**0.87**	0.84
(iii)	Contribution to Employees' State Insurance Scheme & Labour Welfare Fund	**0.27**	0.45
(iv)	Contribution to Employees' Pension Scheme 1995	**10.06**	7.59
(v)	Contribution to National Pension Scheme	**2.80**	1.88
vi)	Other Funds (International)	**9.41**	4.88
	TOTAL	**42.58**	**36.07**

(B) Defined Benefit Plans

Gratuity

(C) Other Long-Term Benefits

(a) Compensated Absences

(b) Anniversary Awards

(c) Premature Death Pension Scheme

(d) Total Disability Pension Scheme

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

		Valuations as at	
		31st March 2020	31st March 2019
(i)	Discount Rate (per annum)	**6.25% - 9.46%**	7.15% - 7.7%
(ii)	Rate of increase in Compensation levels (per annum)	**1st 2 yrs - 4 - 8.7%, thereafter 5 - 10%**	1st 2 yrs - 6.5 - 15%, thereafter 6.5 - 10%
(iii)	Expected Rate of Return on Assets	**6.25% - 9.46%**	7.4% - 7.7%
(iv)	Attrition Rate	**upto 5 yrs - 2% - 25%, 5 - 10 yrs -2% to 25%, Above 10 yrs - 2% to 25%**	upto 5 yrs - 2% - 15%, 5 - 10 yrs - 2 to 15%, Above 10 yrs - 2 to 15%
(v)	Retirement Age	**60 years**	58- 60 years

(vi) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(vii) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(viii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note on other risks:

1 **Investment Risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

2 **Interest Risk** – LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

3 **Longevity Risk** – Since the gratuity payment happens at the retirement age of 58-60, longevity impact is very low at this age, hence this is a non-risk.

4 **Salary Risk** - The liability is calculated taking into account the salary increases, basis past experience of the Group's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

			31st March 2020		31st March 2019	
			Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(i)	Changes in Present value of Obligation					
	1	Present value of defined benefit obligation at the beginning of the year	78.40	3.36	65.17	2.38
	2	Additions during the year	-	0.26	-	-
	3	Acquistion through Business Combination	-	-	0.01	-
	4	Current Service Cost	7.65	0.54	5.93	0.39
	5	Interest Cost	5.27	0.23	4.90	0.16
	6	Actuarial (Gains)/ Loss				
		Actuarial (gains)/ losses arising from changes in demographic assumption	0.16	-	0.45	-
		Actuarial (gains)/ losses arising from changes in financial assumption	0.01	0.18	3.61	0.35
		Actuarial (gains)/ losses arising from changes in experience adjustment	14.07	0.21	1.51	0.34
	7	Past Service cost	-	-	-	-
	8	Benefits Paid	(13.34)	(0.21)	(3.25)	(0.26)
	9	Foreign Currency Translation	0.25	-	0.07	-
	10	**Present value of defined benefit obligation at the end of the year**	92.47	4.57	78.40	3.36
(ii)	Changes in Fair value of Plan Assets					
	1	Fair value of plan assets at the beginning of the year	73.27	-	66.17	-
	2	Expected Return on Plan Assets	5.43	-	4.99	-
	3	Actuarial Gains/ (Loss)	(0.01)	-	(0.03)	-
	4	Employer's Contributions	16.94	-	5.31	-
	5	Benefits Paid	(5.53)	-	(3.25)	-
	6	Foreign Currency Translation	0.23	-	0.08	-
	7	**Fair value of plan assets at the end of the year**	90.33	-	73.27	-
(iii)	Net Benefit (Asset)/ Liability					
	1	Defined benefit obligation	92.47	4.57	78.40	3.36
	2	Fair value of plan assets	90.33	-	73.27	-
	3	**Net Benefit (Asset)/ Liability**	2.14	4.57	5.13	3.36

(₹ in crores)

