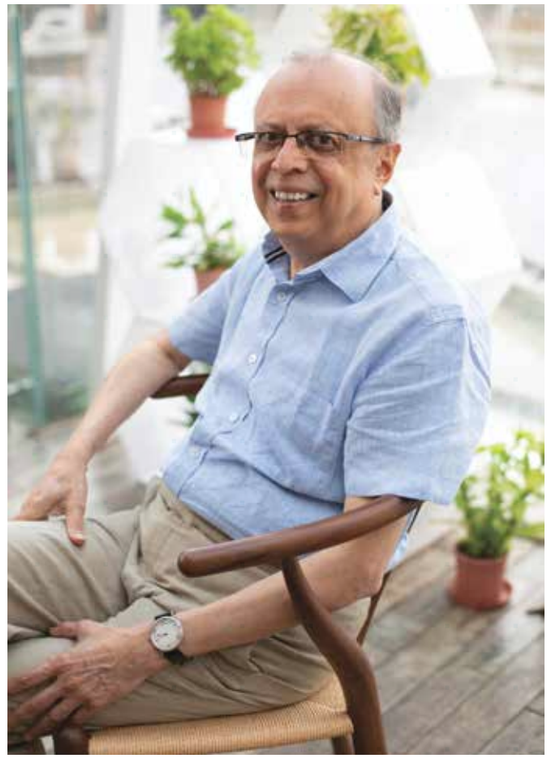


Pidilite

ANNUAL REPORT 2021-2022



“

All Pidilitians have dealt with yet another challenging year in an effective manner. It has been heartnening to see so many members of our Pidilite Parivaar go beyond their call of duty and show great sense of ownership, compassion and courage. Their actions reflect the true Spirit of Pidilite.

This year’s Report celebrates this very spirit with stories which represent our values, culture and ways of working.

”

M B Parekh
Chairman

1

WHAT DRIVES US

FRESH & ORIGINAL THINKING

Fresh & original thinking is the basis on which we have taken large number of initiatives since our inception. This has enabled us to pioneer product categories and business segments.

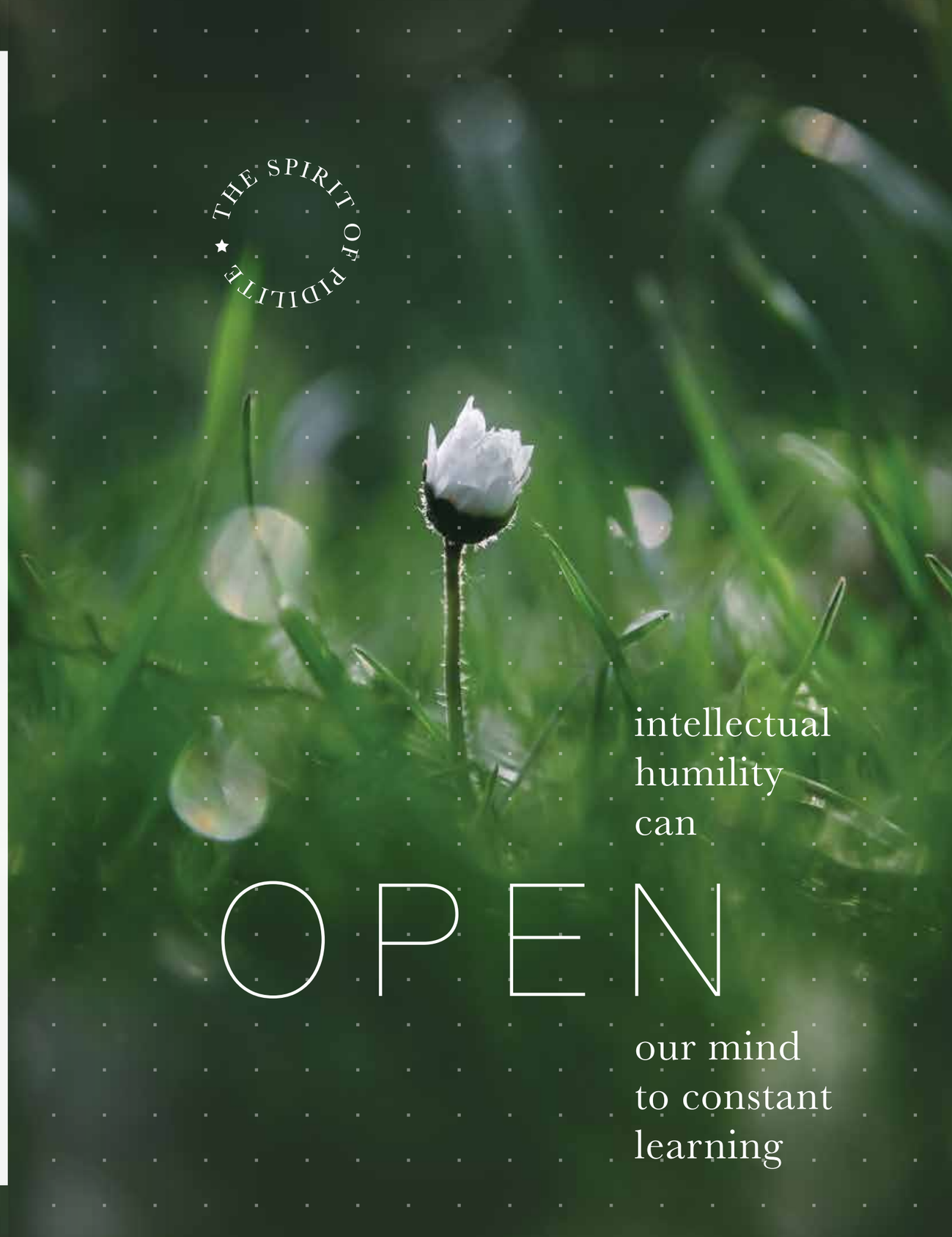
After establishing market leadership in India, Manab Ghosh was determined to take Fevicol to new shores.

After a lot of market research, he zeroed in on Bangladesh. Bangladesh at the time already had a strong penetration of low-cost imported and local white glues. Manab knew that to get any foothold in this market, he will have to start from the ground-up. He started by speaking to carpenters who were using white glue. He learnt that low-cost white glues available in Bangladesh were of average or below average quality.

However if anything went wrong with the final product, it was pinned on the carpenters and never on the glue.

Manab quickly understood that this was a market of undervalued carpenters and inferior products and that there was a huge potential for a premium product like Fevicol to capture significant market share. While Fevicol was twice as expensive as imported as well as locally available white glues, Manab was confident that it would find a healthy demand and he persisted with his plan to introduce Fevicol in Bangladesh.

With the combined strength of Manab's persistence and the quality of Fevicol, a market that subsisted on economy products transformed to welcome a premium product - at a higher price point. Fevicol's superior performance helped carpenters deliver high-quality end products. As a result, the carpenters also gained a lot of trust and respect among their customers. Bangladesh now has a community of carpenters across generations who are loyal to brand Fevicol and feel like they are an important part of the brand's journey.



2

WHAT KEEPS US MOVING

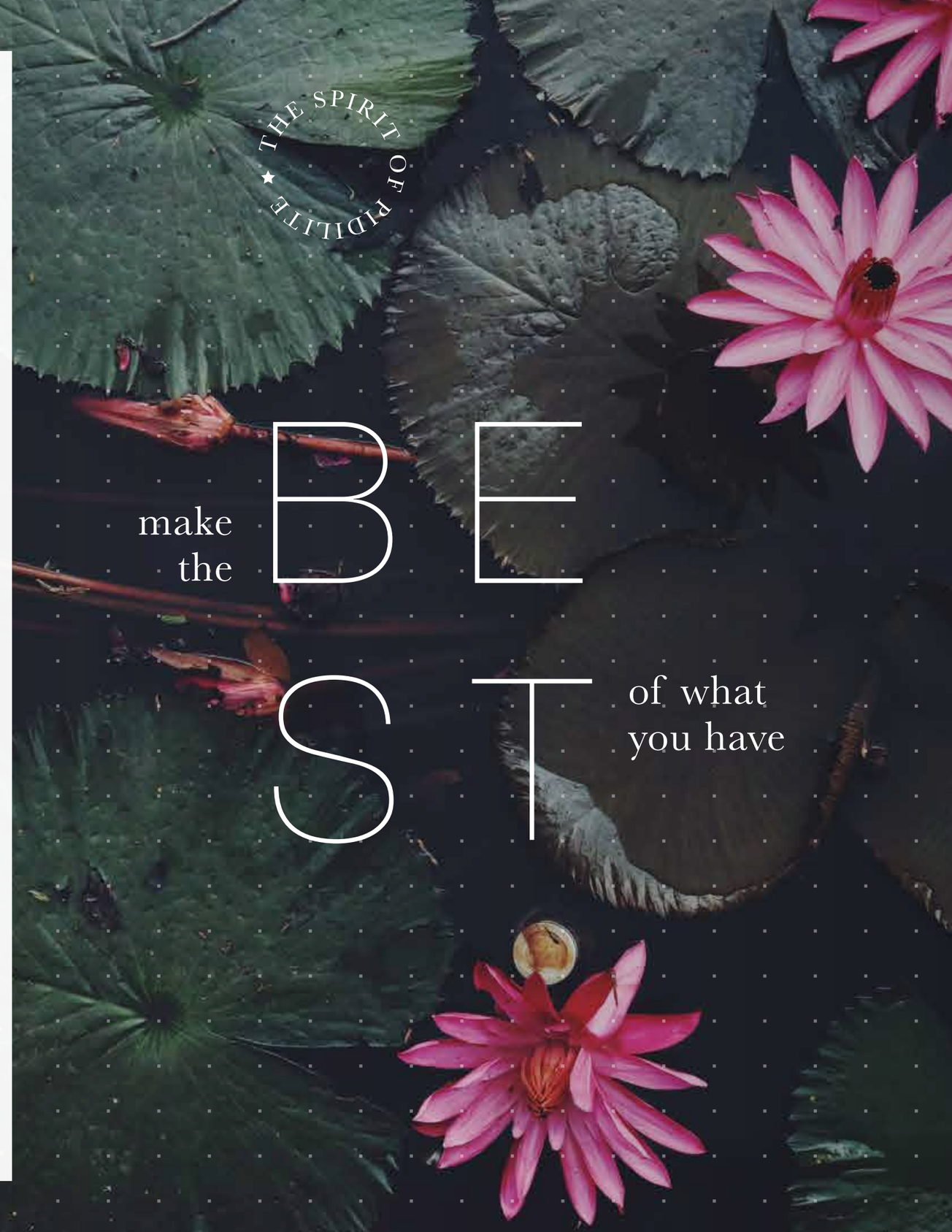
‘CAN DO’ & ‘WILL DO’ ATTITUDE

A person equipped with ‘can do’ and ‘will do’ attitude is the right person to take up any difficult challenge to achieve objectives.

Our Kala Amb factory was staring at a problem that had the potential to spiral into a big issue in a short time.

The factory’s Sewage Treatment Plant (STP) and the Effluent Treatment Plant (ETP) were finding it challenging to achieve the benchmarks set by the government authorities. The deadline for compliance was close and the time was at a premium.

Sitar Mohammad realised that the problem needed a long-term and a well thought-through solution. While looking for potential solutions for the issue, he came across an Environmental Technology course at IIT Kharagpur. Without losing any time, Sitar and his team member Bupinder Singh Saini enrolled themselves for it. With the knowledge they gained, they were able to find a solution and implement it quickly to address the potential challenge. Fully compliant, our Kala Amb factory is now an example for other factories in the vicinity. Sitar’s story is a great testimony to the spirit of ‘can do, will do’ that continues to inspire many.



3 WHAT GROUNDS US

EMPATHY

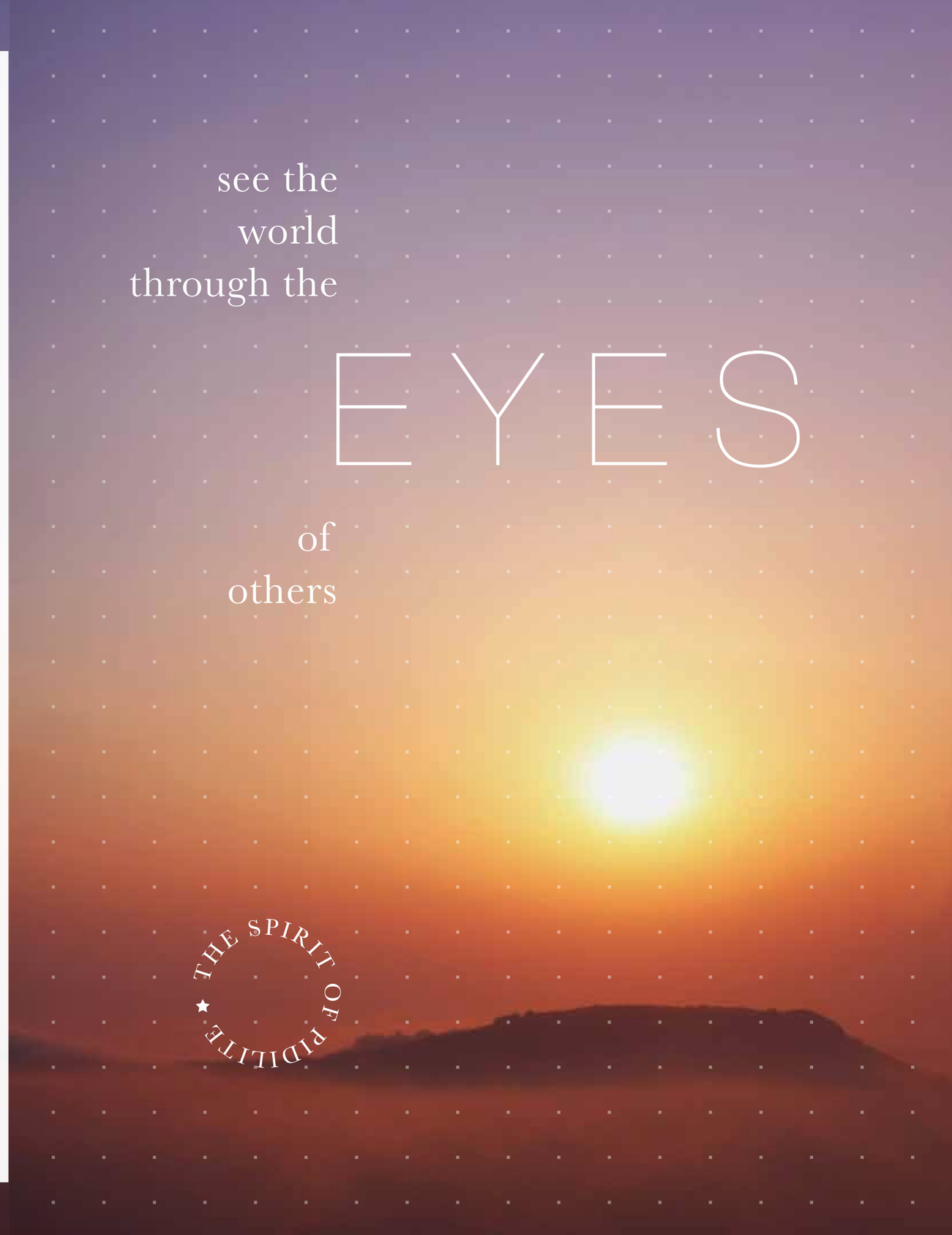
Empathy for all our stakeholders plays an important role in our culture. Stakeholders include our employees, shareholders, customers, users, dealers, etc. Empathy leads us to experience same feelings as experienced by our stakeholders.

In March 2020, the entire nation was locked down in the wake of the Covid-19 pandemic.
Some colleagues were stuck miles away from their families and some were not able to get medical help for their elderly parents. For our colleagues in West Bengal, hardships were doubled by cyclone Amphan that hit around the same time. Amidst this distressing scenario, one of our employees Ikramul Hasan showed exemplary selflessness and compassion. With the support of Pidilite, Hasan Da as he is fondly known, tapped into his contacts with the local governing bodies and the police to mobilize resources and help his colleagues.

He sought the support of local people and managed to deliver medicines to colleagues who needed them. He liaised with the Mayor's office in Kolkata to seek permission for one of our dealer's family, who was stuck in Uttarakhand for over a month, to travel back to Kolkata. As an aftermath of Amphan, the communication was disrupted and the team was not able to establish any connect with one of our colleague Mihir, who lived in the remote area of Sundarbans.

Hassan da reached out to the South Bengal DC for help, who in turn worked with the local police station to trace Mihir's house and ensure his well-being.

Hassan da did not leave any stone unturned to help his colleagues, all this while taking care of his own mother who was unwell at that time. His team members in West Bengal say, "Navigating this challenging time without Hassan Da would have been impossible".



4

WHAT KEEPS US CONNECTED

CLOSE CONNECT WITH USERS

Close connect with users goes much beyond selling them our products and services. We not only coach them on how to do well in their business but also care about their well-being.

Rakesh had done very well in his class 12th and his family was happy and excited about the possibilities that lay ahead for their son. After all, Rakesh was the first in their family who was going to receive higher education.

There was one problem though. His father Mr. Singh and his mother were both not well educated and didn't have the wherewithal to guide Rakesh well about his career. Like Mr. Singh, this was a concern echoed by many contractors enrolled with the Fevicol Champion's Club (FCC) - our flagship outreach and training programme for carpenters and contractors.

Responding to this need and going beyond its original mandate, FCC held free career counselling sessions for the children of contractors. As one contractor put it, "It is amazing to see a product company care for the future of my child. They really live up to their promise of building bonds. Today I am bonded with Fevicol for life!"

The FCC has always believed in helping its members and the community at large. A few years back, Vijay, an FCC member in Jaipur, passed away after suffering a massive heart attack. Post his demise, his family faced financial challenges which made it difficult for his daughter, Sujata, to carry on with her school education. After getting to know this, all the FCC clubs in Jaipur came together to provide financial aid to help her finish her school education.

THE SPIRIT OF FIDILITE

nurture

BONDS

deeper

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COMPANY INFORMATION

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 Consultants Private Limited
(Formerly known as TSR Darashaw Consultants Private Limited)
C 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083

Company Secretary
Manisha Shetty
(w.e.f. 11.03.2022)

Chief Financial Officer
Sandeep Batra
(w.e.f. 01.06.2022)

Internal Auditors
Mahajan & Aibara

Auditors
Deloitte Haskins & Sells LLP

Solicitors & Advocates
Wadia Ghandy & Co

Bankers
Indian Overseas Bank
Union Bank of India
ICICI Bank
HDFC Bank
Citibank N A
Standard Chartered Bank PLC.

BOARD OF DIRECTORS

M B Parekh
Executive Chairman

A B Parekh
Executive Vice Chairman

Bharat Puri
Managing Director

Sudhanshu Vats
Deputy Managing Director
(w.e.f. 18.05.2022)

A N Parekh
Whole Time Director

Debabrata Gupta
Whole Time Director

B S Mehta
Director

Sanjeev Aga
Director

Uday Khanna
Director

Meera Shankar
Director

Vinod Dasari
Director

Piyush Pandey
Director

Rajeev Vasudeva
Director

Meher Pudumjee
Director
(w.e.f. 18.05.2022)



MARKETING INITIATIVES

The year 2021-22 was another year of campaigns that forged deep emotional connect with consumers and end-users, while continuing to build new segments and categories. We launched new campaigns for Fevikwik and Fevistik and did an engaging association with 83 - The Movie. We also took the Dr. Fixit campaign that was launched in two states last year, nationwide. Our digital marketing initiatives in form of social media posts and videos tapped into topical trends in a fun and quirky manner and helped build brand love. Pidilite bagged 30+ advertising & marketing awards during the year including yet another EFFIE Gold for Fevikwik's "Phenko Nahi Jodo" campaign and a Kyoorius Blue Elephant for Fevicol's social distancing campaign.

ADVERTISING CAMPAIGNS

The **Dr. FIXIT RANG ROGAN** television campaign featuring Mr. Amitabh Bachchan and highlighting the advantages of Dr. Fixit Roofseal Topcoat over ordinary paints, that was launched in two states last year, was aired nationally.





FEVISTIK launched a new campaign **“Dil se chipkaoge to dimag mein chipkega”** to build an emotional connect with its consumers. With fun activations and a new product pack, the campaign encouraged kids to “Learn by Doing”.



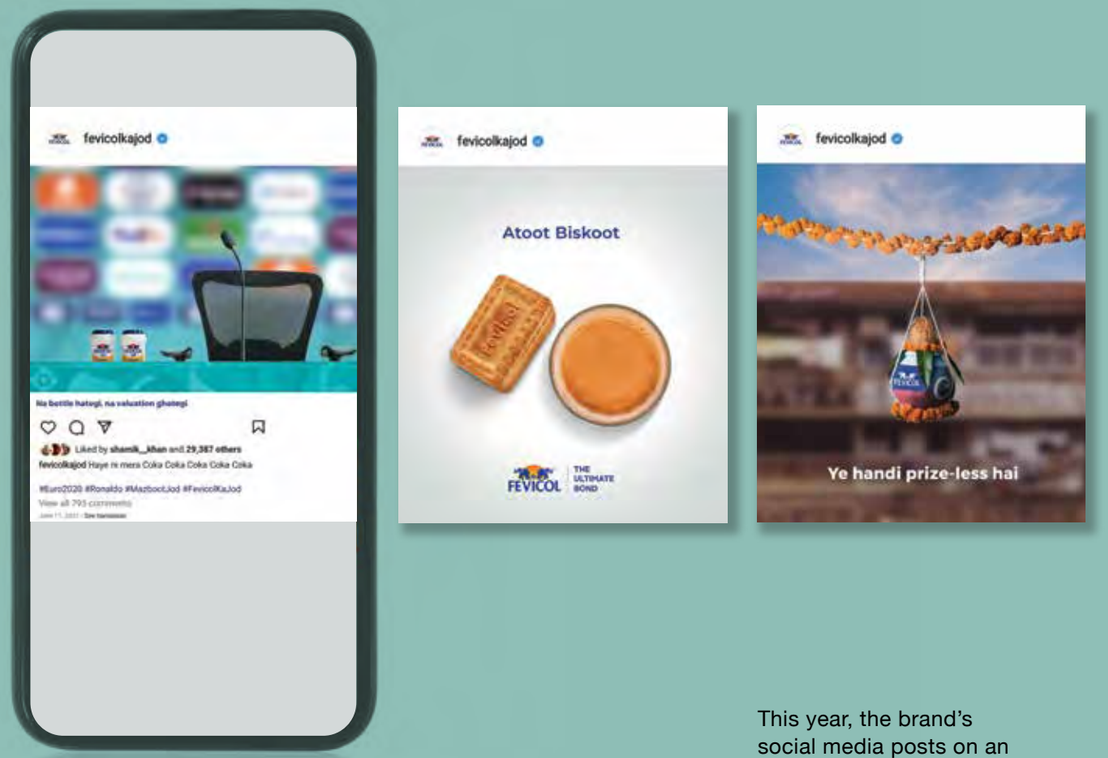
FEVIKWIK launched a social media campaign to celebrate clumsy people who often unintentionally break things by calling them **‘Fevikwik stars’**. People shared thousands of stories about the Fevikwik stars in their lives.



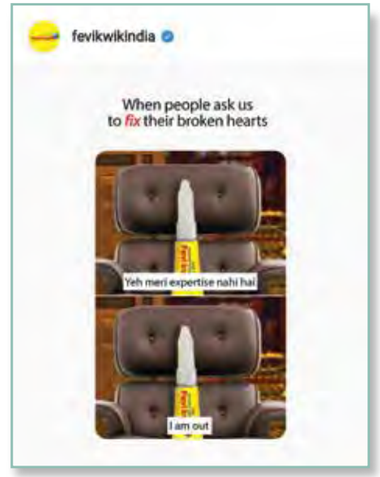
FEVICOL associated with one of the biggest Indian movies of the year - **‘83 – THE MOVIE’** to reinforce brand leadership.

SOCIAL MEDIA HIGHLIGHTS

FEVICOL, with its uniquely humorous take on trends and topics, is now one of the buzziest brands on social media.



This year, the brand's social media posts on an event involving a major cola brand and a star footballer went viral with customers appreciating the brand's smart take on the incident, that reinforced the brand promise of "mazboot jod".



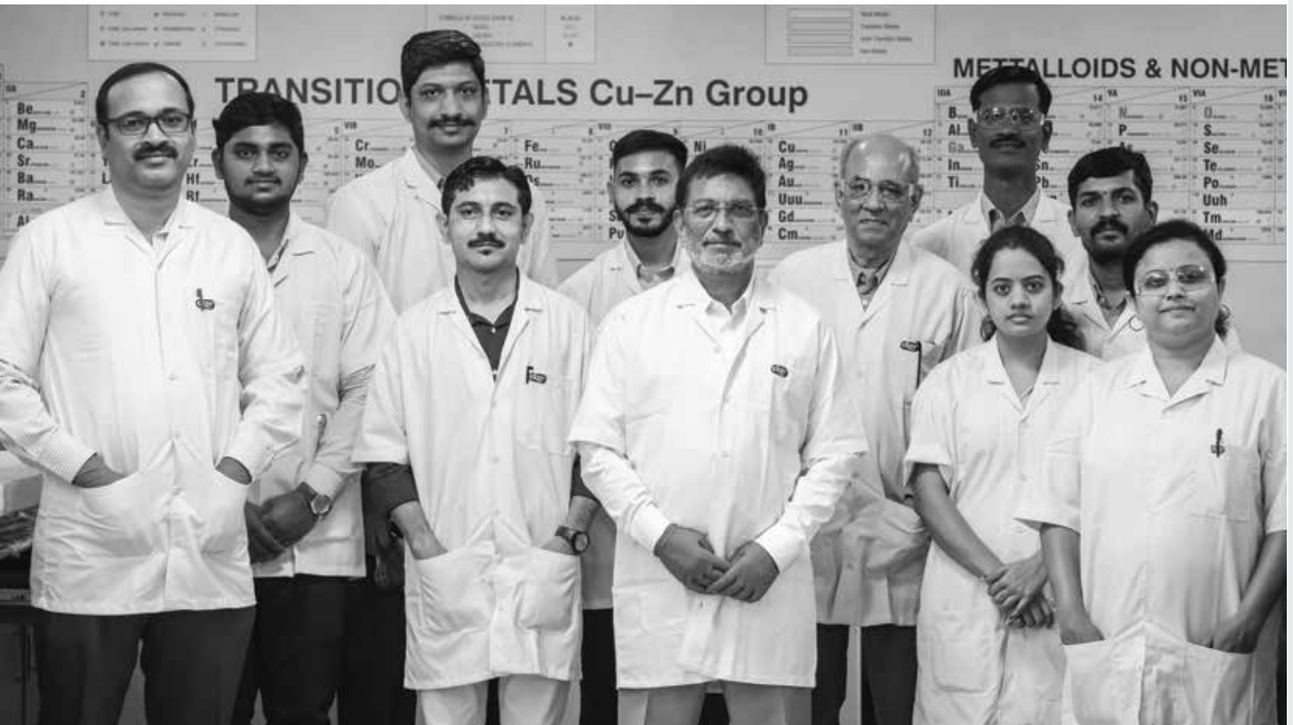


FEVIKWIK also delighted people on social media through its funny and quirky take on various events and occasions.

NEW INITIATIVES

A new brand identity – Dr. Cipy

CIPY Polyurethanes Pvt. Ltd, a floor coating company was acquired in 2018. In 2021, the Company, rebranded CIPY Polyurethanes as Dr. Cipy giving it a distinct Pidilite brand identity while retaining the core and expertise of its founder Dr. Subash Cipy.





Fevicryl Artshaala Masterclass

The Masterclasses provided the Fevicryl community a platform to learn from the best in the field of traditional art and craft, every month.



One Pidilite

The Company launched the first ever 'One Pidilite Store' – an experience centre to assist and educate customers about Pidilite's solutions that can make the entire process of construction seamless and hassle free for them.

The Company also promoted 'One Pidilite' through a smart digital marketing campaign using quirky and interesting creatives to communicate the concept of "One Point Expert Connect" to the users.

INTERNATIONAL MARKETS EXPANSION

Pidilite took **Araldite** (a range of epoxy adhesives it acquired in November 2020) to its key international markets in SAARC - Bangladesh, Nepal & Sri Lanka.



Pidilite East Africa Limited, a JV between Pidilite International Pte. Ltd. and Crown Classic, launched a range of modern tile-adhesives, grouts and waterproofing products under the Dr. Fixit brand in Kenya, Uganda and Rwanda.

DR. FIXIT®
WATERPROOFING EXPERT

AWARDS & ACCOLADES

The year 2021-22 was a rewarding year for Pidilite as many of its brands won multiple awards across various categories.

Pidilite bagged five awards at the prestigious **EFFIE** this year including yet another EFFIE GOLD for the Fevikwik “Phenko Nahi Jodo” campaign and an EFFIE BRONZE for the Fevicol “Yakshagana” campaign under the category – ‘Other Products’.





Fevicol “Unni Da Bees” Campaign won over 10 awards including a **Mobexx Gold** for **Mobile Advertising Excellence** and the **DMA Echo Asia Silver** under the ‘Consumer Products and Services’ category.





At the **Kyoorius Awards**, Pidilite bagged six awards!

Fevikwik Stars

Blue Elephants: 2
(Best online films)

Baby Elephant: 1
(Social media)

Overall Social Media Network

Baby Elephant: 1



Fevicol Social distancing campaign

Blue Elephant: 1
(Public service announcement by a brand)

Baby Elephant: 1
(Innovation experience activation)



Fevicol won the Gold at **Campaign Digital Crest Awards** for the best use of social media.

5

WHAT KEEPS US MOTIVATED

ACTING LIKE AN OWNER

Our employees have a strong sense of belonging which motivates them to go beyond the call of duty and exhibit a high degree of ownership.

It was 10 am and just half the staff had shown up at our Paria factory. Covid was taking its toll. Many of our supervisors and staff were either ill or were looking after family members who had contracted Covid-19. The absence of so many key employees posed a significant challenge to business continuity. But it was a challenge that we were well prepared for.

Anticipating Covid-led disruptions, Paria had upskilled the engineers to understand and execute processes in all areas of production. The engineers were also happy to expand their skill-sets and learn new processes to support business continuity. So, even when half the engineers at Paria couldn't show up, the rest of them were efficiently able to execute not just their tasks but those of their sick colleagues as well. They worked tirelessly for 10 days and ensured no targets were missed, while their colleagues recovered.

As a result, the factory ran without any down-time even with half the strength.

do the RIGHT thing always

THE SPIRIT OF PIDILITE

KEY PERFORMANCE INDICATORS

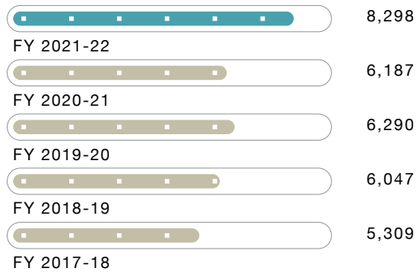
(STANDALONE)

PROFIT & LOSS METRICES

NET SALES

(₹ in crores)

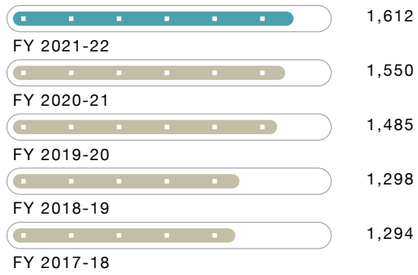
8,298 | 34.1% ↑



EBITDA

(₹ in crores)

1,612 | 4.0% ↑

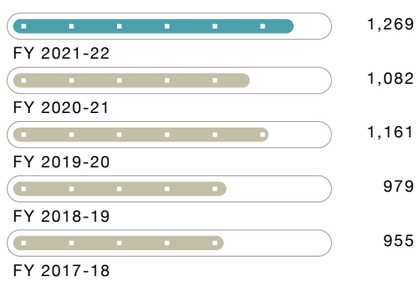


PROFIT AFTER TAX

(excluding exceptional items)

(₹ in crores)

1,269 | 17.3% ↑

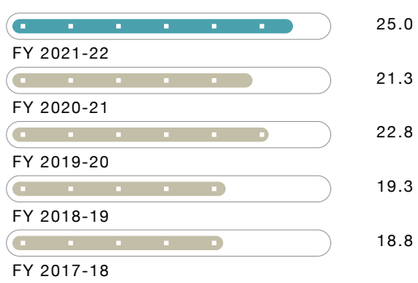


EARNINGS PER SHARE (EPS)

(excluding exceptional items)

(₹)

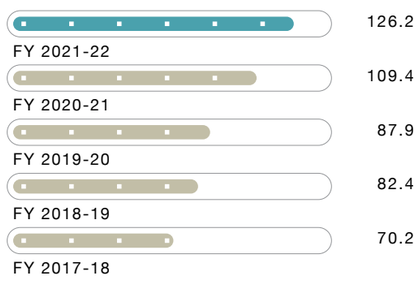
25.0 | 17.2% ↑



BOOK VALUE PER SHARE

(₹)

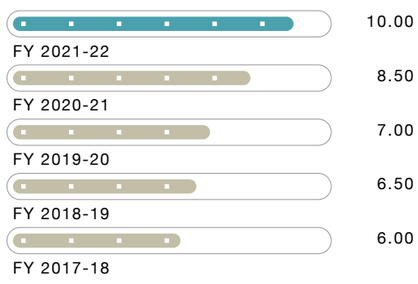
126.2 | 15.4% ↑



DIVIDEND PER SHARE (DPS)

(₹)

10.00 | 17.6% ↑



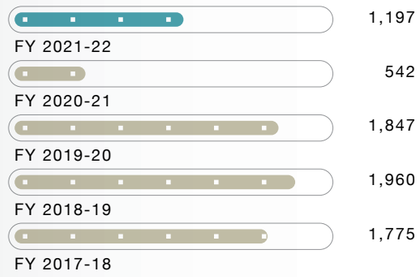
↑↓ Y - O - Y Growth/Degrowth

BALANCE SHEET METRICES

NET CURRENT ASSETS

(₹ in crores)

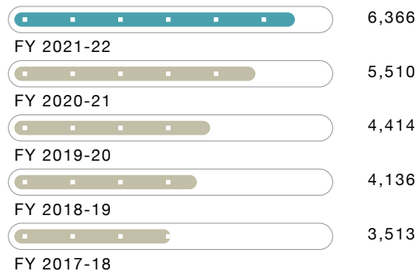
1,197 | 120.9% ↑



RESERVES

(₹ in crores)

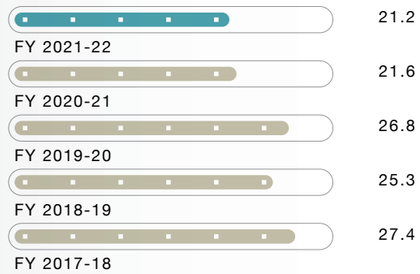
6,366 | 15.5% ↑



RETURN ON AVERAGE NET WORTH

(%)

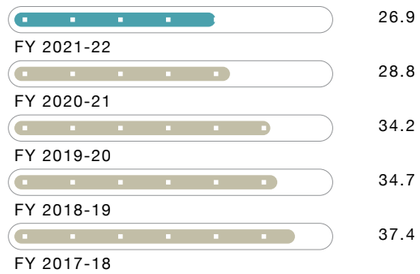
21.2 | (40 bps) ↓



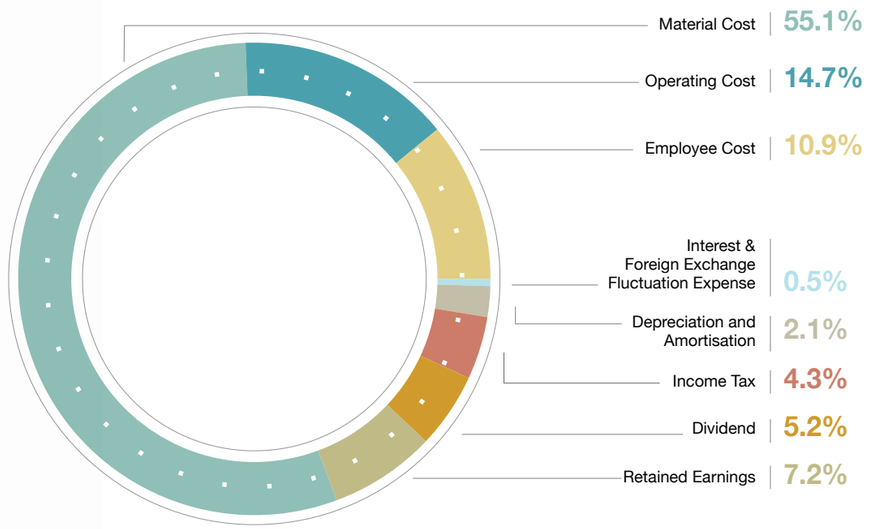
RETURN ON AVERAGE CAPITAL EMPLOYED

(%)

26.9 | (188 bps) ↓



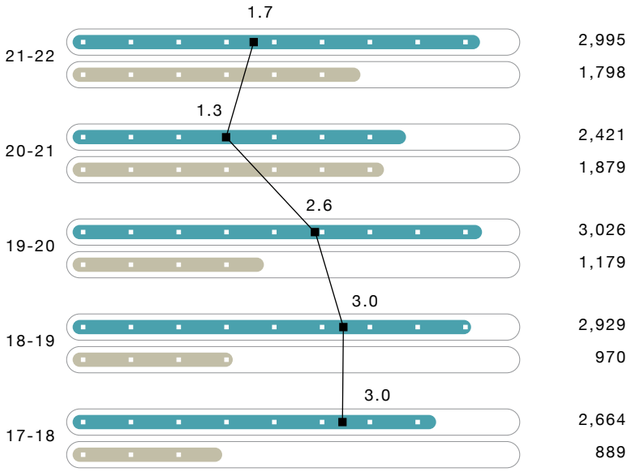
DISTRIBUTION OF REVENUE 2021-22



KEY PERFORMANCE INDICATORS

(STANDALONE)

CURRENT RATIO

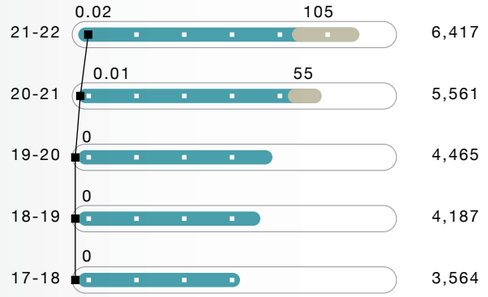


Current Assets (₹ in crores)

Current Liabilities (₹ in crores)

Current Ratio

DEBT EQUITY RATIO

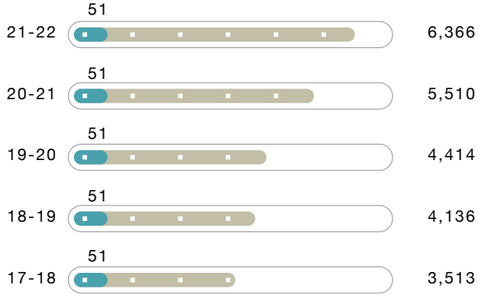


Net Worth (₹ in crores)
(Equity + Reserves)

Total Debts (₹ in crores)

Debt Equity Ratio

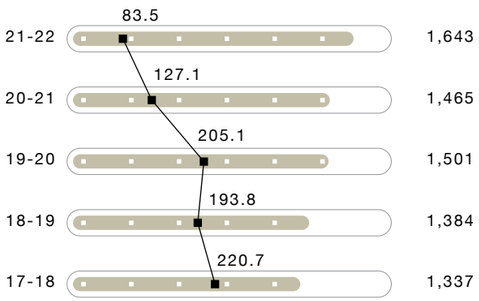
VALUE ADDITION TO BUSINESS THROUGH RESERVES



Share Capital (₹ in crores)

Reserves (₹ in crores)

PBIT & INTEREST COVER

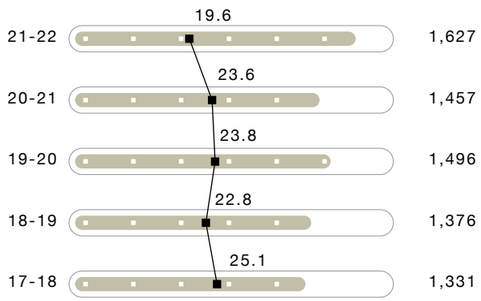


PBIT* (₹ in crores)

Interest Cover (Times)

* PBIT excludes exceptional items.