			31st March 2020		31st March 2019	
			Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(iv)	Expenses recognised in the Statement of Profit and Loss					
	1	Current Service Cost	7.65	0.54	5.93	0.39
	2	Past Service Cost	-	-	-	-
	3	Interest cost on benefit obligation (net)	(0.17)	0.23	(0.09)	0.16
	4	**Total Expenses recognised in the Statement of Profit and Loss**	7.48	0.77	5.84	0.55
(v)	Remeasurement Effects recognised in Other Comprehensive Income for the year					
	1	Actuarial (Gains)/ Loss				
		Actuarial (Gains)/ Loss arising from changes in demographic assumption	0.16	(0.04)	0.45	-
		Actuarial (Gains)/ Loss arising from changes in financial assumption	0.01	0.18	3.61	0.35
		Actuarial (Gains)/ Loss arising from changes in experience adjustment	14.07	0.21	1.51	0.34
		Return on plan asset	0.04	-	0.03	-
	2	**Recognised in Other Comprehensive Income**	14.28	0.35	5.60	0.69
(vi)	Actual return on plan assets		5.26	-	4.92	-
(vii)	Sensitivity Analysis					
	Defined Benefit Obligation					
	Discount Rate					
	a	Discount Rate - 100 basis points	98.66	4.86	83.88	3.61
	b	Discount Rate + 100 basis points	87.06	4.30	73.61	3.19
	Salary Increase Rate					
	a	Rate - 100 basis points	86.98	4.30	73.56	3.19
	b	Rate + 100 basis points	98.64	4.85	83.85	3.60

Note on Sensitivity Analysis

1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

3 There is no change in the method from the previous period and the points/ percentage by which the assumptions are stressed are same to that in the previous year.

		31st March 2020 Gratuity Funded	31st March 2020 Gratuity Unfunded	31st March 2019 Gratuity Funded	31st March 2019 Gratuity Unfunded
(viii)	Expected Future Cashflows				
	Year 1	14.61	0.73	14.56	0.46
	Year 2	8.52	0.57	6.80	0.50
	Year 3	9.07	0.61	7.65	0.38
	Year 4	8.11	0.49	8.21	0.43
	Year 5	7.24	0.45	7.33	0.34
	Year 6 to 10	37.76	1.79	33.44	1.36
(ix)	Average Expected Future Working Life (yrs)	14.76	6.06	13.65	8.49

52 Subsidiaries

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

	Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group	
			As at 31st March 2020	As at 31st March 2019
a.	Fevicol Company Ltd (Fevicol)	India	**100.00%**	100.00%
b.	Bhimad Commercial Company Pvt Ltd (Bhimad)	India	**100.00%**	100.00%
c.	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala)	India	**100.00%**	100.00%
d.	Pagel Concrete Technologies Pvt Ltd (PCTPL)	India	**80.00%**	80.00%
e.	Nitin Enterprises (Nitin)	India	**100.00%**	100.00%
f.	Building Envelope Systems India Ltd (BESI)	India	**60.00%**	60.00%
g.	Nina Percept Pvt Ltd [refer Note 56(c)]	India	**71.53%**	71.53%
h.	Hybrid Coatings (Hybrid)	India	**60.00%**	60.00%
i.	Pidilite International Pte Ltd (PIPL)	Singapore	**100.00%**	100.00%
j.	Pidilite Middle East Ltd (PMEL)	United Arab Emirates	**100.00%**	100.00%
k.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	Brazil	**100.00%**	100.00%
l.	Pidilite USA Inc (PUSA)	USA	**100.00%**	100.00%
m.	Pidilite MEA Chemicals LLC (Jupiter)*	United Arab Emirates	**49.00%**	49.00%
n.	PT Pidilite Indonesia (PTPI)	Indonesia	**100.00%**	100.00%
o.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	Bangladesh	**100.00%**	100.00%
p.	Pidilite Innovation Centre Pte Ltd (PICPL)	Singapore	**100.00%**	100.00%
q.	Pidilite Industries Egypt SAE (PIE)	Egypt	**100.00%**	100.00%
r.	Pidilite Bamco Ltd (Bamco)	Thailand	**100.00%**	100.00%
s.	Pidilite Chemical PLC (PCPLC)	Ethiopia	**100.00%**	100.00%
t.	PIL Trading (Egypt) Company (PTC)	Egypt	**100.00%**	100.00%
u.	Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	China	**100.00%**	100.00%
v.	Bamco Supply and Services Ltd (BSSL)*	Thailand	**49.00%**	49.00%
w.	ICA Pidilite Pvt Ltd (ICA) *	India	**50.00%**	50.00%
x.	Cipy Polyurethanes Pvt Ltd	India	**70.00%**	70.00%
y.	Pidilite Lanka (Pvt) Ltd (PLPL)	Sri Lanka	**76.00%**	76.00%
z.	Nebula East Africa Pvt Ltd (Nebula)	Kenya	**100.00%**	100.00%
aa.	Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)**	Sri Lanka	**72.70%**	72.70%
ab.	Pidilite Ventures LLC (w.e.f. 8th August 2018)	USA	**100.00%**	100.00%
ac.	Pidilite East Africa Limited (w.e.f. 12th February 2019)	Kenya	**55.00%**	55.00%
ad.	Pidilite Grupo Puma Pvt Ltd (PGPPL) * (w.e.f. 16th September, 2019)	India	**50.00%**	-
ae.	Pidilite C-Techos Pvt Ltd (w.e.f. 18th September 2019)	India	**60.00%**	-
af.	Pidilite Litokol Pvt Ltd (w.e.f. 7th October 2019) [refer Note 56(e)]	India	**60.00%**	-
ag.	Pidilite Grupo Puma Manufacturing Ltd (PGPML)* (w.e.f. 13th January 2020) [refer Note 56(f)]	India	**50.00%**	-
ah.	Nina Percept (Bangladesh) Pvt Ltd*** (w.e.f. 29th January 2020) [refer Note 56(d)]	Bangladesh	**71.81%**	-
ai.	Pidilite C-Techos Walling Ltd (w.e.f. 5th March 2020) [refer Note 56(h)]	India	**60.00%**	-