PBT & PBT AS % TO NET SALES

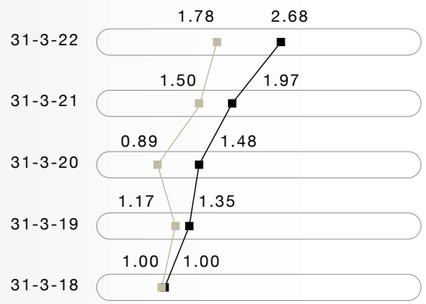


PBT* (₹ in crores)

PBT as % to Net Sales

* PBT excludes exceptional items.

GROWTH IN MARKET CAPITALISATION OF COMPANY AND BSE SENSEX SINCE 31ST MARCH 2018



BSE Sensex (Times)

Base Value : 31st March 2018 = 1
Market Capitalisation of Company (Times)

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Consolidated Financials

Consolidated Net Sales grew by **36.3%**

EBITDA (Earnings before Interest, Taxes, Depreciation, Exceptional items and foreign exchange difference) before non-operating income, grew by **11.1%**

Profit Before Tax and Exceptional Items (PBT) grew by **5.7%**

Profit After Tax (PAT) grew by **7.2%**

On a constant currency basis, the overseas subsidiaries reported sales growth of **16.4%**.
However, due to higher inputs costs EBITDA declined by 28.2%

Domestic subsidiaries sales grew by **85.7%**
and EBITDA grew by **202.1%**

Standalone Financials

The current year registered robust sales growth aided by strong volume growth across categories and geographies.
Net sales grew by **34.1%**,
with underlying sales volume & mix growth of **19.9%**.
However, due to higher material costs EBITDA, excluding non-operating income, grew by **4.0%**

Profit Before Tax and exceptional items (PBT) grew by **11.7%**
(excluding dividend from subsidiary, declined by 1.5%).

Profit After Tax (PAT) grew by **17.3%**
(excluding dividend from subsidiary, declined by 0.5%).

Araldite®

ARALDITE STORY

Pidilite Adhesives Pvt. Ltd. 'PAPL' achieved a Net Sales of ₹ 496 crores for FY 2021-22 and EBITDA at ₹ 161 Crores.

PAPL is in the business of selling Adhesives, Sealants and other products under well known brands such as Araldite, Araldite Karpenter and Araseal in India, which was acquired by the Company in November, 2020.

During the first full financial year, Araldite (PAPL) business achieved robust sales growth and profitability. Various initiatives are being taken to strengthen and grow this brand.

PERFORMANCE BY INDUSTRY SEGMENT (STANDALONE)

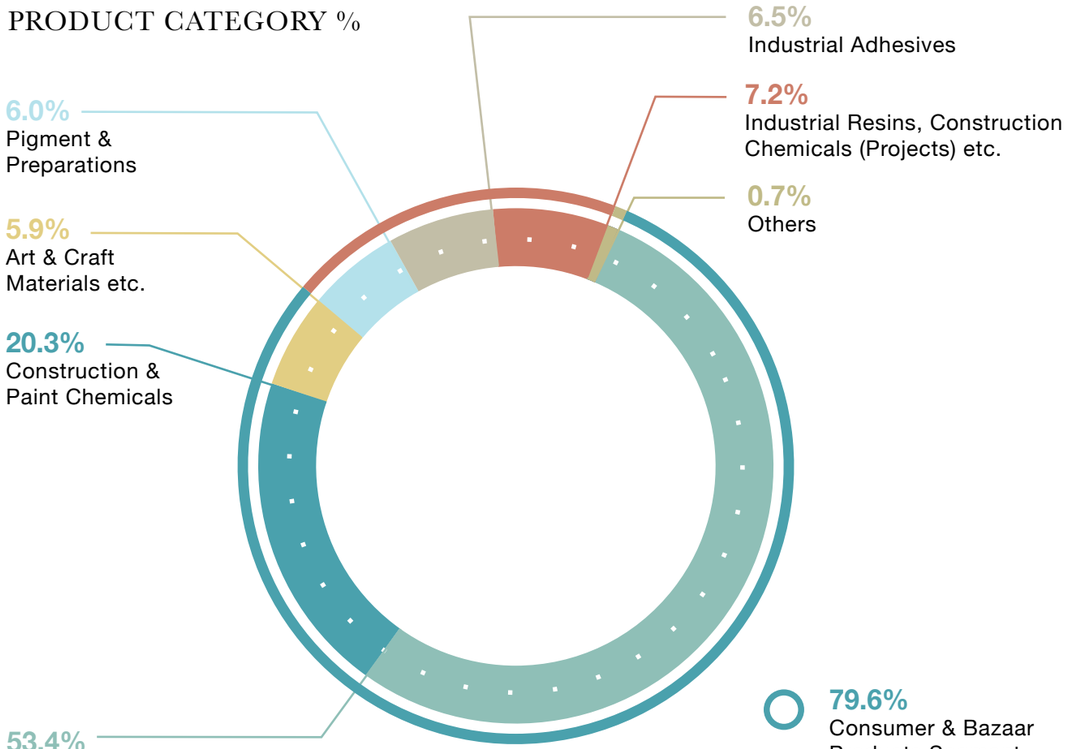
The Company operates under two major business segments i.e. Branded Consumer & Bazaar and Business to Business.

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

BUSINESS SEGMENT/ PRODUCT CATEGORY %



Standalone results - % of Total Sales from FY 2021-22

CONSUMER & BAZAAR

Branded Consumer & Bazaar segment contributed **79.6%** of the sales of the Company and grew by **30.5%** with strong volume and mix growth of **20.2%**

Adhesives & Sealants category includes adhesives, sealants and tapes. This category contributed **53.4%** of the sales of the Company and grew by **31.1%**

Construction and Paint Chemicals contributed **20.3%** of the sales of the Company and grew by **35.3%**

Art & Craft Materials etc. contributed **5.9%** of the sales of the Company and grew by **12.0%**

BUSINESS TO BUSINESS

Business to Business segment contributed **19.7%** of the sales of the Company and grew by **45.3%** with volume and mix growth of **20.2%**

Industrial Adhesives includes adhesives used in packaging, footwear, cigarette, automotive industry and joinery. This category contributed **6.5%** of sales of the Company and grew by **50.7%**

Industrial Resins, Construction Chemicals (Projects) etc. contributed **7.2%** of the sales of the Company and grew by **51.0%**

Pigments and Preparations contributed **6.0%** of the sales of the Company and grew by **34.0%**

OTHERS

Others mainly includes sale of raw materials.

CURRENT YEAR OUTLOOK

Currently the world is witnessing high inflation mainly due to continuing global supply chains disruptions amid the pandemic, and geo-political tensions including the Ukraine war.

The current trend of inflation impacting both consumer sentiment and margins is expected to continue in the near term. The Company has also put in place number of measures to mitigate the impact of uncertain macro environment through appropriate pricing and cost control measures without disrupting market share. The Company is confident to navigate the current uncertain operating environment.

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

The Company's major international subsidiaries are in USA, Brazil, Thailand, Egypt, Dubai and Bangladesh. The business environment in some of these countries remains subdued due to geo-political tension and pandemic. However, the management is taking various steps to increase sales and market share in their respective geographies along with improvement in performance of these subsidiaries.

OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Indian economy provides a large opportunity to the Company to market its differentiated products. The additional spending in Government programmes like rural employment schemes and higher capex spending emphasizes the focus on infrastructure and increasing disposable income in the hands of common people. This will act as a catalyst for the growth of the economy which will eventually create demand for the Company's products. Further the home improvement area offers significant opportunities for growth given the focus on affordable housing, new construction as well as renovation. Slower growth of the Indian economy and stress in sectors such as construction could impact the performance of the Company. While there are near term concerns around heightened inflation and its consequent impact on market growth, the Company is confident of the medium to long-term prospects of the home improvement sector and remains focused on delivering consistent and profitable volume led growth. Overseas subsidiaries, by virtue of their relatively smaller size, remain vulnerable to the political and economic uncertainties of their respective countries and the rise in geo-political tensions could dampen the performance of the subsidiaries.
The macroeconomic condition in Sri Lanka remains uncertain and poses downside risks to the business.

Business disruptions as a result of resurgence in COVID-19 cases may impact the performance of the Company and its subsidiaries. The on-going inflationary trend also poses risk to both consumer demand and profitability of the Company.

HUMAN RESOURCES

As always, the focus of the Company has been on the wellbeing of its employees. During the Covid second wave the Company tried to augment support by setting up 24X7 helpline for its employees and providing them the required medicines, oxygen cylinders, and hospitalisation facilities. The Company extended additional benefits in the form of internal Mediclaim policy, restructured premature death pension scheme etc. Support was also extended by providing training to the immediate family member of the deceased. To ensure the protection of the total workforce, Vaccination Drives were conducted across all work locations to achieve 100 percent vaccination.

Focus has also been given towards proactive Fitness and Heartfulness sessions for all age groups with the help of certified trainers.

The Company has extended 'Happy & Healthy Pidilite Cares' support initiatives to all the employees and their families.

Various Employee Assistance Programs were initiated to improve emotional and mental wellbeing of the employees through regular seminars, sessions of professional counselling agencies to address various life challenges of employees and their families.

The Company continued its focus towards capability building and training through the signature development programs 'ASCENT" for first time managers and 'CAPSTONE' for middle management. A new e-learning platform named 'Gurukool' has also been introduced where employees can pursue certifications as per their interests as well as the requirements of their jobs.

Building on core values like Trust, Credibility, Respect for People, Fairness, Pride and Camaraderie, the Company was recertified by Great Place to Work Institute as one among the top 30 manufacturing sector companies.

The total number of employees on the rolls of the Company was 7622 as on 31st March, 2022.

MISCELLANEOUS

The Company's Net Worth (Equity capital + Reserves) has grown from
₹ 3,564 crores
as on 31st March, 2018 to
₹ 6,417 crores
as on 31st March, 2022, giving a Compounded Annual Growth Rate (CAGR) of 15.8%.

The market capitalisation of the Company on 31st March, 2022 was
₹ 1,24,803 crores
and has grown at a CAGR of 30.66% since the IPO in 1993.

OTHER MATTERS

The following matters are elaborated in the Directors' Report

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

CAUTIONARY STATEMENT

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

ECONOMIC VALUE ADDED (EVA)

COMPUTATION OF EVA

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 @ 6.91%) + market risk premium (assumed @ 6.50%) x beta variant for the Company (taken at 0.78), 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 the company based on an appropriate mix of short, medium and long term debt, net of taxes.

Item		2017-18	2018-19	2019-20	2020-21	2021-22
1.	Risk Free Return on Long Term GOI Securities	7.2%	7.3%	7.5%	6.0%	6.9%
2.	Cost of Equity	11.4%	13.1%	12.0%	11.7%	12.0%
3.	Cost of Debt (Post Tax)	0.0%	0.0%	0.0%	3.4%	3.0%
4.	Effective Weighted Average Cost of Capital	11.4%	13.1%	12.0%	11.6%	11.9%
Economic Value Added (₹ in crores)						
5.	Average Debt	0	0	0	55	80
6.	Average Equity (Shareholder Funds)	3,482	3,875	4,326	5,013	5,989
7.	Average Capital Employed (Debt + Equity)	3,482	3,875	4,326	5,068	6,069
8.	Profit After Tax (as per Statement of Profit and Loss)	955 $	979 $	1,161 #$	1,082 #$	1,269 $
9.	Interest (as per Statement of Profit and Loss, net of Income Tax)	4	5	10	13	20
10.	Net Operating Profit After Tax (NOPAT)	959	984	1,171	1,095	1,289
11.	Weighted Average Cost of Capital (4x7)	397	509	521	588	720
12.	Economic Value Added (10-11)	563	475	650	506	569
13.	EVA as a % of Average Capital Employed (12 ÷ 7)	16.2%	12.3%	15.0%	10.0%	9.4%

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

10 YEARS' FINANCIAL PERFORMANCE

(₹ in crores)

	IGAAP			IND AS							
Highlights	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**CAGR %**
Operating Results											
Sales and Other Income	3,615	4,169	4,724	5,134	5,409	5,627	6,285***	6,484	6,290	8,571	10.1%
Manufacturing & Other Expenses	2,939	3,448	3,918	3,942	4,070	4,197	4,796	4,847	4,667	6,729	9.6%
Operating Profit	676	721	806	1,192	1,339	1,430	1,490	1,637	1,623	1,842	11.8%
Interest (Net)	8	10	10	6	6	6	7	13	17	26	14.4%
Depreciation	53	69	108	88	90	91	100	126	147	175	14.2%
Profit from Ordinary Activities	615	642	688	1,098	1,243	1,333	1,383	1,498	1,459	1,641	11.5%
Exceptional Items	(6)	6	18	27	94	-	-	59	-~	-	(100.0%)
Foreign Exchange Difference - Expense/(Income)	1	5	2	1	4	2	6	2	2	13	44.0%
Profit Before Tax	620	631	668	1,070	1,145	1,331	1,376	1,437	1,457	1,627	11.3%
Current Tax	156	160	156	299	363	403	438	369	375	361	9.8%
Deferred Tax	3	2	11	24	8	19	11	(33)	-~	(2)	-
Profit After Tax for the year	461	469	501	747	774	909	927	1,102	1,081	1,269	11.9%
Add: Prior Years' Tax Provision written back	-	-	-	-	-	46	53	-	-	-	-
Profit After Tax	461	469	501	747 $	774 $	955 $	979 $	1,102 $	1,081 $	1,269 $	11.9%
Dividend on Equity Shares	156 *	162 *	179 *	404 ****	31 ****	293****	364****	827****	-	432	12.0%
Retained Earning	**305**	**307**	**322**	**343**	**743**	**662**	**615**	**275**	**1,081**	**837**	**11.9%**
Financial Position											
Capital-Equity	51	51	51	51	51	51	51	51	51	51	(0.1%)
Reserve (Less Revaluation Reserve & Misc. Expenditure)	1,682	1,988	2,298	2,599	3,348	3,513	4,136	4,414	5,510	6,366	15.9%
Net Worth	1,733	2,039	2,349	2,650	3,399	3,564	4,187	4,465	5,561	6,417	15.7%
Borrowings	60	8	6	1	-	-	-	-	55	105	6.4%
Deferred Tax Liability (Net)	48	51	55	75	84	103	113	76	76	71	4.3%
Funds Employed	**1,841**	**2,098**	**2,410**	**2,726**	**3,483**	**3,667**	**4,300**	**4,541**	**5,692**	**6,593**	**15.2%**
Fixed Assets **											
Gross Block	1,469	1,637	2,005	1,775	1,856	1,975	2,110	2,538	2,862	3,226	9.1%
Depreciation and amortisation	527	594	716	707	790	871	930	1,041	1,158	1,286	10.4%
Net Block	942	1,043	1,288	1,068	1,066	1,104	1,180	1,497	1,704	1,940	8.4%
Investments in - Subsidiaries	261 #	323 #	349 #	431 #	426 #	612 #	673 #	797 #	3,148 #	3,242 #	32.3%
- Others	286	251	352 ***	672	1,367	1,174	1,517	1,026	334	204	(3.7%)
Net Other Assets	352	481	421 ***	555	624	777	930	1,220	506	1,207	14.7%
Total Assets	**1,841**	**2,098**	**2,410**	**2,726**	**3,483**	**3,667**	**4,300**	**4,541**	**5,692**	**6,593**	**15.2%**

The Company transitioned into Ind AS from 1st April 2015

* Includes Tax on Dividend

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

\# After deducting provision for diminution and excluding Share Application Money

~ 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)

	IGAAP			IND AS						
Highlights	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Funds Flow										
Sources										
Internal Generation	511 <	546	638	886	967	1,066	1,091	1,259	1,235	1,448
Increase in Capital & Reserve on conversion of FCCB	50	-	-	-	-	-	-	-	-	-
Increase in Equity Share Capital	-	-	-	- ~	- ~	- ~	- ~	- ~	-~	-~
Increase in Loans (Net)	-	8	-	-	-	-	-	-	55	50
Decrease in Investment-Others	-	35	-	-	-	283	-	102	736	140
Decrease in Working Capital	141	-	23 ***	329	-	-	-	-	406	-
Total	**702**	**589**	**661 *****	**1,215**	**967**	**1,349**	**1,091**	**1,361**	**2,432**	**1,638**
Applications										
Repayment of Loans	204	60	2	5	1	-	-	-	-	-
Capital Expenditure (Net) >	128	169	353	134	88	125	159	393	322	314
Investments in - Subsidiaries	26	62	26	82	90	151	61	146	2.110	349
- Others	188	-	101 ***	590	695	-	255	-	-	-
Buyback of Equity Shares	-	-	-	-	-	500	-	-	-	-
Dividend	156 *	162 *	179 *	404 ****	31 ****	293 ****	364 ****	827 ****	-	432
Increase in Working Capital	-	136	-	-	62	280	252	(5)	-	543
Total	**702**	**589**	**661 *****	**1,215**	**967**	**1,349**	**1,091**	**1,361**	**2,432**	**1,638**
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	29.3	25.2	23.7	31.0	28.7	27.4	25.3	26.8	21.6	21.2 @
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)##	36.2	33.7	31.6	44.0	41.1	37.4	34.7	34.2	28.8	26.9
Long-term Debt/Cash Flow	0.1	-	-	-	-	-	-	-	-	-
Gross Gearing % (Debt as a percentage of Debt plus Equity)	3.4	0.4	0.2	-	-	-	-	-	1.0	1.6
Current Ratio	1.6	1.8	1.7	2.5	3.4	3.0	3.0	2.6	1.3	1.7
Assets Turnover (times) (Sales divided by Total Assets)	1.9	2.0	1.9	1.8	1.5	1.5	1.4	1.4	1.1	1.3
Debtors Turnover (Sales divided by Debtors)	10.2	10.0	9.6	9.5	9.1	8.4	8.3	8.0	6.9	7.7
Inventory Turnover (Cost of Goods Sold divided by Inventories)	4.3	4.5	4.7	4.4	4.3	4.3	4.5	4.0	3.3	3.9
Operating Profit Margin (%) ##	20.5	18.7	18.4	25.3	27.7	26.9	24.6	26.0	26.2	22.2
Net Profit Margin (%) ##	18.5	16.5	15.7	23.3	25.6	25.1	22.8	23.8	23.6	19.6

The Company transitioned into Ind AS from 1st April 2015

> Includes Cost of Brands, Patents Trademarks and Businesses Acquired

** Excluding Deferred Tax Liability (Net)

< Includes security premium received on FCCB conversion

PAT, PBT & PBIT are excluding exceptional items

~ Less than ₹ 1 crore

*** Previous years' figures regrouped

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

* Includes Tax on Dividend

@ As compared to FY 2020-21, FY 2021-22 RONW is lower by 1.9% mainly due to 19.5% growth in average net worth against 17.3% growth in PAT

DIRECTORS' REPORT

To

The Members

Your Directors take pleasure in presenting the Fifty-Third Annual Report together with Audited Financial Statements for the year ended 31st March, 2022.

Financial Results (Standalone)

	(₹ in crores)	
	2021-22	**2020-21**
Sales	**8,298.49**	6,186.67
Operating Profit	**1,842.38**	1,623.30
Finance Costs	**(26.42)**	(16.99)
Depreciation, Amortisation and Impairment Expense	**(175.12)**	(147.10)
Net Foreign Exchange Loss	**(13.35)**	(2.13)
Profit Before Exceptional Items and Tax	**1,627.49**	1,457.08
Exceptional Items	**-**	(0.45)
Profit Before Tax	**1,627.49**	1,456.63
Current Year's Tax	**(360.95)**	(375.05)
Deferred Tax	**2.08**	(0.12)
Profit After Tax	**1,268.62**	1,081.46
Profit Brought Forward	**4,123.49**	3,042.74
Other Comprehensive Income Included in Retained Earnings (Net of tax)	**(9.07)**	(0.71)
Profit Available for Appropriation	**5,383.04**	4,123.49
Appropriations		
Dividend Paid	**(431.93)#**	-
Closing balance of Retained Earnings	**4,951.11**	4,123.49

Pertaining to dividend for FY 2020-21

Financial Performance

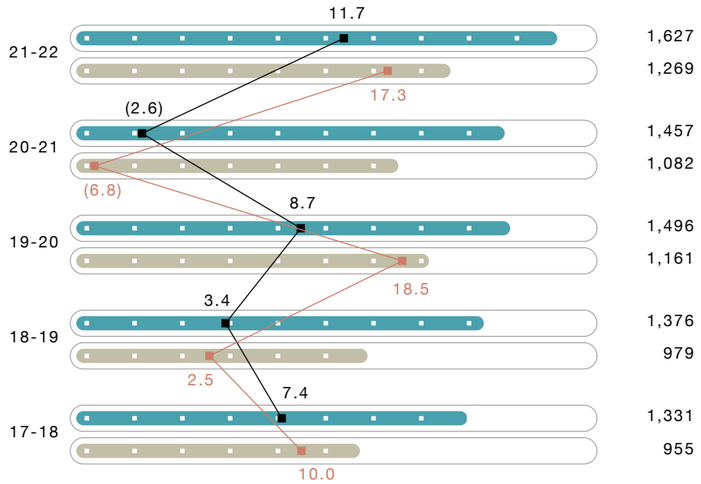
Comments on Financial Performance are included in Management Discussion and Analysis section.

Dividend

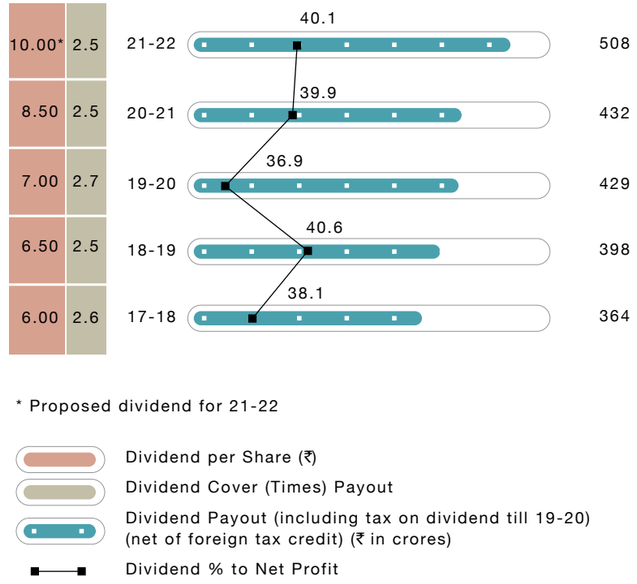
Your Directors recommend a dividend of ₹ 10.00 per equity share of ₹ 1/- each (previous year ₹ 8.50 per equity share of ₹ 1/- each) amounting to ₹ 508.29 crores (previous year ₹ 431.93 crores) out of the current year's profit, on ₹ 50.83 crores equity capital (previous year ₹ 50.82 crores). The dividend payout amount has grown at a CAGR of 13.65% during the last 5 years.

The dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company https://www.pidilite.com/investors/corporate-governance/

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 ₹ 370.45 crores (previous year ₹ 336.69 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 2021-22 (previous year NIL).

Subsidiaries

Investment in Subsidiaries

During the year, total investment of ₹ 104.94 crores (previous year ₹ 2,323.04 crores) was made in domestic subsidiaries.

The investments in domestic subsidiaries were in Madhumala Ventures Pvt Ltd amounting to (₹ 54.96 crores), Pidilite C-Techos Walling Ltd (₹ 1.21 crores) and Cipy Polyurethanes Private Limited (₹ 48.77 crores).

During the year

a. Scheme of Amalgamation of Pidilite Adhesives Private Limited (PAPL) with the Company was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench on 7th March, 2022. The scheme is effective from 1st April, 2022 which is the appointed date. The Company has completed the statutory requirements including filing of Form INC28 with the Ministry of Corporate Affairs and hence PAPL stands dissolved.

b. Scheme of Amalgamation of Cipy Polyurethanes Private Limited (CIPY) with the Company was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench on 23rd March, 2022. The scheme is effective from 1st April, 2022 which is the appointed date. The Company has completed the statutory requirements including filing of Form INC28 with the Ministry of Corporate Affairs and hence CIPY stands dissolved.

c. The Company through its subsidiary Madhumala Ventures Pvt. Ltd. made investments in early-stage companies which would augment our capabilities.

d. The names of following two subsidiaries have been struck off by the Registrar of Companies u/s 248 of the Companies Act during the F Y 2021-22 in absence of any business, since their incorporation: (i) Pidilite C-Techos Pvt. Ltd. and (ii) Pidilite Grupo Puma Pvt.Ltd.

e. ICA Pidilite Pvt Ltd, subsidiary of the Company made Buy back of shares from all shareholder's resulting into reduction in investments of the Company by ₹ 11.28 crores.

Performance of Major Domestic and Overseas Subsidiaries

(₹ in crores)

Name of Subsidiary	Sales 2021-22	Sales 2020-21	% Growth	EBITDA 2021-22	EBITDA 2020-21	% Growth
Nina Percept Pvt Ltd	258.59	176.63	46.4%	(25.42)	(26.93)	5.6%
ICA Pidilite Pvt Ltd	272.12	178.21	52.7%	40.99	25.19	62.7%
CIPY Polyurethanes Pvt Ltd	126.84	89.68	41.4%	12.35	1.63	658.0%
Pidilite Adhesives Pvt Ltd	495.74	168.32*	194.5%	160.86	60.32*	166.6%
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	171.74	110.80	55.0%	31.47	17.04	84.7%
Pidilite Lanka (Pvt) Ltd	59.58	42.17	41.3%	4.53	6.45	(29.8%)
Pidilite USA Inc	128.49	141.30	(9.1%)	8.24	18.61	(55.7%)
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	95.50	105.65	(9.6%)	1.30	23.70	(94.5%)
Pidilite Industries Egypt SAE includes PIL Trading (Egypt) Company	46.78	36.90	26.8%	(4.22)	(0.77)	(445.4%)
Pidilite Bamco Ltd includes Bamco Supply and Services Ltd (Thailand)	56.66	62.37	(9.2%)	6.86	8.76	(21.7%)
Pidilite MEA Chemicals LLC (UAE)	133.93	110.22	21.5%	1.22	(3.13)	138.9%

Overseas subsidiaries figures are at constant currency.

*Sales and EBITDA for Pidilite Adhesives Pvt. Ltd. for FY 2020-21 are from 4th November, 2020 to 31st March, 2021 and therefore not comparable with FY 2021-22.

Domestic Subsidiaries in Consumer and Bazaar segment registered good sales growth and healthy margins. The Subsidiaries sales growth in Business to Business segment showed signs of revival but EBITDA remained under pressure due to higher input costs.

Pidilite Bangladesh reported strong volume-led growth across categories with healthy EBITDA margin on back of improved gross margin due to pricing actions and cost control measures.

Pidilite Lanka continued with its sales growth momentum in a very challenging economic environment. However, the profitability was significantly impacted due to socioeconomic and political crisis and steep currency devaluation.

Pidilite USA posted sales and EBITDA decline primarily due to moderation of demand in hobby and craft products in the post pandemic period as well as material cost increases.

Pidilite Brazil recorded lower sales mainly on account of overall economic slowdown and higher growth in the prior year due to fiscal stimulus. Operating profits remain low due to significant input cost inflation and competitive pricing pressure.

Our subsidiary in the Middle East reported healthy sales performance on account of good demand from re-export market.

Consolidated Financial Statements

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as 'the Act'), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2021-22, together with the Auditor's 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 Brazil Industria e Comercio de Colas e Adesivos Ltda which has been approved by the local administrator and Plus Call Technical Services LLC, Dubai for which the financial statements has been approved by the management.

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

Directors and Key Managerial Personnel

Smt. Meher Pudumjee was appointed as an Additional Director of the Company, by the Board on the recommendation of Nomination and Remuneration Committee, with effect from 18th May, 2022. Members' approval is sought for her appointment as an Independent Director of the Company for a period of five years with effect from 18th May, 2022.

Shri Sudhanshu Vats was appointed as an Additional Director designated as Deputy Managing Director, by the Board on the recommendation of Nomination and Remuneration Committee, with effect from 18th May, 2022. Members' approval is sought for his appointment as Whole Time Director designated as Deputy Managing Director of the Company for a period of five years with effect from 18th May, 2022.

Shri A B Parekh Whole Time Director has been appointed by the Board as Executive - Vice Chairman with effect from 11th August, 2021.

Shri Puneet Bansal, resigned with effect from 16th September 2021, as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company. Shri Pradip Menon, Chief Financial Officer (Key Managerial Personnel) of the Company, resigned with effect from 21st December, 2021.

In terms of Section 203 of the Act and applicable provision of Listing Regulations, the Board of Directors have appointed Smt. Manisha Shetty as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 11th March, 2022 and Shri Sandeep Batra as Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 1st June, 2022.

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.

Amendment of Article 22 of Articles of Association of the Company

The Board of Directors have approved amendment of Article 22 of Articles of Association of the Company to increase the limit on maximum number of Directors from existing 15 Directors to 18 Directors. As per the amended Article 22 the number of Directors of the Company shall not be less than 3 (three) and not more than 18 (eighteen). Members' approval is sought to amend the existing Article 22 and to increase the maximum number of Directors.

Policy on Directors' remuneration

The policy on Directors' remuneration is 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;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2022 and of the profit of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

Familiarisation Programme

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

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

Number of Meetings of Board of Directors

Seven meetings of the Board of Directors of the Company were held during the financial year 2021-22. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

Statement of Declaration on Independence given by Independent Directors

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

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

Corporate Governance

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

Management Discussion and Analysis Report

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

Committees of the Board

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

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

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

Corporate Social Responsibility (CSR) Report and Policy

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

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 Committee, as per statutory requirements. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

Statutory Auditors

In accordance with the provisions of the Act, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No 117366W/W-100018) have been appointed as the Statutory Auditors of the Company,

for a period of five years i.e., upto the conclusion of 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 2021-22 to conduct the audit of the cost records of the Company and they have been reappointed as the Cost Auditor for the financial year 2022-23. In terms of the provisions of Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, at the ensuing AGM, the Board seeks ratification of the remuneration payable to the Cost Auditor for the financial year 2022-23.

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 2021-22. The Report of the Secretarial Auditors 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 as specified in Part D of Schedule II of Listing Regulations.

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

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

Contracts and Arrangements with Related Parties

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

The RPT Policy, as approved by the Board, is available on the Company's website: www.pidilite.com.

Disclosure of related party transactions with the promoter(s)/promoter(s) group which individually hold 10% or more shareholding of the Company, as per the Indian Accounting Standards, are set out in Note No. 44 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 Secretarial Auditors regarding implementation of the Scheme is available for inspection of Members in electronic mode.

The applicable disclosure, as stipulated under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as on 31st March 2022 with regard to Scheme, is provided in **Annexure 4** to this Report.

Extract of Annual Return

Extract of Annual Return of the Company is available on the website of the Company viz. www.pidilite.com.

Business Responsibility Report

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

Internal Control Systems and their Adequacy

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

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

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

Significant/Material Orders Passed by the Regulators

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

Particulars of Employees and Related Disclosures

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

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

General

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

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

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

Appreciation

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

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date : 18th May, 2022

M B Parekh
Executive Chairman

6

WHAT INSPIRES US

COMMITMENT TO COMMUNITY

We have to be sensitive to the needs of the community with an obligation to do our best to address those needs.

There are approximately 174 Government schools in Mahuva (Taluka) where students study up to Standard 8th. Some years ago through internal assessment we discovered that about 40% of students passing 8th Standard were unable to properly count, read or write. This was a shocking revelation and we decided to make all efforts to remedy the situation.

Led by Dr. P. K. Shukla, our team installed TV monitors in 165 schools along with a software that makes learning more fun and helps students in conceptual understanding of various chapters and subjects. It also had the impact of increasing attendance of students in school. In addition, we started remedial courses in the evening for those students who were falling behind in some subjects. These efforts have resulted in significant improvement in the level of education of students, in all these government schools.

work TOGETHER to multiply effectiveness

THE SPIRIT OF PHILITE

SOCIAL & COMMUNITY SERVICE INITIATIVES

The Company is committed to sustainable development through economic, social and environmental betterment, to improve the quality of life of the local communities and their wellbeing.

The Company over years, has been engaging in various social and community initiatives towards agriculture, animal husbandry, health, education, woman empowerment and water conservation etc.

These initiatives undertaken directly by the Company and through various organisations, are spread across the states of Gujarat, Maharashtra, Himachal Pradesh and Rajasthan.



Farmer training for cultivation of fruit and vegetable crops



Farmers obtaining good-quality onion harvest as a result of training and recommendation provided by field officers

Agriculture & Horticulture

The Company has been continuously supporting horticulture and agriculture through collaboration with experts and institutions.

During the year, the Company has assisted in the formation of 35 new Farmer Clubs (covering additional 1,400 farmers) for relevant crops including Cotton, Groundnut, Onion etc. As of now there are over 615 Farmer Clubs, covering over 16,400 farmers. Data of the farmers has been geotagged with area mapping on a digital portal, thereby, helping adoption of best practices viz soil management, intercropping, drip irrigation, etc. which has enabled us to provide specific recommendations to the farmers about increasing the yield and reduction in the cost of cultivation. About 65% farmers actively used these recommendations and benefited through 10% decrease in cost of cultivation for cotton and groundnut crops.

In the area of fruit and vegetable farming, the Company has taken initiative to develop 36 one-acre wadis along with shade nets to replicate vegetable and fruit crops. 24 wadis are in developing stage, which will be demonstrated on the farmers' own lands. The average additional income earned by farmers through this intervention is ₹ 1.10 Lacs. It was observed that onion crops were having large amounts of chemical residue, which were also affecting the export. The Company collaborated with APMC Mahuva to address this issue. Customised Bio-Input kits have been made accessible for the farmers at a low cost. Till date, 500 farmers have already started the application of the same to improve crop quality.

Various low-cost technologies are being introduced at farmers' fields to reduce drudgery and save farmers time and cost.

Farmer Producer Organisation (FPO)

The Company has continued its support to the Farmer Producer Organisation (FPO).

The FPO has now more than 1,000 farmer members and over 3,000 farmers have availed of the services from FPO and purchased good quality inputs at subsidised rates. The total turnover of the FPO stood at ₹ 8.38 crores for the year 2021–22 from ₹ 3.70 crores in 2020-21. Till date, major part of margins has been passed on to the farmers.

The FPO has continued to support marginal farmers by providing agricultural equipment at nominal rental rates in collaboration with the Government of Gujarat through its Custom Hiring Centre in Mota, Khutavada village which also supports adjoining villages. Over 250 farmers have received the benefit.

The FPO has continued the collective procurement of groundnuts from farmers' doorsteps so that farmers get better and assured returns. The FPO has been awarded the Chana Minimum Support Price procurement by Government/ Agricultural Produce Market Committee, Mahuva. Till date 713 MT of Chana from framers has been procured.



Our FPO's CEO explaining to farmers about inputs that gets the best results



Provision of seeds and fertilisers at our cluster offices for farmers

Centre for Agriculture-Horticulture Development at Gram Daxina Murti, Manar

The Company has continued to provide farmers the latest recommended cultivation practices (already available with universities, Government, etc.) to boost sustainable agriculture and horticulture growth along with value addition of their produce, through the Centre at Manar.

The Centre has successfully demonstrated the process of agriculture, horticulture of aromatic fruit and medicinal crops. Farmers from 45 adjoining villages have visited the Centre to learn the best practices and for extension of Agri knowledge and technology. The Centre has trained over 7,900 farmers since inception and over 5,300 farmers in the year 2021-22.

The Centre has started focusing on value added products like aromatic and medicinal crops with farmers, which will yield them higher income as well as an alternative crops for value addition. These crops can also be grown as intercrop along with traditional cropping. Centre has procured grass from farmers and extracted more than 350 litres of high-value oil of citronella, palmarosa and lemongrass.

At the Centre, low-cost technologies and modern methods of farming are demonstrated for farmers. Along with this, the Centre has developed a hydroponics unit, Zero Gravity Israeli technology, Mushroom (Oyster) cultivation and Thailand Kitchen Garden.



Hydroponics unit at the Centre for Agriculture and Horticulture, Manar



Thailand Kitchen Gardening demo plot



MoU signing ceremony at our farmer training centre with NRCSS

The major objective of setting up these modern techniques of farming is to enable farmers to learn and implement them on their fields, which shall result in better returns.

The Company has collaborated with different institutes viz the National Research Centre on Seed Spices (NRCSS) with the aim of training farmers in the cultivation of various spice crops.

The Company has also collaborated with the Central Salt And Marine Chemicals Research Institute in Bhavnagar to train coastal fishermen and farmers in the cultivation of seaweed to provide an alternative source of income. The Company is currently training 80 such coastal fishermen and farmers through its Manar Centre.

Seaweed Consortium ICCSIR (Indian Centre for Climate and Societal Impact Research)

The Company has continued its support to ICCSIR, a non-profit organisation incorporated as per the provisions of Companies Act 2013. Under the umbrella of ICCSIR, a consortium is formed with the unified interest of building technology for the production, processing and value addition of selected seaweeds.

The seaweed cultivation activity has been initiated under the guidance of ICCSIR by 121 farmers in Mandvi, and rafts have also been developed for the same. Trials for Gracilaria dura and Ulva lactuca seaweed are in process. A tissue culture laboratory at Mandvi for Kappaphycus seaweed along with Potash recovery has also been initiated.



Seaweed cultivation by fishermen in Mundra

Animal Husbandary

The Company has continued its support to the Milk production and Animal Health Initiative in Mahuva Taluka. The farmers are trained on best animal husbandry practices like animal feeding, breeding, health and cattle management which resulted into average increase in milk yield by 23% per animal.