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

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

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

(₹ in crores)

53 Taxes

1. Deferred Tax

	As at 31st March 2020	As at 31st March 2019
Deferred Tax Assets (net)	**(13.00)**	(10.72)
Deferred Tax Liabilities (net)	**82.29**	120.14
TOTAL	**69.29**	**109.42**

a 2019-20

Deferred tax (assets)/ liabilities in relation to:

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

b 2018-19

Deferred tax (assets)/ liabilities in relation to:

	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	62.06	5.57	-	0.15	**67.78**
Intangible Assets	73.69	9.78	-	(0.09)	**83.38**
FVTPL financial assets	16.78	0.34	-	-	**17.12**
Other Provisions	(6.19)	0.70	-	(0.31)	**(5.80)**
Allowance for Doubtful Debts	(16.16)	(2.50)	-	(0.08)	**(18.74)**
Provision for Employee Benefits	(14.80)	(0.09)	(1.83)	0.01	**(16.72)**
Share issue and buy-back costs	(3.17)	2.77	-	-	**(0.40)**
Tax Losses	(7.39)	(9.92)	-	0.11	**(17.20)**
TOTAL	**104.80**	**6.65**	**(1.83)**	**(0.21)**	**109.42**

(₹ in crores)

2. Income Taxes relating to Continuing Operations

a Income Tax recognised in Profit or Loss

Particulars	As at 31st March 2020	As at 31st March 2019
Current Tax		
In respect of the current year	**384.00**	459.45
In respect of prior years	**(0.01)**	(52.87)
TOTAL	**383.99**	406.58
Deferred Tax		
In respect of the current year	**(36.27)**	6.65
Total income tax expense recognised in the current year relating to continuing operations	**347.72**	**413.23**

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	As at 31st March 2020	As at 31st March 2019
Profit before tax from continuing operations (after exceptional items)	**1,466.74**	1,338.02
Income Tax Rate (%)	**25.17%**	34.94%
Income Tax expense	**369.15**	467.56
Effect of income that is exempt from taxation	**(5.03)**	(5.84)
Effect of expenses that are not deductible in determining taxable profit and deductions	**22.55**	5.98
Effect of concessions (research and development and backward area deductions)	**(3.46)**	(16.76)
Effect of lower rate of tax	**(48.21)**	(17.71)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**-**	0.25
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax liabilities	**-**	-
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	**(0.17)**	(0.03)
Effect of subsidiary companies taxed at a different rate than the holding company	**5.83**	31.15
Others	**7.07**	1.50
TOTAL	**347.73**	466.10
Adjustments recognised in the current year in relation to the current tax of prior years	**(0.01)**	(52.87)
Income tax expense recognised in profit or loss (relating to continuing operations)	**347.72**	**413.23**

c. Income Tax recognised in Other Comprehensive Income

	As at 31st March 2020	As at 31st March 2019
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**3.58**	1.83
Total Income Tax recognised in Other Comprehensive Income	**3.58**	**1.83**

54 Lease

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 152.46 crores and a corresponding lease liability of ₹ 109.73 crores and balance on account of transfer from asset. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Refer Note 50 for contractual maturities of lease liabilities.