During the year, an Animal Husbandry advisory (on-call assistance) service was imparted to 821 project farmers including 335 new farmers of 40 villages including 16 new villages, for the treatment of minor cases of cattle, so farmers did not have to travel during Covid. Further, the veterinary doctors treated 3,902 animals during the year, whereas cumulatively 15,628 animals have been treated.

The Animal Husbandry team established a small cattle feed unit at Kalsar for reduced cost of cattle feed and increased the productivity of animals.

Artificial Insemination (AI) service has been performed cumulatively on over 35,200 cattles, and for this year, on over 4,300 cattles. The Company has continued the innovative project of sexed semen, introduced in 2020–21, which ensures conception of a female calf. For the current year, 131 cattles have been given sexed semen doses of which 45% cattle were found pregnant. Based on the conception till date, the success rate is 100% with female calves being delivered by pregnant animals.



Complicated horn cancer surgery being performed by veterinarians



Celebration of achievements of SHG women on International Women's Day

Initiatives for Women

During 2021-22, the Company helped to form, nurture, and develop 68 new Self-Help Groups (SHGs) - Mahila Mandals in Bhavnagar, Talaja and Amreli districts, Gujarat. More than 580 additional women became members of these SHGs. With this, the total number of SHGs reached 638 with a strength of more than 6900 women members. These SHGs serve as a platform for women to gain financial freedom, as an option to have a source of credit that can be a stimulus for their income generation activity, and as a buffer to absorb various household financial crises.

To make all these SHGs self-sustainable the Company helped create one cluster federations of 35 village organisation.

SHG women checking the quality of spices along with implementation of hygiene standards as per good management practises



A Training and Quality Assessment Centre has been developed in Kalsar, which focuses on expanding technical, managerial and financial skills to operate a business for women. With more than 200 SHGs (600 women), 117 such trainings were conducted, which have further translated into various mini businesses that help these women earn dignified livelihoods.

Cumulatively, SHGs now run and manage 6 units of khakhra and other units for different products such as sanitiser, sanitary pad, wooden toys, aloe vera, pickle, masala, bakery, bio phenyl, jute and cloth bags, soft toys, bio-pesticide, seaweed value-added products, and banana fibre value-added processing units. One SHG unit has received a license from the Government of Gujarat, Food and Drugs Control Administration for manufacturing and selling cosmetic products, which will provide them with a new line of business with better range of products, to increase their sales and earnings.

To support the mini businesses with logistics and sales, a fully functional warehouse has been operational in Mahuva. The warehouse takes care of receiving orders, delivery to respective vendors, inventory management and other important activities and a cumulative of 20 SHGs have been benefitted till date.

A massive event with participation of more than 900 women was hosted on 9th March, 2022, to celebrate the occasion of International Women's Day, in adherence with Covid guidelines, by the Government, where Collector Shri. Yogesh Babanrao Nirgude (IAS) and DDO Hon'ble Dr. Prashant Jilova (IAS) of Bhavnagar felicitated 43 SHG women for their achievements, mostly related to entrepreneurship.

Water Resource Management

The Company has continued its support towards water management activities (check dams, ponds, etc.) with Narmada, Water Resources, Water Supply, and Kalpsar Department of Government of Gujarat, under the PPP model. In 2021–2022, 66 check dams, deepening of 25 ponds and 82 farm ponds were completed.

Cumulatively, over years, 213 check dams, deepening of 101 ponds and 690 farm ponds have been completed till date with the assistance of the Company.

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

The Company has continued its support towards five watershed centres in Bhavnagar and Amreli districts to accomplish the task of creation of watershed structures.

During the year, 129 hectares of additional farmland were converted into micro irrigation and more than 285 additional wells spanning over 40 villages were recharged, for improving the quality of groundwater.

Cumulatively, over years, it has translated into 4,129 hectares of micro irrigation on farmland and 1,402 well recharges in 100 villages.

In order to address the problem of water scarcity, a low-cost water structure has been developed, which can be replicated by Panchayats and farmers for water conservation.

With all such initiatives, in 2021-22, the Company has helped to conserve 290.7 million ltrs. of water in the state of Gujarat. When this conservation is considered as against Company's consumption of water in manufacturing operations located in the state, the Company is net positive in water.



Lakhupura check dam overflowing with water



Low-cost water structure in Karjala village

Tree Plantation

The Company has collaborated with the Gujarat State Forest Department and initiated a massive plantation drive with the help of the community.

A total of 2.20 lac trees were planted in the year 2021–22 through mobilisation of Farmer Clubs, schools and SHG women, whereas cumulatively 4.80 lac trees have been planted to increase green cover.

The Company has also collaborated with The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and Jilla Panchayat for mass plantation where four patches of land in villages have been covered to create green cover.

Sanitation

The Company supported the building of 1,293 new toilets (taking the total to over 16,993 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.

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

The Company has collaborated with the Primary and Secondary Education Department of Gujarat, for the digitisation of 40,000 primary schools.

Due to pandemic, till December 2021, most of the education initiatives were impacted, especially WaGaLe (Wanchan-Ganan-Lekhan), digitisation and pre-primary education.

An initiative called 'Chalo School Firse Pukare' was implemented in mission mode to motivate students to return to school, once normalcy returned.

The students were welcomed by dignitaries, teachers and staff of the school. Gifts like masks and pens were given so they had a feel-good factor on the first day itself.

Things have started normalising since January 2022, hence, the WaGaLe initiative has also restarted in 80 schools of Mahuva taluka for improvement of foundational learning skills, i.e. basic reading, writing and math in regional language. During lockdown, 50 online sessions for WaGaLe were implemented with participation of more than 700 children.

The Company has continued its collaboration with Navneet for digitisation of 155 secondary schools in Mahuva, of which 55 school's curriculum have already been digitised.



Implementation of 'Chalo School Firse Pukare' mission

The pre-primary education initiative has also been restarted with 20 Aanganwadis where Giju bhai methodology is being implemented. The major emphasis is on teaching young children (ages 3–5) using concepts of DIY, songs, games and other interactive methods that are more effective in sparking curiosity among children.

The school painting initiative has been extended to Jesar taluka, after seeing the success of the same in Mahuva taluka.

16 schools have been painted in Mahuva and Jesar talukas for the current year and cumulatively 149 schools have been painted.

The Company has signed an MoU with Bhavnagar Jilla Panchayat for the construction of 5 primary schools.

The Company has signed an MoU for the construction of an Ashramshala (residential school) in Kaprada taluka of Valsad district to provide access to quality education for needy and underprivileged students.



Khat muhurat of Kalsar Primary School



Garba Raas competition organised by Parekh College to promote cultural art forms of Gujarat

The Company has continued its support to Parekh College where Arts, Commerce, Science, BBA and Computer Science courses are operational. Last year, approximately 3,600 students availed education through Parekh College for various courses.

The Company has continued its support to Shri N N Mehta Memorial Education Trust, providing scholarships amounting to ₹ 40 lacs to 229 deserving students for higher education, in 2021-22.

The Company has continued its support to Shri BKP Science City (a modern science museum) in Bhavnagar city to ensure the development of analytical learning. Preparation of the students for various scholarship programmes and national Olympiad competitions has also been undertaken.

Sri BKP Science City has collaborated with Augustya Foundation, to upgrade its pedagogy and infrastructure to provide the best learning experience for students.

Three buses have been provided respectively to TKET Schools, Nursing College and Science City, so that students from far-off locations can commute easily.

The Company has continued its support to 6 schools of Shri Triveni Kalyan Education Trust (TKET) and the girl students from these schools supported by Company came out to be high achievers. Till date, 8 students have been selected as police officers, 4 students cleared the entrance for becoming doctors, 17 students joined the Indian Army, 8 students joined the Navy, 3 students were selected in other Government jobs, 4 students became Police Sub-inspector and 10 girls entered the nursing profession.



Scholarship distribution by N N Mehta Memorial Education Trust

Health Initiatives



Vaccination drive at doorsteps of farmers and SHG women

The Company has continued its support to Hanumant Hospital, which was the first hospital in Bhavnagar that started Covid treatment at the taluka level. More than 19,170 patients (9,172 new patients) were screened for Covid symptoms, and 1,723 critical Covid patients (737 new patients) have been treated. 5,700 beneficiaries have been vaccinated through Hanumant Hospital and other centres.

A special facility with 10 ventilators, oxygen concentrators, BiPAP monitors and other important infrastructure was created. Along with this, an oxygen plant with a 0.5-tonne capacity has been commissioned to ensure a continuous supply of oxygen.

Two more oxygen plants of 1 tonne capacity have been commissioned, one in Mahad and another in Vapi, to ensure that patients get a continuous supply of oxygen.

During the year, Hanumant Hospital in Mahuva treated over 45,400 outpatients, over 10,100 indoor patients, performed over 2,500 surgeries and successfully handled over 4,200 emergency cases. 13 speciality medical camps were conducted (inhouse as well as in surrounding villages) under the Doctor Connect programme. The hospital is enrolled under the Ayushyaman Bharat scheme of the Government and provided cashless treatment to 623 beneficiaries this year.

Commissioning and installation of oxygen plant at Mahad



Hanumant Hospital is the only hospital in Bhavnagar district having an enrolment of the Mukhyamantri Amrutum (MA) Yojana under the urology cluster. A total of 5,459 patients have received cashless dialysis service under this scheme.

177 free cataract surgeries with intraocular lenses (IOL) were conducted at Hanumant Hospital in collaboration with Vision Foundation, Mumbai.

The hospital is running three schemes, namely Chitrakutdham Arogya Scheme, Jaswant Mehta Arogya Scheme and Arogya Sanjivani Scheme, which have provided free treatment to 3,405 beneficiaries. The hospital has an Arogya Fund Scheme to coordinate treatments of the economically backward class of patients through donors. This year, 6,146 patients were provided help, amounting to ₹ 39.20 lacs.



Inauguration of O2 plant at Hanumant Hospital by Collector Bhavnagar, Shri Yogesh Nirgude (IAS) and DDO Bhavnagar Dr Prashant Jilova (IAS)



Inauguration of O2 plant in Vapi by DM and Collector Valsad, Smt Kshipra Agre (IAS)



Village-level medical eye camp to treat the community at their doorstep

Skill Initiatives

The Company has continued its collaboration with the Directorate of Employment and Training (under the Labour and Employment Department), Government of Gujarat, for the eighth year, to strengthen the skill eco-system in the State. During the current year, a total of 17,551 trainees from 186 ITIs were benefitted through online classes for carpentry, plumbing, electrician and construction technician courses. Moreover, in Rajasthan, the Company is supporting 4 ITIs for running plumbing and carpentry courses.

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

The Company has continued its support as an industry partner in Gujarat for the World Skill Competition 2022 in Carpentry, Joinery and Plumbing and Heating trades. Two of our sponsored students won State as well as Regional Skills competitions and were felicitated by the Hon'ble Chief Minister of Gujarat.



MoU signing in the presence of Hon'ble Principal Secretary Higher and Technical Education, Smt. Anju Sharma (IAS) and Skill University Registrar, Shri HR Suthar (IAS), for setting up an Advanced Skilling Centre for Carpentry and Plumbing in collaboration with Kaushalya – The Skill University, Government of Gujarat in Ahmedabad



MoU signing with the Government of Himachal Pradesh (HP) Skill Initiatives, in the presence of the Hon'ble Minister of Technical Education, HP Shri Ram Lal Markanda

Solar Khadi Initiative

The Company continued its association with Mahuva Khadi Bhandar. Solar charkha and solar looms are more efficient compared to the manual amber charkha and handloom in terms of productivity.

The initiative focuses on addressing the need for modernisation, spinning, weaving, dyeing and value addition along with training and testing to make the khadi-weaving process profitable for the community. The training of 200 women for operating these solar charkhas and looms is under process.



Women working on the Solar Charkha



Customised vehicle provided to SHG women for door-to-door collection of plastic waste

Swachhta Initiative

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

The Company recently signed a tri-party MoU with the Regional Commissionerate of Municipalities of Bhavnagar and Mahuva Nagarpalika to set up a Material Recovery Facility at Mahuva for waste segregation, processing and recycling.

The Company has also roped in an expert agency for segregation at source, removal, collection and recycling of both organic and plastic waste into value-added products. Organic/biodegradable waste will be made into compost. Necessary support in terms of infrastructure, machinery and equipment is to be provided by the Company.

The Company has also extended the drive to villages of Mahuva taluka in a phased manner. To ensure community involvement, SHG women have been roped in for the collection of plastic waste along with the involvement of Panchayats.

The total waste segregated in the last one year is 269 MTs, from which compost was prepared and provided to farmers; value addition of plastic waste has also been undertaken. To facilitate this process, 3 Plastic Collection Centres (PCCs) have been established in Mahuva city. These centres are responsible for purchasing scrap materials from ragpickers. A total of 5,863.9 kg waste has been collected and 2,469.8 kgs was sold to recyclers for value addition.

B K Parekh Parkinson's Disease & Movement Disorder Society (BKPPDMDS)

The Company continues to support the rehabilitation of people with Parkinson's disease and their caregivers with the aim of improving the quality of life of such persons.

BKPPDMDS is functioning in 9 centres across the state of Gujarat and 2 centres in Pune, Maharashtra. Due to Covid, these Centres have shifted to an online platform through which they have continued offering various activities such as Parkinson's information, physiotherapy, speech therapy, occupational therapy, psychological services, diet and nutrition, creative therapies, yoga, neurologist and other expert doctors' webinars on various subjects and specialised programmes for caregivers.

Natural Disaster & Relief Initiative

Tauktae Cyclone hit the coasts of Gujarat on 17th and 18th May 2021 and wreaked havoc on the Company's major working areas, causing damage to people, infrastructure and plantations. The Company supported disaster relief efforts by restoring a large amount of infrastructure, plantation as well as relief work to the needy.

Relief work for community affected by the cyclone



ANNEXURE 1 TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST MARCH, 2022

1. Brief outline on CSR Policy of the Company

(a) Focus areas:

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

(b) CSR Objectives:

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

(1) To promote, carry out, support activities relating to: Agriculture & Horticulture, Animal Husbandry, Education & Sports, Women Self Help Groups, Water Collection and Conservation, Cleanliness initiative, Waste Management & Recycling of Plastic, Green Cover, Healthcare, Khadi and Handloom, Skill Development, Science Centre, Sanitation and Natural Calamities and Disaster Management, 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.

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

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

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

2. Composition of CSR Committee:

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

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

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

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

Not Applicable

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Cr)	Amount required to be set-off for the financial year, if any (₹ in Cr)
1	2020-21	1.82	1.82
	Total	**1.82**	**1.82**

6. Average net profit of the Company as per Section 135(5): **₹ 1,359.38 Crores**

7. (a) Two percent of average net profit of the Company as per Section 135(5): **₹ 27.19 Crores**

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

(c) Amount required to be set off for the financial year, if any: **₹ 1.82 Crores**

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 25.37 Crores**

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

Total Amount Spent for the Financial Year 2021-22 (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
23.52 Crores	1.85 Crores	12th April, 2022	-	-	-

(b) Details of CSR amount spent against **ongoing projects** for the financial year 2021-22:

Sr. No.	Name of the Project #	Item from the list of activities in the Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount allocated for the project (₹ in Cr)	Amount spent in the current financial year (₹ in Cr)	Amount transferred to unspent CSR Account for the project as per Section 135 (6) (₹ in Cr)	Mode of impleme-ntation Direct (Yes/ No)	Mode of Implementation through implementing Agency	
				State	District						Name	CSR Registration No.
1	Agriculture & Horticulture	iv, x	No	Gujarat	Bhavnagar	2	0.88	0.57	0.31	No	Shree Gramdaxina Murti Ambla Trust	CSR00000995
											Gram Nirman Samaj	CSR00001111
2	Water collection and conservation	iv, x	No	Gujarat	Bhavnagar	2	1.61	0.42	1.19	No	Shree Gramdaxina Murti Ambla Trust	CSR00000995
											Gram Nirman Samaj	CSR00001111
											Lokbharti Gram Vidyapith Trust	CSR00001252
3	Healthcare	i, x	No	Gujarat	Bhavnagar	2	0.11	0.08	0.03	No	B. K. Parekh Parkinsons Disease and Movement Disorder Society	CSR00000507
4	Education & Sports	ii, vii, x	No	Gujarat	Bhavnagar	2	0.30	0.15	0.15	No	Shri Balvant Parekh Education Trust	CSR00001131
5	Women Self Help Group	iii, x	No	Gujarat	Bhavnagar	2	0.67	0.54	0.13	No	Gram Nirman Samaj	CSR00001111
6	Sanitation	i, x	No	Gujarat	Bhavnagar	2	0.07	0.03	0.04	No	Gram Nirman Samaj	CSR00001111
		Total					**3.64**	**1.79**	**1.85**			

Note:

The details of the CSR Projects are given on the website of the Company at https://www.pidilite.com/investors/corporate-governance/

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year 2021-22:

Sr. No.	Name of the Project	Item from the list of activities in the Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent in the current financial year (₹ in Cr)	Mode of impleme-ntation Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR Registration No.
1	Agriculture & Horticulture	iv, x	No	Gujarat	Bhavnagar	4.67	No	Shree Gramdaxina Murti Ambla Trust	CSR00000995
								Gram Nirman Samaj	CSR00001111
								Trivenikalyan Foundation	CSR00000487
								Central Salt & Marine Chemicals Research Institute	CSR00017422
								Indian Centre for Climate and Societal Impacts Research	CSR00000447
								Lokbharti Gramvidyapith	CSR00001252
2	Animal Husbandry	iv, x	No	Gujarat	Bhavnagar	0.23	No	Mahuva Gaurakshak Sabha Trust	CSR00001471
3	Water collection and conservation	iv, x	No	Gujarat	Bhavnagar	0.75	No	Shree Gramdaxina Murti Ambla Trust	CSR00000995
								Gram Nirman Samaj	CSR00001111
								Lokbharti Gram Vidyapith Trust	CSR00001252
4	Cleanliness Initiative	iv, x	Yes	Maharashtra	Mumbai	0.50	No	Hiralal Parekh Parivar Charity Trust	CSR00000249
5	Healthcare	i, x	Yes	Maharashtra	Mumbai	7.38	No	Cancer Patients Aid Association	CSR00000926
			Yes	Himachal Pradesh	Kalaamb		Yes	Covid Relief Fund Kalaamb	State Government
			Yes	Andhra Pradesh	Vishakhapatnam		Yes	District Collector - Vishakhapatnam	State Government
			No	Gujarat	Bhavnagar		No	Hanumant Seva Medicare Trust	CSR00000914
			Yes	Maharashtra	Raigad		Yes	Mahad Manufacturing Association	State Government
			Yes	Gujarat	Vapi		No	Nadkarni Medical Foundation	CSR00002006
			Yes	Himachal Pradesh	Nalagarh		Yes	Red Cross Society Nalagarh	State Government
			No	Gujarat	Bhavnagar		No	Sadbhavna Trust Hospital	CSR00017200
			Yes	Gujarat	Vapi		No	Shri Janseva Mandal Vapi	CSR00008969
			Yes	Himachal Pradesh	Baddi		Yes	State Disaster Management Authority Baddi	State Government
			Yes	Himachal Pradesh	Baddi		No	Victory India National Organisation	CSR00006658
			No	Tamilnadu	Chennai		No	Vijayganga Trust Hospital	CSR00004806
			No	Maharashtra	Pune		No	Lata Mangeshkar Medical Foundation	CSR00001393
6	Education & Sports	ii, vii, x	No	Gujarat	Bhavnagar	5.53	No	Balvant Parekh Centre for General Semantics and other Human Capital Science	CSR00001326
								Dakshinamurti Vidhyarthi Bhavan	CSR00002087
								Shree Gramdaxina Murti Ambla Trust	CSR00000995
								Gram Nirman Samaj	CSR00001111
								Lokbharti Gram Vidyapith Trust	CSR00001252
								Ravi Krupa Trust	CSR00014153
								Shri Balvant Parekh Education Trust	CSR00001131
								Triveni Kalyan Education Trust	CSR00000916
7	Women Self Help Groups	iii, x	No	Gujarat	Bhavnagar	1.21	No	Gram Nirman Samaj	CSR00001111
								Trivenikalyan Foundation	CSR00000487
8	Waste Management & Recycling of Plastics	iv, x	No	Maharashtra	Nagpur	0.37	No	Ekibeki Association	CSR00014430
			No	Gujarat	Bhavnagar		No	Gram Nirman Samaj	CSR00001111
9	Khadi and Handloom	v, x	No	Gujarat	Bhavnagar	0.23	No	Gram Nirman Samaj	CSR00001111
10	Science Centre	ii, x	No	Gujarat	Bhavnagar	0.74	No	Monghiben Balvihar Trust	CSR00001940
								Agastya International Foundation	CSR00003442
11	Sanitation	i, x	No	Gujarat	Bhavnagar	0.09	No	Trivenikalyan Foundation	CSR00000487
12	Green Cover	iv, x	No	Gujarat	Bhavnagar	0.03	No	Gram Nirman Samaj	CSR00001111
		Total				**21.73**			

(d) Amount spent in Administrative Overhead: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 23.52 Crores**

(g) Excess amount for set off, if any:

Sr. No	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	27.19 crores
(ii)	Total amount spent for the financial year	23.52 crores
(iii)	Excess amount spent for the financial year [(ii)- (i)]	-
(iv)	Surplus arising out of CSR projects/programmes or activities of the previous financial year, if any	-
(v)	Amount available for set-off in succeeding financial year [(iii) – (iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

The Company has completed the ongoing projects during the FY 2021-22 and the amounts allocated has been utilised for the respective projects.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): **None**

(b) Amount of CSR spent for creation or acquisition of capital asset: **NIL**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**

Place: Mumbai
Date: 18th May 2022

Bharat Puri
(Managing Director)

Sanjeev Aga
(Chairman of CSR Committee)

ANNEXURE 2 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022 (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, 2022 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There were no transactions covered under Foreign Direct Investment and External Commercial Borrowings during the Audit Period.