Reconciliation of operating lease commitments as at 31st March 2019 with the lease liabilities recognised in the Balance Sheet as at 1st April 2019:

(₹ in crores)

Particulars	
Operating lease commitments disclosed as at 31st March 2019	48.95
Discounted using incremental borrowing rate of at 1st April 2019	75.71
Add : Finance lease liabilities recognised as at 31st March 2019	3.33
(Less) : Short-term leases not recognised as a liability	(17.98)
(Less) : Low-value leases not recognised as a liability	-
Translation Difference	(0.28)
Lease liability recognised as at 1st April 2019	**109.73**
Of which are:	
Current lease liabilities	21.83
Non-current lease liabilities	87.90

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

Particulars	For the year ended 31st March 2020
Interest on lease liabilities (refer Note 38)	8.21
Depreciation of Right-of-use assets (refer Note 39)	31.31
Deferred tax (credit)	(1.08)
Impact on the statement of profit and loss for the period	**38.44**
Expenses related to short term lease incurred during the year	20.35

55 Details of provisions

The Group has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

(₹ in crores)

Particulars	As at 1st April 2019	Additions	Utilisation	Foreign Currency Translation	As at 31st March 2020
Provision for Employee related claims	**0.30**	**-**	**(0.15)**	**(0.03)**	**0.12**
	(1.78)	(0.31)	((1.67))	((0.12))	(0.30)
Provision for other contingencies (regulatory tax related claims)	**0.67**	**0.14**	**-**	**(0.14)**	**0.67**
	(0.74)	-	-	((0.07))	(0.67)
Provision for Warranty Expenses	**1.27**	**4.10**	**(0.07)**	**(0.54)**	**4.76**
	(0.74)	(0.59)	((0.06))	-	(1.27)
TOTAL	**2.24**	**4.24**	**(0.22)**	**(0.71)**	**5.55**
	(3.26)	(0.90)	((1.73))	((0.19))	(2.24)

Of the above, the following amounts are expected to be incurred within a year:

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for Warranty Expenses	**4.76**	1.27

56 Other Information

a) During the previous year, Group has invested in convertible promissory note which contains an embedded derivative in the form of an equity conversion option upon qualifying conditions. Group has elected the option to measure the hybrid instrument at fair value in its entirety with changes in fair value recognised in Profit and Loss.

b) During the year, Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala), a wholly owned subsidiary of the Company:

(i) invested an amount of ₹ 49 crores in the Homevista Décor & Furnishings Pvt Ltd (HomeLane) by subscription to Compulsory Convertible Cumulative Preference Shares. HomeLane is a fast growing home interiors company backed by strong tech-stack and presence in 7 cities with 16 experience centers in India.

(ii) invested an amount of ₹ 71.47 crores in the Trendsutra PlatformServices Pvt Ltd (Pepperfry) by subscription to Compulsory Convertible Non-Cumulative Preference Shares. Pepperfry is an online furniture chain in India.

(iii) invested an amount of ₹ 2.00 crores in the Aapkapainter Solutions Pvt Ltd (Aapkapainter). Madhumala has agreed to make an investment of ₹ 5.00 crores in Aapkapainter, a company engaged in providing painting and waterproofing solutions to retail consumer.

c) During the previous year, Percept Waterproofing Services Limited (Percept) (80% Subsidiary of the Company) was merged with Nina Waterproofing Systems Pvt Ltd (Nina) (70% Subsidiary of the Company), pursuant to the Hon'ble National Company Law Tribunal, Mumbai Bench, order dated 11th January 2019, w.e.f. the appointed date i.e. 1st April 2017 and consequently, Percept stands dissolved without winding up. Further, post the said merger, w.e.f 27th March 2019, Nina is known as AEKAM Construction Specialties Private Limited (AEKAM) and w.e.f 15th April 2019, AEKAM is known as Nina Percept Private Limited. Accordingly, the Company's investment in Percept are merged with Nina Percept Private Limited and the Company holds 71.53% stake in the merged entity.

d) During the year, Nina Percept Private Limited (NPPL), subsidiary of the Company along with Pidilite Speciality Chemicals Pvt. Ltd. (PSCB), step-down subsidiary of the Company, has incorporated a subsidiary in Bangladesh namely 'Nina Percept (Bangladesh) Pvt. Ltd.' to carry on the business of roofing and waterproofing services. NPPL shall hold 99% of the paid up share capital of Nina Percept (Bangladesh) Pvt Ltd and the balance 1% shall be held by PSCB.

e) During the year, the Company has incorporated a subsidiary in the name of 'Pidilite Litokol Private Limited' (PLPL). This subsidiary is incorporated to carry on the business of chemicals epoxy grouts, chemical based products, etc. In terms of Shareholder's agreement, the Company shall hold 60% of the paid-up share capital and balance capital held by Litokol SPA, Italy.

f) During the year, The Company has incorporated a subsidiary in the name of 'Pidilite Grupo Puma Manufacturing Limited' (PGPML) to carry on the business of manufacturing, processing, trading or dealing in technical mortars, building materials, high quality C2 tile adhesives, other materials used in construction etc. The Company shall hold 50% of the paid-up share capital and balance capital held by Corporacion Empresarial Grupo Puma S.L. (Grupo Puma).

g) The Board of Directors at its meeting held on 29th January 2020 have approved a restructuring proposal whereby the Company shall, for operational convenience and synergies, acquire the business of wholly owned entity, M/s Nitin Enterprise (a partnership firm having two partners which are wholly owned subsidiaries of the Company) on a slump sale basis for a cash consideration of an amount not exceeding ₹ 18.50 crores. The Company has applied for and is awaiting for necessary approvals.

h) During the year, the Company has incorporated a Subsidiary Company in the name of "Pidilite C-Techos Walling Limited" (PCWL) to carry on the business of construction of building works or any other structural or architectural work of any kind using C-Techos wall technology, manufacturing of ACC panels and other ancillary products. The Company shall hold 60% of the paid-up share capital and balance capital held by Chetana Exponential Technologies Pvt Ltd.

i) During current year, the Company decided to sell plant and machinery pertaining to Synthetic Elastomer project located at Dahej having a carrying value of ₹ 60.52 crores as on 1st April 2019 (included in capital work in progress). Accordingly, reclassified these assets as "Assets held for sale" at fair market value of ₹ 38.28 crores and an impairment loss amounting to ₹ 22.24 crores was provided in September 2019.

The Company has undertaken its best efforts to find buyers for these assets. In absence of buyer, as at 31st March 2020, these assets were fair valued at estimated realizable scrap value in accordance with Ind AS 113 "FairValue Measurement", being asset categorized as Level 3, whereby fair value is determined based on the inputs to the valuation technique.

Out of these assets, Company has identified certain plant & machinery amounting to ₹ 5.33 crores for its internal use and remaining plant & machinery amounting to ₹ 32.95 crores have been further impaired. Hence, an impairment loss aggregating to Rs 55.19 crores is disclosed as an exceptional item in the financial statements.

j) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The operation of the Company were disrupted since mid of March 20. As on date, The parent company has already restarted the operations albeit in a phased manner after obtaining necessary permissions as required. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc.

The Company has evaluated the impact of COVID-19 on the operations of the Company, order booking and revenue, cash flow, assets and liabilities and factored in the impact of it upto the date of approval of these financial results on the carrying value of its assets and liabilities.

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

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

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

57 Events after reporting period

The Company has entered into a definitive agreement with Tenax SPA Italy (Tenax Italy) for acquiring 70% of the share capital of Tenax India Stone Products Pvt Ltd (Tenax India) for cash consideration of approximately ₹ 80 crores (depending upon the actual cash and working capital at the time of closing), subject to certain preconditions being met prior to closing of the transaction. Tenax Italy is the leading manufacturer of adhesives, coating, surface treatment chemicals and abrasives for the marble, granite and stone industry. Tenax India is a subsidiary of Tenax Italy engaged in the sales and distribution of Tenax Italy products for the retail market in India.

58 Approval of financial statements

The consolidated financial statements are approved for issue by the Audit Committee and by the Board of Directors at their respective meetings held on 17th June 2020.

59 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in crores)