(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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(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) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

(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 BSE Limited and the National Stock Exchange of India Limited.

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 52nd AGM held on 11th August, 2021 for re-appointment of Shri Vinod Dasari as an Independent Director for a second term upto 31st August, 2025.
- Company's application u/s 230 to 232 of the Act for Amalgamation of Company's wholly owned subsidiary i.e. Pidilite Adhesives Private Limited (PAPL) [formerly known as Huntsman Advanced Materials Solutions Private Limited] into Pidilite Industries Limited (the Company) was approved by Hon'ble National Company Law Tribunal, Mumbai bench by its order dated 7th March, 2022 received by the Company on 29th March, 2022. As per the aforesaid order, the Appointed date is 1st April, 2022 and PAPL stands dissolved without winding-up.
- Company's application u/s 230 to 232 of the Act for Amalgamation of Company's wholly owned subsidiary i.e. Cipy Polyurethanes Private Limited (CPPL) into Pidilite Industries Limited (the Company) was approved by Hon'ble National Company Law Tribunal, Mumbai bench by its order dated 23rd March, 2022 received by the Company on 12th April, 2022. As per the aforesaid order, the Appointed date is 1st April, 2022 and CPPL stands dissolved without winding-up.

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For M. M. SHETH & CO.
(Company Secretaries)
M. M. SHETH
(Prop.)
FCS No. 1455, CP No. 729
PR No. 1000/2020

Place: Mumbai
Date: 18th May 2022
UDIN: F001455D000343060

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-check 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-check 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.

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For M. M. SHETH & CO.
(Company Secretaries)
M. M. SHETH
(Prop.)
FCS No. 1455, CP No. 729
PR No. 1000/2020

Place: Mumbai
Date: 18th May 2022
UDIN: F001455D000343060

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 ₹ 24.4 crores during the year. Savings accrued during the last 3 years (2019-22) is ₹ 62 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. In this year, energy audit was carried out in 6 units. Various steps taken by your Company are given below:

New Measures:

1. Assessment of compressed air network to identify leakages and arresting leaks in the generation and distribution network to improve energy efficiency.
2. Loss reduction in compressed air by changing over to moisture traps instead of timer-based blowdown.
3. Reduction of water used for external tank cooling during summer season by providing insulation that has helped to reduce temperature rise in tanks.
4. Individual machine output improvement by installation of high-speed vibrators for feeding in pouch filling machines that has increased productivity by 25%.
5. Reduction in energy consumption by replacement of pneumatically driven machines with electrical mixers in wastewater management facility.
6. Use of thermal conductive oil with special additives in air conditioning units for improved heat transfer and efficient cooling.
7. Use of energy efficient Heat pump in place of electric heaters in Air Handling Units for humidity control.

Earlier proven conservation projects replicated across sites in 2021-22:

1. Replacement of compressors with energy efficient compressors.
2. Replacement of existing AC with energy efficient AC.
3. Cooling tower fan automation with sump temperature.
4. Installation of LED lights.
5. Installation of Variable frequency drives.

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

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

a. Green Fuel:
Your Company continues to evaluate and increase the usage of green fuel (bio mass) which replace fossil fuels for operation of our boilers. During the year, by use of green fuels, your Company has saved ₹ 17.8 crores. The CO2 emissions per MT of production reduced from 0.096 T/MT to 0.081 T/MT.

b. Wind Energy:
Power generated from wind farm projects at Gujarat and Maharashtra continue to be utilized in the manufacturing units and corporate office in Mumbai. Power generated from windmills is 48 Lakh KWH while the consumption was limited to 45 Lakh KWH which has resulted in saving of ₹ 3.8 crores in the year.

c. Solar Energy:
During the last quarter of the year, your Company commissioned new solar plants in 2 different units in addition to the existing 13 solar power installations. These 15 installations resulted in savings of ₹ 1.34 crores for the year.

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

Capital Investment in energy conservation equipment was ₹ 2.24 crores during the year.

B) TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

a. R&D maps new market and application trends on regular basis and upgrade our technologies by advancing development work on various types of products in adhesives, sealants, tile & stone fixing solutions, synthetic resins, pigments, pigment dispersions, intermediates, thickeners, dispersants, coatings, waterproofing products and construction chemicals.

b. R&D scouts for technology experts and research institutes continuously, for developing new technologies capabilities.

c. R&D continue to strengthen the strategic initiative on safe and sustainable products and product systems.

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

R&D plays a key role in revenue and margin growth by launching new products, product improvement and cost saving initiatives, capacity debottlenecking, solutions for market needs for new applications and improved environmental compliance.

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

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

The technology for manufacture of Hot melt, received by the Company during the year 2018-19, was fully absorbed during the financial year i.e. 2021-22.

4. Expenditure incurred on Research and Development:

(₹ in crores)

		Year ended 31st March 2022	Year ended 31st March 2021
i)	Capital	5.26	1.05
ii)	Recurring	79.01	71.86
	TOTAL	**84.27**	**72.91**

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 2022	Year ended 31st March 2021
i)	Foreign exchange earned	730	579
ii)	Foreign exchanged used	1,605	886

For and on behalf of the Board of Directors

Place: Mumbai
Date: 18th May 2022

M B Parekh
Executive Chairman

ANNEXURE 4 TO THE DIRECTORS' REPORT

Disclosure regarding Employee Stock Option of the Company for the year ended 31st March, 2022

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 2021-22.

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 2022 is 24.95 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, 2022:

(i)

Sr. No.		Particulars	Employee Stock Option Plan-2016
	(a)	Date of shareholders' approval	**02.04.2016**
	(b)	Total number of options approved under ESOS	**45,00,000**
	(c)	Vesting requirements	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 through Postal Ballot which was declared on 2nd April, 2016, the exercise price shall be ₹ 1/- per option or such other higher price as may be fixed by the Board or Compensation Committee.
	(e)	Maximum term of options granted	Out of the options granted, the last date of vesting is 8th November, 2029. 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
	(g)	Variation in terms of options	Not Applicable
(ii)		Method used to account for ESOS	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
	(b)	The impact of this difference on profits and on EPS of the Company	N.A

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

(iv) Option movement during the year - Employee Stock Option Plan 2016 (ESOP – 2016)

Particulars	ESOP – 2016
Number of options outstanding at the beginning of the period	4,19,540
Number of options granted during the year	1,10,750
Number of options forfeited / lapsed during the year	10,515
Number of options vested during the year	1,35,130
Number of options exercised during the year	1,35,035
Number of shares arising as a result of exercise of options	1,35,035
Money realized by exercise of options (INR)	1,35,035
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding as on 31st March 2022	3,84,740
Number of options exercisable as on 31st March 2022	1,25,845

(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 29.07.2016 ESOP 2016	1	730.61
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
Options granted on 05.08.2020 – ESOP 2016	1	1,318.08/1,319.96
Options granted on 04.11.2020 – ESOP 2016	1	1,536.91
Options granted on 09.10.2021 – ESOP 2016	1	2,422.93
Options granted on 09.11.2021 – ESOP 2016	1	2,345.77
Options granted on 09.11.2021 – ESOP 2016	2390.75	944.34
Options granted on 24.01.2022 – ESOP 2016	1	2,667.05
Options granted on 11.03.2022 – ESOP 2016	1	2,325.81

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

a) Senior managerial personnel:

Sr. No.	Name of Employee	Designation	Number of options granted in 2021-2022	
			Exercise Price ₹ 1/-	Exercise Price ₹ 2390.75/-
1.	Shri Sudhanshu Vats	Deputy Managing Director	50,000	-
2.	Shri Vinay Subramanyam	Chief Marketing Officer	2000	-
3.	Shri Saswata Dhar	President – Legal and Secretarial	2500	-
4.	Shri Sanjay Bahadur	Chief Strategy and Business Development Officer (CC Businesses)	1000	5000
5.	Shri Rajesh Balakrishnan	Chief Business Officer, IP	1000	5000
6.	Shri Nilesh Mazumdar	Chief Business Officer (CC – Retail and Roff Businesses)	1000	5000
7.	Shri Salil Nagesh Dalal	Chief Business Officer (Emerging India)	1000	5000
8.	Shri Rahul Kumar Sinha	Chief Human Resource Officer	1000	5000
9.	Shri Pankaj Bhargava	President Procurement	1000	5000
10.	Shri Yogesh Anand	Chief Business Officer (International Operations)	1000	5000
11.	Shri Pravin Digambar Chaudhari	Chief Business Officer (Pigments) and IP Manufacturing Operations	750	4000
12.	Shri Anubhav Saxena	President - R&D	750	4000
13.	Shri Giridhar Ayanur Seetharam	Chief Business Officer (Fevicol Division)	750	4000

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 2021-22 - **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/Binomial Model. The assumptions used in this model for calculating fair value are as below:

Please refer to “Notes to the Financial Statements – Note 46”.

ANNEXURE 5 TO THE DIRECTORS' REPORT

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

A. Ratio of remuneration paid to each Director to the median remuneration of the employees of the Company and percentage increase in remuneration for the financial year 2021-22 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	63.21	26.65
2	Shri N K Parekh	Vice Chairman	5.86	9.36
3	Shri Bharat Puri	Managing Director	684.00	214.18 #
4	Shri A B Parekh	Executive Vice Chairman	24.04	13.03
5	Shri A N Parekh	Whole time Director	96.67	8.61
6	Shri B S Mehta	Director	5.95	31.86
7	Shri Sanjeev Aga	Director	6.06	20.11
8	Shri Uday Khanna	Director	5.47	21.24
9	Smt. Meera Shankar	Director	4.88	21.23
10	Shri Vinod Kumar Dasari	Director	5.39	25.00
11	Shri Piyush Pandey	Director	4.71	20.41
12	Shri Debabrata Gupta	Whole time Director	42.25	26.31 #
13	Shri Rajeev Vasudeva	Director	5.39	*

B. Percentage increase in remuneration of Chief Financial Officer and Company Secretary for the financial year 2021-22 is as follows:

Sr. No.	Name	Designation	% increase
1	Shri Pradip Menon	Chief Financial Officer	**
2	Shri Puneet Bansal	Company Secretary	**
3	Smt. Manisha Shetty	Company Secretary	**

Notes:

1. The aforesaid details are calculated on the basis of remuneration paid during the financial year 2021-22.
2. The remuneration to Non Executive Directors comprises of sitting fees and commission paid to them during the financial year 2021-22.
3. The median remuneration is ₹ 6,26,246/- for the financial year 2021-22.
4. * % increase in remuneration is not given as Shri Rajeev Vasudeva was appointed as an Independent Director of the Company w.e.f. 10th September, 2020.
5. ** % increase in remuneration not given as the payment for financial year 2021-22 was only for part of the year.
6. # % increase includes perquisites relating to ESOP.
7. The remuneration to Directors is within the overall limis approved by the shareholders.

C. Percentage increase in the median remuneration of employee in the financial year 2021-22: 22.02%

D. Number of permanent employees on the rolls of the Company as on 31st March 2022: 7,622.

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 2021-22 compared to 2020-21: 9.50%

F. Affirmation:

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

BUSINESS RESPONSIBILITY REPORT

Introduction

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

Over the years, the Company has made progressive advancement across all three dimensions of sustainability. On the economic front, through an appropriate product mix and a good understanding of customer requirements, the Company has been consistently growing its market presence, revenues and profitability following the guiding principles of Business Responsibility (BR) Policies and all applicable laws and regulations. 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 third sustainability report in accordance with GRI Standards for Financial Year 2020-21 on its website https://www.pidilite.com/sustainability/.

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: 2021-22
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/ Paints 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)	8
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, Bangladesh, Sri Lanka, Nepal, Indonesia, Egypt, Qatar, Oman, Kenya, France, Germany, Italy, Saudi Arabia, Tanzania, Hongkong, UK, Australia, Japan, Canada, Malaysia, Spain, Lebanon, Denmark, South Korea, etc.

B] FINANCIAL DETAILS OF THE COMPANY

		(₹ in crores)
1.	Paid up Capital :	50.83
2.	Total Turnover :	8,298.49
3.	Total profit after taxes :	1,268.62

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): CSR spending for the year is ₹ 27.19 crores, which is 2% of the average net profit for the last 3 financial years.

5. Few activities in which expenditure in 4 above has been incurred

   The Company has been supporting Education, Healthcare, Agriculture and Horticulture, Animal Husbandry Initiative, Rural Development, Water Resources Management, Sanitation Initiatives for Women, Farmer Producer Organisation, Skill Development, Swachhta Initiative, Khadi 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, 2022. 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	Executive Vice Chairman

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number	01500784
2	Name	Shri Debabrata Gupta
3	Designation	Director – Operations
4	Telephone number	022- 2835 7313
5	e-mail id	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 marginalized (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 being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes Policies confirm to applicable Statutory Requirements as well as ISO 45001 and ISO 14001 Standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes The policies have been signed by Director- Operations of the Company.								
5.	Does the company have a 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/ies.								
6.	Indicate the link for the policy to be viewed online?	Policies which are internal to the Company are available on the intranet of the Company. Other policies are available on the website of the Company: 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?	External firms were engaged to review the systems, procedures and infrastructure related to safety and environment, and based on their recommendations adequate steps are being taken.								

(3) Governance related to BR

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

E] PRINCIPLE-WISE PERFORMANCE

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

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

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

There were no complaints from shareholders pending at the beginning of the year. The Company received 14 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. Products for walls and roofs which improve thermal insulation and save energy.
c. High quality adhesives for making furniture, footwear, etc. which prolong the life of such products.
d. Repair and maintenance products which allows such articles to be repaired and reused rather than being thrown away.

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

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

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

The Company is focused towards building progressive and best-in-class people policies on work life balance, career progression, development and employee engagement. The Company's "Happy and Healthy" (HAH) movement saw great participation with over 73% of the employees engaging in HAH activities.

As on 31st March 2022, the total number of permanent employees on the payroll of the Company was 7,622 and the total number of employees hired on temporary /contractual/casual basis was 3,130. The permanent women employees were 472 and permanent employees with disabilities were 15. There are no employee association that is recognized by the management. The details of complaints filed during the financial year are as under:

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

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

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

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

With an objective to be responsive towards stakeholders who are disadvantaged, vulnerable or marginalized, the Company continues to build on its unique initiative 'WAGALE' (Wanchan-Ganan-Lekhan) which has helped students with lesser learning abilities through online training sessions. The Company also facilitates scholarships to the deserving and qualified students, having limited financial means for pursuing higher education. An initiative called "Chalo School Firse Pukare" was implemented in mission mode to motivate students to return to school and the students were welcomed by dignitaries, teachers and staff of the school. Gifts like masks and pens were given so they had a feel-good factor on the first day itself.

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

Principle 5: Businesses should respect and promote human rights:

The Human Resource and Human Rights Policy is applicable to all the employees of the Company and its subsidiaries, joint ventures and associate entities.

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

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

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

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

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

Over 78% of our 51 units have been converted into zero discharge to external environment and over a period of time, the Company intends to convert many more units into zero discharge, as well as increase the usage of renewable sources of energy.

During the financial year 2021-22, the emissions/ waste generated by the Company were within the permissible limits prescribed by the State and Central Pollution Control Board.

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

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

- Federation of Indian Chambers of Commerce and Industry
- Indian Chemical Council
- Confederation of Indian Industry
- Economic Research India Pvt. Ltd.
- Bombay Chambers 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 section and Annexure 1 to the Directors' Report.

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

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

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

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

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Pidilite Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, 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 (hereinafter referred to as "the standalone financial statements").

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 2022, 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:
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 ₹ 148.95 crores (as at 31st March 2022) which is measured at cost less impairment and is tested for impairment if there are any indicators of impairment. Due to material accumulated losses being incurred by these subsidiaries, the Company's management has tested these investments for impairment in accordance with Ind AS 36. For impairment testing, management determines recoverable amount, using discounted cash flow projections, which represent management's best estimate about future developments and takes into account past experience. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, discount rate, estimated sales growth rate and estimated operating margins. Management has obtained fair value of investments from independent valuation experts for investments in the said two subsidiaries. We have identified this as a key audit matter as determination of recoverable amount involves significant judgements, as regards to reasonableness of assumptions involved in estimating future cash flows of these subsidiaries and in determining the discount rate to be used. Changes in these assumptions could impact the results of the impairment assessment.	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) Validating impairment models through testing of the mathematical accuracy and verifying the application of the input assumptions. c) Assessed the appropriateness of the forecast cash flows within the budgeted period based on the understanding of the business. d) Considered historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved. e) Compared the assumptions made by the management of the Company with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates with the assistance of our fair value specialists f) Performed sensitivity analysis on the key assumptions such as long-term growth rates and discount rates, to ascertain the extent of change in those assumptions that would be required for the investment in these subsidiaries to be impaired further.

Information Other than the Financial Statements and Auditor's Report Thereon ("other information").

- 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 53(d) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 53(j) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

      As stated in note 54b to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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: 22045474AJESHE4480

Place: Mumbai
Date: 18th May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2022

(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 2022 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 Act.