Name of the entity	Net assets, i.e., Total Assets - Liabilities		Share of Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Other Comprehensive Income	Amount
Pidilite Industries Limited	**76.13**	**3,555.80**	**96.93**	**1,087.64**	**2,566.81**	**90.89**	**104.70**	**1,178.53**
Indian Subsidiaries								
Bhimad Commercial Co Pvt Ltd (Bhimad)	0.00	0.01	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Building Envelope Systems India Ltd (BESI)	0.07	3.23	(0.81)	(9.05)	(0.26)	(0.01)	(0.81)	(9.06)
Fevicol Company Ltd (Fevicol)	0.00	0.04	0.00	0.00	(0.36)	(0.01)	(0.00)	(0.01)
Hybrid Coatings (Hybrid)	0.15	7.21	(0.84)	(9.46)	(0.13)	(0.00)	(0.84)	(9.46)
Madhumala Ventures Pvt Ltd (Madhumala)	2.71	126.53	(0.01)	(0.10)	-	-	(0.01)	(0.10)
Nina Percept Private Limited	2.89	135.00	3.91	43.84	(10.04)	(0.36)	3.86	43.48
Nitin Enterprises (Nitin)	0.36	17.00	(3.37)	(37.78)	-	-	(3.36)	(37.78)
Pagel Concrete Technologies Pvt Ltd (PCTPL)	0.00	0.07	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Cipy Polyurethanes Pvt Ltd (CIPY)	2.49	116.31	(0.50)	(5.60)	4.97	0.18	(0.48)	(5.42)
ICA Pidilite Pvt Ltd (ICA)	1.97	92.16	(3.86)	(43.26)	(1.89)	(0.07)	(3.85)	(43.33)
Pidilite C-Techos Walling Ltd	0.00	0.02	(0.00)	(0.02)	-	-	(0.00)	(0.02)
Pidilite Grupo Puma Manufacturing Ltd	0.00	0.02	(0.00)	(0.02)	-	-	(0.00)	(0.02)
Pidilite Litokol Pvt Ltd	0.01	0.62	(0.00)	(0.03)	-	-	(0.00)	(0.03)
Pidilite C-Techos Pvt Ltd	-	-	-	-	-	-	-	-
Pidilite Grupo Puma Pvt Ltd	-	-	-	-	-	-	-	-
Foreign Subsidiaries								
Pidilite Bamco Ltd (Bamco)	1.10	51.34	0.08	0.94	36.92	1.31	0.20	2.25
Bamco Supply and Services Ltd (BSSL)	0.08	3.87	0.20	2.20	10.08	0.36	0.23	2.56
Pidilite MEA Chemicals LLC (Jupiter)	1.00	46.68	4.24	47.55	(618.82)	(21.91)	2.28	25.64
Pidilite Chemical PLC (PCPLC)	0.03	1.28	(0.10)	(1.11)	5.63	0.20	(0.08)	(0.91)
Pidilite Industries Egypt SAE (PIE)	0.85	39.67	0.82	9.20	(192.99)	(6.83)	0.21	2.37
Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	0.00	0.20	(0.08)	(0.87)	(0.10)	(0.00)	(0.08)	(0.87)
Pidilite Innovation Centre Pte Ltd (PICPL)	0.11	5.08	(0.53)	(6.00)	(2.17)	(0.08)	(0.54)	(6.08)
Pidilite International Pte Ltd (PIPL)	0.10	4.59	(0.04)	(0.39)	(2,075.22)	(73.49)	(6.56)	(73.88)
Pidilite Lanka (Pvt) Ltd (PLPL)	0.56	26.19	0.83	9.35	(7.74)	(0.27)	0.81	9.08
Pidilite Middle East Ltd (PMEL)	0.01	0.57	(0.01)	(0.10)	(391.52)	(13.87)	(1.24)	(13.97)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	1.79	83.72	3.55	39.78	88.98	3.15	3.81	42.93
Pidilite USA Inc (PUSA)	2.13	99.36	(0.62)	(6.95)	(227.80)	(8.07)	(1.33)	(15.02)
PIL Trading (Egypt) Company (PTC)	0.07	3.31	0.10	1.10	(47.36)	(1.68)	(0.05)	(0.58)
PT Pidilite Indonesia (PTPI)	0.03	1.62	(0.06)	(0.70)	7.89	0.28	(0.04)	(0.42)
Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda (Pulvitec)	0.48	22.25	(0.34)	(3.84)	953.03	33.75	2.66	29.91
Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)	0.01	0.27	(0.01)	(0.15)	(2.21)	(0.08)	(0.02)	(0.23)
Nebula East Africa Pvt Ltd (Nebula)	0.01	0.67	0.01	0.15	0.60	0.02	0.01	0.17
Pidilite Ventures Ltd (PVL)	0.18	8.24	0.02	0.25	0.88	0.03	0.03	0.28
Pidilite East Africa Limited	0.05	2.40	(0.01)	(0.16)	(0.57)	(0.02)	(0.02)	(0.18)
Nina Percept (Bangladesh) Pvt Ltd	0.01	0.28	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Non-Controlling Interest	**4.62**	**215.65**	**0.50**	**5.63**	**3.39**	**0.12**	**0.51**	**5.75**
Vinyl Chemicals (India) Ltd (Associate)	-	-	**0.00**	**0.01**	-	-	**0.00**	**0.01**
Plus Call Technical Services LLC (Joint Venture)	-	-	-		-	-	-	-
TOTAL	**100.00**	**4,671.26**	**100.00**	**1,122.05**	**100.00**	**3.54**	**100.00**	**1,125.59**

INFORMATION ON SUBSIDIARY COMPANIES

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

(₹ in crores)

Particulars	Date of acquisition/ incorporation of subsidiary	Reporting period (FY)	Reporting Currency	Exchange Rates as at year end	Share Capital (includes Share application Money)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (except in case of subsidiaries)	Turnover	Profit/ (Loss) Before Taxation	Provision For Tax (including Deferred Tax)	Profit/ (Loss) After Taxation	Proposed Dividend	% of shareholding*
Pidilite International Pte Ltd	29.12.2004	31.03.2020	USD	75.37	203.97	1.24	205.35	0.14	-	-	0.44	(0.03)	0.47	-	100.00%
Pidilite Middle East Ltd	18.05.2005	31.03.2020	AED	20.54	187.23	(103.01)	84.33	0.10	-	-	(0.10)	-	(0.10)	-	100.00%
Pidilite MEA Chemicals (LLC)	28.06.2005	31.03.2020	AED	20.54	0.62	154.36)	125.63	279.37	-	109.62	(9.92)	-	(9.92)	-	49.00%
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	29.12.2005	31.03.2020	Taka	0.89	31.32	46.47	126.42	48.63	-	118.90	14.45	4.85	9.60	-	100.00%
Pidilite Bamco Ltd	27.02.2006	31.03.2020	Baht	2.31	8.07	21.20	37.48	8.21	-	49.82	3.29	0.60	2.69	-	100.00%
PT Pidilite Indonesia	01.03.2006	31.03.2020	IDR	0.00	5.30	(3.62)	1.93	0.24	-	-	0.01	-	0.01	-	100.00%
Pidilite USA Inc	12.05.2006	31.03.2020	USD	75.37	111.40	(12.11)	142.53	43.24	4.24	113.72	0.63	(1.34)	1.97	-	100.00%
Pidilite Innovation Center Pte Ltd	20.12.2006	31.03.2020	SGD	52.98	5.27	(0.02)	8.17	2.92	-	3.84	(0.25)	0.26	(0.51)	-	100.00%
Pidilite Industries Egypt - SAE	18.10.2007	31.03.2020	EGP	4.79	46.68	(17.62)	61.61	32.55	-	31.57	0.89	(0.14)	1.03	-	100.00%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	10.05.2005	31.03.2020	BRL	14.52	107.91	(85.66)	51.83	29.59	-	87.06	(3.57)	0.27	(3.84)	-	100.00%
Bamco Supply and Services Limited	22.04.2008	31.03.2020	Baht	2.31	0.23	7.49	8.46	0.74	-	11.78	0.88	0.15	0.73	-	49.00%
PIL Trading (Egypt) LLC	27.07.2009	31.03.2020	EGP	4.79	2.61	(5.32)	5.44	8.15	-	5.26	(0.24)	(0.01)	(0.23)	-	100.00%
Pidilite Industries Trading (Shanghai) Co Ltd	22.11.2010	31.03.2020	RMB	10.63	1.02	(0.07)	0.98	0.03	-	0.84	(0.15)	-	(0.15)	-	100.00%
Pidilite Chemical PLC	10.12.2014	31.03.2020	Birr	2.27	3.57	(2.26)	4.33	3.02	-	-	(0.98)	-	(0.98)	-	100.00%
Pidlite Ventures LLC	08.08.2018	31.03.2020	USD	75.37	7.91	0.33	8.25	0.01	3.77	-	0.24	(0.02)	0.26	-	100.00%
Nebula East Africa Ltd	09.09.2015	31.03.2020	KES	0.72	0.36	0.26	2.57	1.95	-	3.11	0.16	0.06	0.10	-	100.00%
Pidilite Lanka (Pvt) Ltd	07.08.2015	31.03.2020	LKR	0.40	35.05	(3.77)	56.75	25.47	-	41.53	(1.18)	0.03	(1.21)	-	76.00%
Nina Lanka Construction Technologies (Pvt) Limited	20.02.2017	31.03.2020	LKR	0.40	0.63	(0.26)	0.63	0.26	-	0.07	(0.31)	-	(0.31)	-	72.70%
Pidilite East Africa Limited	12.02.2019	31.03.2020	KES	0.72	4.68	(0.55)	4.32	0.20	-	-	(0.53)	-	(0.53)	-	55.00%
Nina Percept (Bangladesh) Pvt Ltd	29.01.2020	31.03.2020	Taka	0.89	0.39	-	0.39	-	-	-	-	-	-	-	71.81%
Fevicol Company Limited	28.07.1979	31.03.2020	INR	-	0.27	1.96	2.23	-	0.04	-	-	-	-	-	100.00%
Madhumala Venture Pvt Ltd	01.06.1989	31.03.2020	INR	-	0.16	134.88	135.04	-	122.48	-	1.13	-	1.13	-	100.00%
Bhimad Commercial Company Pvt Ltd	01.06.1989	31.03.2020	INR	-	0.01	8.64	8.65	-	-	-	1.23	-	1.23	-	100.00%
Pagel Concrete Technologies Pvt Ltd	24.01.2007	31.03.2020	INR	-	0.10	(0.43)	-	0.33	-	-	-		-	-	80.00%
Building Envelope Systems India Ltd	07.09.2012	31.03.2020	INR	-	8.35	14.37	23.90	1.18	-	9.07	2.31	0.21	2.10	-	60.00%
Nina Percept Pvt Ltd**	30.03.2015	31.03.2020	INR	-	1.18	144.19	319.68	174.31	-	267.76	4.00	0.66	3.34	-	71.53%
ICA Pidilite Pvt Ltd	20.11.2015	31.03.2020	INR	-	7.31	236.85	285.67	41.51	4.51	185.24	2.05	0.52	1.53	-	50.00%
Cipy Polyurethanes Pvt Ltd	29.11.1994	31.03.2020	INR	-	0.94	93.01	125.41	31.46	-	120.86	15.42	4.24	11.18	-	70.00%
Pidilite C-Techos Pvt Ltd	18.09.2019	31.03.2020	INR	-	-	-	-	-	-	-	-	-	-	-	60.00%
Pidilite Grupo Puma Pvt Ltd	16.09.2019	31.03.2020	INR	-	-	-	-	-	-	-	-	-	-	-	100.00%
Pidilite C-Techos Walling Ltd	05.03.2020	31.03.2020	INR	-	0.01	(0.04)	0.01	0.04	-	-	(0.04)	-	(0.04)		60.00%
Pidilite Litokol Pvt Ltd	07.10.2019	31.03.2020	INR	-	1.00	(0.05)	1.00	0.05			(0.05)	-	(0.05)		60.00%
Pidilite Grupo Puma Manufacturing Ltd	13.01.2020	31.03.2020	INR	-	0.01	(0.04)	0.01	0.04	-	-	(0.04)	-	(0.04)	-	50.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2020
** refer Note 56(c) of consolidated financial statements
Name of Subsidiaries which are yet to commence operations: Pidilite C-Techos Pvt Ltd and Pidilite Grupo Puma Pvt Ltd
Name of Subsidiaries which have been liquidated or sold during the year: Not Applicable