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 2022, 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: 22045474AJESHE4480

Place: Mumbai
Date: 18th May 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2022

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of its property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once in every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of the Company's Inventories:

(a) The inventories except for goods in transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, throughout the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has made investments in and provided guarantees to subsidiary companies during the year, in respect of which:

(a) The Company has provided guarantees during the year and details of which are given below:

(₹ in crores)

		Guarantees
A.	**Aggregate amount provided during the year:**	
-	Subsidiaries	7.57
B.	**Balance Outstanding as at balance sheet date in respect of above cases**	
-	Subsidiaries	102.34

(b) The investments made and the terms and conditions of the guarantees provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

The Company has not granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government for maintenance of cost records 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 by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value added tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value added tax, Cess and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 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, AY 2017-18, AY 2018-19	31.35
	Income Tax TDS	Commissioner (Appeals)	AY 2013-14 to 2019-20	37.20
Income Tax Act, 1961 – Total				68.55*
Goods and Service tax Act, 2017	Goods and Service tax	Additional Commissioner	2017-18	0.17
Goods and Service tax Act, 2017 – Total				0.17**
Finance Act, 1994	Service Tax	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2011-12, 2013-14	11.61
Finance Act, 1994 – Total				11.61@
Central Excise Act, 1944	Excise Duty in Various States	Commissioner of Central Excise (Appeals)	2008-09, 2009-10	0.18
	Excise Duty in Various States	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2007-08 to 2009-10	0.70
	Excise Duty in J&K	High Court	2008-09 to 2015-16	2.45
Central Excise Act, 1944 - Total				3.33#

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in crores)
Sales Tax Act	Sales Tax in Various States	Assessing officer	1998-99, 2005-06, 2008-09 to 2015-16	1.89
	Sales Tax in Various States	Commissioner of Sales Tax	2008-09	0.25
	Sales Tax in Various States	Additional Commissioner	2002-03, 2008-09 to 2017-18	22.99
	Sales Tax in Various States	Deputy commissioner of Sales Tax	1994-95, 2005-06 to 2017-18	1.43
	Sales Tax in Various States	Joint commissioner of Sales Tax	1998-99, 1999-00, 2002-03, 2004-05, 2008-09 to 2017-18	76.32
	Sales Tax in West Bengal	Revision Board	2004-05	0.59
	Sales Tax in Various States	Sales Tax Tribunal	1999-00, 2002-03, 2004-05 to 2015-16	31.20
	Sales Tax in Various States	High Court	2003-04, 2013-14	0.08
Sales Tax Act – Total				134.75^
Maharashtra Municipal Corporation Act, 1949	Local Body Tax	High Court	February 2021 February 2022	11.56
Municipal Corporation Act, 1949 – Total				11.56^^

* Net of ₹ 29.87 crores paid under protest
** ₹ 0.17 crores is paid under protest
\# Net of ₹ 0.05 crores paid under protest
@ Net of ₹ 0.33 crores paid under protest
^ Net of ₹ 30.60 crores paid under protest
^^ Net of ₹ 0.61 crores paid under protest

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

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

(xiii) In our opinion, 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 as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

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

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have more than one Core Investment Company (CIC) as part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 22045474AJESHE4480

Place: Mumbai
Date: 18th May 2022

BALANCE SHEET

as at 31st March 2022 (₹ in crores)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**1,290.01**	1,023.38
(b) Right of Use Assets	5	**166.52**	118.67
(c) Capital Work-In-Progress	4	**207.34**	281.50
(d) Goodwill	6	**86.34**	86.34
(e) Other Intangible Assets	6	**189.43**	194.17
(f) Financial Assets			
(i) Investments	7	**3,298.70**	3,312.26
(ii) Loans	10	**5.02**	4.82
(iii) Other Financial Assets	12	**18.74**	15.15
(g) Income Tax Assets (net)	16	**125.18**	86.98
(h) Other Non-Current Assets	17	**41.65**	79.37
Total Non-Current Assets		**5,428.93**	5,202.64
2 Current Assets			
(a) Inventories	15	**1,372.70**	975.94
(b) Financial Assets			
(i) Investments	8	**147.31**	169.35
(ii) Trade Receivables	9	**1,157.61**	999.09
(iii) Cash and Cash Equivalents	14A	**116.49**	109.81
(iv) Bank balances other than (iii) above	14B	**2.82**	2.56
(v) Loans	11	**17.66**	16.25
(vi) Other Financial Assets	13	**10.17**	7.34
(c) Other Current Assets	18	**170.22**	140.43
Total Current Assets		**2,994.98**	2,420.77
TOTAL ASSETS		**8,423.91**	7,623.41
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	19	**50.83**	50.82
(b) Other Equity	20	**6,366.12**	5,510.40
Total Equity		**6,416.95**	5,561.22
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	23	**63.72**	48.79
(ii) Other Financial Liabilities	25	**19.94**	13.63
(b) Provisions	27	**54.69**	45.02
(c) Deferred Tax Liabilities (net)		**70.73**	75.86
Total Non-Current Liabilities		**209.08**	183.30
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	**105.00**	55.00
(ii) Trade Payables	22		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		**58.88**	67.04
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		**791.88**	726.78
(iii) Lease Liabilities		**25.55**	18.54
(iv) Other Financial Liabilities	24	**694.44**	900.44
(b) Other Current Liabilities	28	**80.32**	72.66
(c) Provisions	26	**33.89**	16.48
(d) Current Tax Liabilities (net)	29	**7.92**	21.95
Total Current Liabilities		**1,797.88**	1,878.89
TOTAL LIABILITIES		**2,006.96**	2,062.19
TOTAL EQUITY AND LIABILITIES		**8,423.91**	7,623.41
See accompanying notes to the financial statements	1 to 57		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022 (₹ in crores)

Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Revenue from Operations	30	**8,340.17**	6,216.33
Other Income	31	**230.37**	73.49
Total Income		**8,570.54**	6,289.82
EXPENSES			
Cost of Materials Consumed	32	**4,174.20**	2,469.53
Purchases of Stock-in-Trade		**637.16**	453.99
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	**(214.02)**	(89.77)
Employee Benefits Expense	34	**905.19**	787.75
Finance Costs	35	**26.42**	16.99
Depreciation, Amortisation and Impairment Expense	36	**175.12**	147.10
Other Expenses	37	**1,238.98**	1,047.15
Total Expenses		**6,943.05**	4,832.74
Profit before Exceptional Items and Tax		**1,627.49**	1,457.08
Exceptional Items	38	**-**	0.45
Profit before Tax		**1,627.49**	1,456.63
Tax Expense			
Current Tax	48	**360.95**	375.05
Deferred Tax	48	**(2.08)**	0.12
Net Tax Expense		**358.87**	375.17
Profit for the year		**1,268.62**	1,081.46
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	45	**(12.12)**	(0.95)
Income tax relating to items that will not be reclassified to profit or loss	48	**3.05**	0.24
Total Other Comprehensive Loss		**(9.07)**	(0.71)
Total Comprehensive Income for the year		**1,259.55**	1,080.75
Earnings Per Equity Share:	43		
Basic (₹)		**24.96**	21.28
Diluted (₹)		**24.95**	21.27
See accompanying notes to the financial statements	1 to 57		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(₹ in crores)

a.	Equity Share Capital	Amount
	Balance as at 1st April 2020	**50.81**
	Changes in equity share capital during the year	
	• Issue of equity shares under Employee Stock Option Plan 2016	0.01
	Balance as at 31st March 2021	**50.82**
	Changes in equity share capital during the year	
	• Issue of equity shares under Employee Stock Option Plan 2016	0.01
	Balance as at 31st March 2022	**50.83**

b.	Other Equity	Reserves and Surplus							TOTAL
		Capital Reserve on Business Combination	Securities Premium	Capital Redemption Reserve	Cash Subsidy Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	
	Balance as at 1st April 2020	0.34	23.21	0.50	0.95	10.89	1,335.38	3,042.74	**4,414.01**
	Profit for the year	-	-	-	-	-	-	1,081.46	**1,081.46**
	Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(0.71)	**(0.71)**
	Recognition of share-based payments	-	2.83	-	-	14.53	-	-	**17.36**
	Transferred to Securities Premium on Options exercised during the year	-	2.83	-	-	(2.83)	-	-	**-**
	Amortised and exercised during the year	-	-	-	-	17.40	-	-	**17.40**
	Lapsed during the year	-	-	-	-	(0.04)	-	-	**(0.04)**
	Due to Business combination (refer Note 56)	(1.72)	-	-	-	-	-	-	**(1.72)**
	Balance as at 31st March 2021	(1.38)	26.04	0.50	0.95	25.42	1,335.38	4,123.49	**5,510.40**
	Profit for the year	-	-	-	-	-	-	1,268.62	**1,268.62**
	Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(9.07)	**(9.07)**
	Payment of dividends	-	-	-	-	-	-	(431.93)	**(431.93)**
	Recognition of share-based payments	-	20.47	-	-	7.63	-	-	**28.10**
	Transferred to Securities Premium on Options exercised during the year	-	20.47	-	-	(20.47)	-	-	**-**
	Amortised and exercised during the year	-	-	-	-	28.55	-	-	**28.55**
	Lapsed during the year	-	-	-	-	(0.45)	-	-	**(0.45)**
	Balance as at 31st March 2022	(1.38)	46.51	0.50	0.95	33.05	1,335.38	4,951.11	**6,366.12**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(₹ in crores)

		For the year ended 31st March 2022		For the year ended 31st March 2021	
A	**Cash Flows From Operating Activities**				
	Profit before tax		**1,627.49**		1,456.63
	Adjustments for:				
	Finance costs	**26.42**		16.99	
	Interest income	**(0.58)**		(12.78)	
	Dividend income	**(196.41)**		(2.78)	
	Loss on disposal of Property, Plant and Equipment	**8.19**		5.85	
	Net gain arising on financial assets designated at FVTPL	**(11.19)**		(39.99)	
	Allowance for Doubtful Debts and Advances (net)	**0.40**		3.73	
	Exceptional Item - Impairment in value of Investments	**-**		0.45	
	Depreciation, Amortisation and Impairment Expense	**175.12**		147.10	
	Unrealised foreign exchange loss / (gain) (net)	**3.90**		(1.88)	
	Provision for Employee Benefits	**14.96**		7.89	
	Profit on buyback of shares by subsidiary	**(1.11)**		-	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**28.09**		17.28	
	Operating profits before Working Capital changes		**1,675.28**		1,598.49
	Movements in Working Capital:				
	(Increase) / Decrease in Operating Assets				
	Trade Receivables	**(160.41)**		(200.06)	
	Inventories	**(396.76)**		(240.47)	
	Non-Current Loans	**(0.20)**		(0.78)	
	Current Loans	**(1.41)**		(7.87)	
	Other Non-Current Financial Assets	**(3.59)**		0.02	
	Other Current Financial Assets	**(2.83)**		0.89	
	Other Non-Current Non Financial Assets	**(20.87)**		(27.80)	
	Other Current Non Financial Assets	**(29.79)**		13.39	
	Increase / (Decrease) in Operating Liabilities				
	Trade Payables	**54.91**		296.34	
	Other Current Financial Liabilities	**49.27**		121.42	
	Other Non-Current Financial Liabilities	**6.31**		6.37	
	Other Current Non Financial Liabilities	**8.90**		(17.40)	
	Cash generated from Operations		**1,178.81**		1,542.54
	Taxes paid (net of refunds)		**(413.18)**		(342.02)
	Net Cash generated from Operating Activities [A]		**765.63**		1,200.52

STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(₹ in crores)

		For the year ended 31st March 2022		For the year ended 31st March 2021	
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**(315.25)**		(323.97)	
	Proceeds from disposal of Property, Plant and Equipment & Other Intangible Assets	**0.77**		1.76	
	Net Cash outflow on acquisition / Investment in Subsidiaries	**(359.95)**		(2,109.95)	
	Proceeds from buyback of shares from subsidiary	**11.28**		-	
	Payments to purchase Investments	**(30.00)**		(2,898.47)	
	Proceeds on sale of Investments	**170.24**		3,634.27	
	(Increase) / Decrease in Bank Deposits	**(0.18)**		1.42	
	(Increase) / Decrease in Other Bank Balances	**(0.08)**		0.69	
	Interest received	**0.58**		12.78	
	Dividend received	**196.41**		2.78	
	Net cash used in Investing Activities [B]		**(326.18)**		**(1,678.69)**
C	**Cash Flows from Financing Activities**				
	Net increase in Current Borrowings	**50.00**		55.00	
	Proceeds from issue of Equity shares of the Company	**0.01**		0.01	
	Payment of Lease Liabilities	**(31.26)**		(24.08)	
	Dividends paid on Equity Shares	**(431.85)**		(0.69)	
	Interest paid	**(19.67)**		(11.53)	
	Net cash (used in) / generated from Financing Activities [C]		**(432.77)**		**18.71**
	Net increase / (decrease) in Cash and Cash Equivalents [A+B+C]		**6.68**		(459.46)
	Cash and Cash Equivalents at the beginning of the year	**109.81**		564.17	
	Unrealised loss/gain on foreign currency cash and cash equivalents	**(0.05)**		0.18	
	Cash and Cash Equivalents at the beginning of the year		**109.76**		564.35
	Cash and Cash Equivalents at the end of the year (refer Note 14A)	**116.49**		109.81	
	Unrealised loss on foreign currency cash and cash equivalents	**(0.05)**		(0.05)	
	Acquisition under Business Combination (refer Note 56)	**-**		(4.87)	
	Cash and Cash Equivalents at the end of the year		**116.44**		104.89
	Net increase / (decrease) in Cash and Cash Equivalents		**6.68**		(459.46)

Notes:

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

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

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 (₹) 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 statement of profit and loss as incurred.

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

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

2.3 Goodwill

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

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

2.4 Revenue Recognition

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

2.4.1 Sale of Goods

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

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

2.4.2 Dividend, Interest income and Royalty

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

Royalty income 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.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or 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.

Notes forming part of the financial statements

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 activity under statement of cash flows.

2.5.2 Company as Lessor

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

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

2.6 Foreign Currencies

The functional currency of the Company is the Indian Rupee.

At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the Statement of Profit and Loss.

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

Notes forming part of the financial statements

2.10.3 Internally generated Intangible Assets – Research and Development Expenditure

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

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

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

2.10.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

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

2.11 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

2.12 Inventories

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

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

2.13 Provisions (other than Employee Benefits)

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

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

2.14 Financial Instruments

2.14.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. At initial recognition, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised in the Statement of Profit and Loss.

2.14.2 Subsequent measurement of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.

All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.14.3 Impairment of Financial Assets

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

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

2.14.4 Financial Liabilities and equity instruments

2.14.4.1 Classification of debt or equity

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

2.14.4.2 Equity Instruments

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

2.14.4.3 Financial Liabilities

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

2.14.5 Derecognition of Financial Assets and Liabilities

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

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

2.14.6 Derivative Financial Instruments

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

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

Notes forming part of the financial statements

2.15 Cash Flow Statement

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

Notes forming part of the financial statements

3.1.5 Property, Plant and Equipment and Other Intangible Assets

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

3.1.6 Leases

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

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

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

3.1.7 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 – Property Plant and Equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022. The Company is evaluating the amendment and its impact on financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022, although early adoption is permitted. The Company is evaluating the amendment and its impact on financial statements.

(₹ in crores)

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

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• Freehold Land	**95.04**	89.94
• Buildings	**411.07**	320.61
• Plant and Machinery	**706.87**	547.75
• Vehicles	**5.41**	4.93
• Furniture and Fixtures	**29.71**	25.03
• Office Equipment	**41.91**	35.12
	1,290.01	1,023.38
Capital Work-In-Progress	**207.34**	281.50
TOTAL	**1,497.35**	1,304.88

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2020	**84.40**	**347.54**	**1,152.34**	**19.14**	**79.71**	**123.72**	**1,806.85**
Additions	6.97	70.88	175.20	1.13	3.11	14.58	**271.87**
Acquisition under Business Combination (refer Note 56)	-	2.81	11.60	-	0.08	0.02	**14.51**
Disposals / Adjustments	(1.43)	(0.04)	(25.64)	(4.26)	(0.54)	(8.51)	**(40.42)**
Balance as at 31st March 2021	**89.94**	**421.19**	**1,313.50**	**16.01**	**82.36**	**129.81**	**2,052.81**
Additions	5.10	107.56	265.89	1.64	9.98	20.94	**411.11**
Disposals / Adjustments	-	(0.39)	(28.23)	(0.26)	(5.38)	(6.79)	**(41.05)**
Balance as at 31st March 2022	**95.04**	**528.36**	**1,551.16**	**17.39**	**86.96**	**143.96**	**2,422.87**
Accumulated Depreciation and Impairment							
Balance as at 1st April 2020	**-**	**(87.34)**	**(699.19)**	**(14.08)**	**(53.29)**	**(91.71)**	**(945.61)**
Acquisition under Business Combination (refer Note 56)	-	(0.66)	(2.27)	-	(0.04)	(0.01)	**(2.98)**
Eliminated on disposal of assets	-	-	20.20	4.08	0.45	8.08	**32.81**
Depreciation expense	-	(12.58)	(84.49)	(1.08)	(4.45)	(11.05)	**(113.65)**
Balance as at 31st March 2021	**-**	**(100.58)**	**(765.75)**	**(11.08)**	**(57.33)**	**(94.69)**	**(1,029.43)**
Eliminated on disposal of assets	-	0.10	23.25	0.21	4.91	6.36	**34.83**
Depreciation expense	-	(16.81)	(101.79)	(1.11)	(4.83)	(13.72)	**(138.26)**
Balance as at 31st March 2022	**-**	**(117.29)**	**(844.29)**	**(11.98)**	**(57.25)**	**(102.05)**	**(1,132.86)**
Net Carrying Amount							
Balance as at 1st April 2020	**84.40**	**260.20**	**453.15**	**5.06**	**26.42**	**32.01**	**861.24**
Additions	6.97	70.88	175.20	1.13	3.11	14.58	**271.87**
Acquisition under Business Combination (refer Note 56)	-	2.15	9.33	-	0.04	0.01	**11.53**
Disposals / Adjustments	(1.43)	(0.04)	(25.64)	(4.26)	(0.54)	(8.51)	**(40.42)**
Depreciation expense	-	(12.58)	(84.49)	(1.08)	(4.45)	(11.05)	**(113.65)**
Depreciation Eliminated on disposal of assets	-	-	20.20	4.08	0.45	8.08	**32.81**
Balance as at 31st March 2021	**89.94**	**320.61**	**547.75**	**4.93**	**25.03**	**35.12**	**1,023.38**
Additions	5.10	107.56	265.89	1.64	9.98	20.94	**411.11**
Disposals / Adjustments	-	(0.39)	(28.23)	(0.26)	(5.38)	(6.79)	**(41.05)**
Depreciation expense	-	(16.81)	(101.79)	(1.11)	(4.83)	(13.72)	**(138.26)**
Depreciation Eliminated on disposal of assets	-	0.10	23.25	0.21	4.91	6.36	**34.83**
Balance as at 31st March 2022	**95.04**	**411.07**	**706.87**	**5.41**	**29.71**	**41.91**	**1,290.01**

Notes:

(₹ in crores)

a) Capital Work-In-Progress (CWIP) Ageing Schedule

	CWIP for a period of				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	**147.89**	**19.45**	**5.84**	**34.16**	**207.34**
	(178.24)	(68.41)	(9.65)	(25.20)	(281.50)
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Figures in brackets () represents previous year

b) There are no projects under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ in crores)

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

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• Freehold Land	**14.99**	17.00
• Leasehold Land	**6.46**	-
• Buildings	**36.28**	22.84
• Plant & Machinery	**0.57**	0.60
TOTAL	**58.30**	40.44