INFORMATION ON ASSOCIATES

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

(₹ in crores)

	Name of Associate	Vinyl Chemicals (India) Ltd
1	Latest audited Balance Sheet Date	31st March 2020
2	Share of Associate held by the Company at the year end	
	• Number	74,51,540
	• Amount of Investment in Associate	1.18
	• Extent of Holding %	40.64%
3	Description of how there is significant influence	Associate
4	Reason why Associate is not consolidated	refer Note 2.5
5	Networth attributable to Shareholding as per latest audited Balance Sheet	24.85
6	Profit/ Loss for the year	
	(i) Considered in Consolidation	3.03
	(ii) Not Considered in Consolidation	4.43

INFORMATION ON JOINT VENTURE

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

(₹ in crores)

	Name of Joint Venture	Plus Call Technical Services LLC
1	Latest unaudited Balance Sheet Date	31st March 2020
2	Share of Joint Venture held by the Company at the year end	
	• Number	57
	• Amount of Investment in Joint Venture	0.21
	• Extent of Holding %	40.00%
3	Description of how there is significant influence	Not Applicable
4	Reason why Joint Venture is not consolidated	refer Note 2.5
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet	-
6	Profit/ Loss for the year	
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PUNEET BANSAL
Company Secretary

PRADIP KUMAR MENON
Chief Financial Officer

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

Place: Mumbai
Date: 17th June 2020

DESIGN Pidilite Design Studio | PRINT Parksons Graphics

Pidilite Industries Limited
Registered Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

www.pidilite.com