	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	TOTAL
Gross Carrying Amount					
Balance as at 1st April 2020	**13.79**	**-**	**31.32**	**-**	**45.11**
Additions	3.21	-	1.71	5.44	**10.36**
Balance as at 31st March 2021	**17.00**	**-**	**33.03**	**5.44**	**55.47**
Additions	-	6.50	14.90	0.06	**21.46**
Disposals / Adjustments	(2.01)	-	-	-	**(2.01)**
Balance as at 31st March 2022	**14.99**	**6.50**	**47.93**	**5.50**	**74.92**
Accumulated Depreciation and Impairment					
Balance as at 1st April 2020	**-**	**-**	**(9.03)**	**-**	**(9.03)**
Depreciation expense	-	-	(1.16)	(4.84)	**(6.00)**
Balance as at 31st March 2021	**-**	**-**	**(10.19)**	**(4.84)**	**(15.03)**
Depreciation expense	-	(0.04)	(1.46)	(0.09)	**(1.59)**
Balance as at 31st March 2022	**-**	**(0.04)**	**(11.65)**	**(4.93)**	**(16.62)**
Net Carrying Amount					
Balance as at 1st April 2020	**13.79**	**-**	**22.29**	**-**	**36.08**
Additions	3.21	-	1.71	5.44	**10.36**
Depreciation expense	-	-	(1.16)	(4.84)	**(6.00)**
Balance as at 31st March 2021	**17.00**	**-**	**22.84**	**0.60**	**40.44**
Additions	-	6.50	14.90	0.06	**21.46**
Disposals / Adjustments	(2.01)	-	-	-	**(2.01)**
Depreciation expense	-	(0.04)	(1.46)	(0.09)	**(1.59)**
Balance as at 31st March 2022	**14.99**	**6.46**	**36.28**	**0.57**	**58.30**

d) Buildings includes shares of co-operative societies of ₹ **0.01** crores (₹ 0.01 crores as at 31st March 2021)

(₹ in crores)

5 Right of Use Assets

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• Leasehold Land	**89.55**	61.80
• Leasehold Buildings	**76.97**	56.87
TOTAL	**166.52**	118.67

	Leasehold Land	Leasehold Buildings	TOTAL
Gross Carrying Amount			
Balance as at 1st April 2020	**41.03**	**92.31**	**133.34**
Additions	23.01	20.03	**43.04**
Acquisition under Business Combination (refer Note 56)	0.45	-	**0.45**
Disposals / Adjustments	-	(7.42)	**(7.42)**
Balance as at 31st March 2021	**64.49**	**104.92**	**169.41**
Additions	30.27	49.60	**79.87**
Disposals / Adjustments	-	(4.08)	**(4.08)**
Balance as at 31st March 2022	**94.76**	**150.44**	**245.20**
Accumulated Depreciation			
Balance as at 1st April 2020	**(1.38)**	**(22.81)**	**(24.19)**
Depreciation expense	(1.31)	(25.24)	**(26.55)**
Balance as at 31st March 2021	**(2.69)**	**(48.05)**	**(50.74)**
Depreciation expense	(2.52)	(26.80)	**(29.32)**
Depreciation Eliminated on disposal of assets	-	1.38	**1.38**
Balance as at 31st March 2022	**(5.21)**	**(73.47)**	**(78.68)**
Net Carrying Amount			
Balance as at 1st April 2020	**39.65**	**69.50**	**109.15**
Additions	23.01	20.03	**43.04**
Acquisition under Business Combination (refer Note 56)	0.45	-	**0.45**
Disposals / Adjustments	-	(7.42)	**(7.42)**
Depreciation expense	(1.31)	(25.24)	**(26.55)**
Balance as at 31st March 2021	**61.80**	**56.87**	**118.67**
Additions	30.27	49.60	**79.87**
Disposals / Adjustments	-	(4.08)	**(4.08)**
Depreciation expense	(2.52)	(26.80)	**(29.32)**
Depreciation Eliminated on disposal of assets	-	1.38	**1.38**
Balance as at 31st March 2022	**89.55**	**76.97**	**166.52**

(₹ in crores)

6 Goodwill and Other Intangible Assets

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• **Goodwill**	**86.34**	86.34
Total Goodwill (A)	**86.34**	86.34
Other Intangible Assets		
• Trademark	**157.67**	157.67
• Computer Software	**15.38**	16.98
• Copyrights	**4.48**	4.48
• Technical Knowhow Fees	**11.90**	14.87
• Non Compete Fees	**-**	0.17
Total Other Intangible Assets (B)	**189.43**	194.17
Total Intangible Assets (A)+(B)	**275.77**	280.51

	Goodwill	Trademark	Computer Software	Copyrights	Technical Knowhow Fees	Non Compete Fees	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2020	**86.11**	**157.67**	**57.29**	**4.48**	**40.36**	**4.54**	**350.45**
Additions	-	-	8.08	-	-	-	**8.08**
Acquisition under Business Combination (refer Note 56)	0.23	-	-	-	-	-	**0.23**
Balance as at 31st March 2021	**86.34**	**157.67**	**65.37**	**4.48**	**40.36**	**4.54**	**358.76**
Additions	-	-	3.23	-	-	-	**3.23**
Disposals / Adjustments	-	-	(11.12)	-	(0.62)	-	**(11.74)**
Balance as at 31st March 2022	**86.34**	**157.67**	**57.48**	**4.48**	**39.74**	**4.54**	**350.25**
Accumulated Amortisation and Impairment							
Balance as at 1st April 2020	**-**	**-**	**(44.45)**	**-**	**(22.73)**	**(4.17)**	**(71.35)**
Amortisation expense	-	-	(3.94)	-	(2.76)	(0.20)	**(6.90)**
Balance as at 31st March 2021	**-**	**-**	**(48.39)**	**-**	**(25.49)**	**(4.37)**	**(78.25)**
Amortisation expense	-	-	(4.45)	-	(2.92)	(0.17)	**(7.54)**
Eliminated on disposal of assets	-	-	10.74	-	0.57	-	**11.31**
Balance as at 31st March 2022	**-**	**-**	**(42.10)**	**-**	**(27.84)**	**(4.54)**	**(74.48)**
Net Carrying Amount							
Balance as at 1st April 2020	**86.11**	**157.67**	**12.84**	**4.48**	**17.63**	**0.37**	**279.10**
Additions	-	-	8.08	-	-	-	**8.08**
Acquisition under Business Combination (refer Note 56)	0.23	-	-	-	-	-	**0.23**
Amortisation expense	-	-	(3.94)	-	(2.76)	(0.20)	**(6.90)**
Balance as at 31st March 2021	**86.34**	**157.67**	**16.98**	**4.48**	**14.87**	**0.17**	**280.51**
Additions	-	-	3.23	-	-	-	**3.23**
Disposals / Adjustments	-	-	(11.12)	-	(0.62)	-	**(11.74)**
Amortisation expense	-	-	(4.45)	-	(2.92)	(0.17)	**(7.54)**
Amortisation Eliminated on disposal of assets	-	-	10.74	-	0.57	-	**11.31**
Balance as at 31st March 2022	**86.34**	**157.67**	**15.38**	**4.48**	**11.90**	**-**	**275.77**

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 2022. 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 (11.7% per annum as at 31st March 2021).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady **7%** per annum (7% per annum as at 31st March 2021) 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 **12.3%** (CAGR) (10.8% as at 31st March 2021) 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%** (0.2% as at 31st March 2021) 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.

Notes forming part of the financial statements

7 Investments - Non-Current

	As at 31st March 2022		As at 31st March 2021	
	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:				
Investment in Subsidiaries (fully paid up) (at cost unless otherwise stated)				
• Equity Shares of USD 1 each of Pidilite International Pte Ltd	**2,59,83,766**	**133.84**	2,59,83,766	133.84
• 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 2021)]	**9,61,63,000**	**150.03**	9,61,63,000	150.03
• 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 2021)]	**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 ₹ **4.54** crores (₹ 4.54 crores as at 31st March 2021)]	**1,77,159**	**4.54**	1,77,159	4.54
• 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 2021)]	**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 (d)]	**2,41,500**	**191.96**	1,75,045	137.00
• 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	**8,79,999**	**70.99**	8,79,999	70.99
• Equity Shares of ₹ 10 each of ICA Pidilite Pvt Ltd [refer Note 53 (f)]	**32,73,124**	**114.68**	35,94,964	125.96
• Equity Shares of ₹ 10 each of Cipy Polyurethanes Pvt Ltd [refer Note 53 (c)]	**94,166**	**187.78**	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	**11,25,000**	**14.88**	11,25,000	14.88
• Equity Shares of ₹ 10 each of Pidilite Grupo Puma Manufacturing Ltd	**4,55,000**	**11.71**	4,55,000	11.71
• Equity Shares of ₹ 10 each of Pidilite C Techos Walling Ltd [refer Note 53 (e)]	**10,90,796**	**1.82**	6,06,000	0.61
• Equity Shares of ₹ 100 each of Tenax Pidilite India Pvt Ltd (formerly known as Tenax India Stone Products Pvt Ltd) [refer Note 53 (a)]	**42,000**	**84.66**	42,000	84.66
• Equity Shares of ₹ 10 each of Pidilite Adhesives Pvt Ltd (formerly known as Huntsman Advanced Materials Solutions Private Limited) [refer Note 53 (b)]	**2,74,85,798**	**2,196.46**	2,74,85,798	2,196.46
Less : Impairment in value of Investments		**(181.49)**		(181.49)
TOTAL unquoted (ii)		**3,241.60**		3,147.94
Total Investment in Equity Instruments [(i)+(ii)] [A]		**3,242.78**		3,149.12

	As at 31st March 2022		As at 31st March 2021	
	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**	**15.03**	3,00,00,000	15.20
Total [B]		**15.03**		15.20
C] Investment in Bonds (at FVTPL) (Quoted)				
• Units of Bharat Bond ETFs	**2,50,000**	**29.25**	2,50,000	27.85
Total [C]		**29.25**		27.85
D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)				
• Units of Fireside Ventures Investment Fund II	**1,00,000**	**11.64**	50,000	3.49
Total [D]		**11.64**		3.49
E] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	**-**	**-**	2,00,00,000	25.09
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	**-**	**-**	2,00,00,000	24.02
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	**-**	**-**	2,00,00,000	24.57
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	**-**	**-**	2,00,00,000	24.17
• Units of IDFC FTP Series 149 (1424 days) - Direct Growth	**-**	**-**	1,50,00,000	18.75
Total [E]		**-**		116.60
TOTAL [A+B+C+D+E]		**3,298.70**		3,312.26
Aggregate carrying value of quoted investments		**45.46**		44.23
Aggregate market value of quoted investments		**195.27**		86.44
Aggregate carrying value of unquoted investments		**3,253.24**		3,268.03
Aggregate amount of Impairment in value of investments		**181.49**		181.49

Notes forming part of the financial statements

8 Investments - Current

	As at 31st March 2022		As at 31st March 2021	
	Qty	₹ in crores	Qty	₹ in crores
Current Investments				
Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of SBI FMP Series C33 (1216 days) - Direct Growth	**2,00,00,000**	**25.81**	2,00,00,000	24.73
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	**2,00,00,000**	**26.14**	-	-
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	**2,00,00,000**	**25.06**	-	-
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	**2,00,00,000**	**25.60**	-	-
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	**2,00,00,000**	**25.18**	-	-
• Units of IDFC FTP Series 149 (1424 days) - Direct Growth	**1,50,00,000**	**19.52**	-	-
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	**-**	**-**	1,00,00,000	12.57
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	**-**	**-**	2,00,00,000	25.06
• Units of DSP BlackRock FMP S223-39M - Direct Growth	**-**	**-**	1,50,00,000	18.95
• Units of DSP BlackRock FMP S224-39M - Direct Growth	**-**	**-**	1,50,00,000	18.81
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	**-**	**-**	1,00,00,000	12.64
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	**-**	**-**	1,00,00,000	12.56
• Units of IDFC FTP Series 140 Direct Plan - Growth (1145 days)	**-**	**-**	1,50,00,000	18.88
• Units of Kotak FMP Series 219 - Direct Growth	**-**	**-**	1,50,00,000	18.86
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	**-**	**-**	50,00,000	6.29
TOTAL		**147.31**		169.35
Aggregate carrying value of quoted investments		**-**		-
Aggregate market value of quoted investments		**-**		-
Aggregate carrying value of unquoted investments		**147.31**		169.35

(₹ in crores)

9 Trade Receivables

	As at 31st March 2022	As at 31st March 2021
• Secured, Considered good	**133.92**	114.31
• Unsecured, Considered good	**1,023.69**	884.78
• Unsecured, Considered doubtful	**36.39**	34.75
• Unsecured which have Significant Increase in Credit Risk	**-**	-
• Unsecured, Credit Impaired	**-**	-
	1,194.00	1,033.84
Less: Allowance for expected credit loss	**(36.39)**	(34.75)
TOTAL	**1,157.61**	999.09

Trade Receivables ageing schedule

		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More Than 3 years	TOTAL
(i)	Undisputed Trade	**1,088.18**	**59.74**	**6.59**	**3.11**	**-**	**-**	**1,157.62**
	Receivables – considered good	(946.36)	(52.32)	(0.41)	-	-	-	(999.09)
(ii)	Undisputed Trade	**-**	**10.96**	**2.65**	**0.81**	**0.05**	**-**	**14.47**
	Receivables – considered doubtful	-	(9.26)	(1.73)	(3.55)	-	-	(14.54)
(iii)	Disputed Trade	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Receivables – considered good	-	-	-	-	-	-	-
(iv)	Disputed Trade	**-**	**0.07**	**0.49**	**2.66**	**5.60**	**13.09**	**21.91**
	Receivables – considered doubtful	-	-	(0.90)	(4.20)	(2.97)	(12.14)	(20.21)
		1,088.18	**70.77**	**9.73**	**6.58**	**5.65**	**13.09**	**1,194.00**
		(946.36)	(61.58)	(3.04)	(7.75)	(2.97)	(12.14)	(1,033.84)
Less: Allowance for expected credit loss								**36.39**
								(34.75)
TOTAL								**1,157.61**
								(999.09)

Figures in brackets () represents previous year

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 2022	As at 31st March 2021
Within the credit period (in days)		
01-90	**0.8%**	0.8%
91-180	**53.7%**	76.3%
181-360	**65.9%**	64.4%
>360	**84.1%**	84.3%

Movement in expected credit loss allowance :

	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at the beginning of the year	**34.75**	31.02
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**1.64**	3.73
Balance at the end of the year	**36.39**	34.75

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).

(₹ in crores)

10 Loans - Non-Current

	As at 31st March 2022	As at 31st March 2021
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**5.02**	4.82
TOTAL	**5.02**	4.82

*given for business purpose

11 Loans - Current

	As at 31st March 2022	As at 31st March 2021
Loans and Advances to Related Parties* (refer Note 44)		
Unsecured, Considered good	**2.22**	1.91
Considered doubtful	**0.33**	0.33
	2.55	2.24
Less: Allowance for doubtful balances	**(0.33)**	(0.33)
	2.22	1.91
Loans and Advances to Employees & Others*	**15.44**	14.34
TOTAL	**17.66**	16.25

*given for business purpose

12 Other Financial Assets - Non-Current

	As at 31st March 2022	As at 31st March 2021
Security Deposit		
Unsecured, Considered good	**16.62**	13.13
Considered doubtful	**-**	-
	16.62	13.13
Fixed Deposits with Banks with original maturity of more than 12 months*	**2.12**	2.02
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	**18.74**	15.15
* Fixed Deposits under lien	**2.12**	2.02

13 Other Financial Assets - Current

	As at 31st March 2022	As at 31st March 2021
Security Deposit		
Unsecured, Considered good	**7.12**	6.52
Considered doubtful	**0.16**	0.44
	7.28	6.96
Less: Allowance for doubtful balances	**(0.16)**	(0.44)
	7.12	6.52
Derivative assets towards Foreign Exchange Forward Contracts	**0.44**	0.09
Other Receivables*	**2.61**	0.73
TOTAL	**10.17**	7.34

* Includes receivable on account of windmill income

(₹ in crores)

14A Cash and Cash Equivalents

	As at 31st March 2022	As at 31st March 2021
Cash and Cash Equivalents		
Cash on Hand	**0.06**	0.13
Cheques on Hand	**56.76**	55.50
Balance with banks		
In Current Account	**13.58**	35.96
In EEFC Account	**21.09**	18.22
In Fixed Deposit Accounts with original maturity of 3 months or less	**25.00**	-
TOTAL	**116.49**	109.81
Cash and Cash Equivalents (as per Statement of Cash Flows)	**116.49**	109.81

14B Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2022	As at 31st March 2021
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 3 months but upto 12 months*	**0.18**	-
Earmarked Account		
Dividend Payment Bank Account	**2.64**	2.56
TOTAL	**2.82**	2.56
*Includes Fixed Deposit under lien	**0.18**	-

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

	As at 31st March 2022	As at 31st March 2021
Raw Material and Packing Material	**650.96**	469.05
Work-in-Progress	**127.79**	88.76
Finished Goods	**452.19**	314.75
Stock-in-Trade (acquired for trading)	**132.29**	94.74
Stores and Spares	**9.47**	8.64
TOTAL	**1,372.70**	975.94
Goods-in-Transit included above		
Raw Material and Packing Material	**66.70**	47.18
Work-in-Progress	**4.68**	3.50
Finished Goods	**43.59**	39.80
Stock-in-Trade (acquired for trading)	**24.29**	14.75
TOTAL	**139.26**	105.23

a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **4,597.34** crores (₹ 2,833.75 crores for the year ended 31st March 2021)

b. The cost of inventories recognised as an expense includes ₹ **1.91** crores in respect of write-downs of inventory to net realisable value (₹ 0.43 crores for the year ended 31st March 2021)

c. The mode of valuation of inventories has been stated in Note 2.12

(₹ in crores)

16 Income Tax Asset (net) - Non-Current

	As at 31st March 2022	As at 31st March 2021
Advance Payment of Taxes (net of provisions ₹ **1,061.01** crores) (net of provisions ₹ 1,847.28 crores as at 31st March 2021)	**125.18**	86.98
TOTAL	**125.18**	86.98

17 Other Non-Current Assets

	As at 31st March 2022	As at 31st March 2021
Unsecured, Considered good		
Capital Advances	**20.87**	51.27
Prepaid Expenses	**1.13**	0.18
Balance with Government Authorities*	**19.65**	27.92
TOTAL	**41.65**	79.37

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

18 Other Current Assets

	As at 31st March 2022	As at 31st March 2021
Export Benefits receivable		
Unsecured, Considered good	**6.67**	8.59
Considered doubtful	**0.26**	-
	6.93	8.59
Less: Allowance for doubtful balances	**(0.26)**	-
	6.67	8.59
Balances with Government Authorities*		
Unsecured, Considered good	**108.76**	90.29
Considered doubtful	**0.09**	0.09
	108.85	90.38
Less: Allowance for doubtful balances	**(0.09)**	(0.09)
	108.76	90.29
Advances to vendors		
Unsecured, Considered good	**35.10**	33.06
Considered doubtful	**0.01**	0.01
	35.11	33.07
Less: Allowance for doubtful balances	**(0.01)**	(0.01)
	35.10	33.06
Prepaid Expenses	**19.13**	7.93
Others**	**0.56**	0.56
TOTAL	**170.22**	140.43

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

** Mainly consists of Share Application Money

(₹ in crores)

19 Equity Share Capital

		As at 31st March 2022	As at 31st March 2021
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 2021)		
TOTAL		**70.00**	70.00
Issued, Subscribed and Paid-up Capital:			
50,82,88,415	Equity Shares of ₹ 1 each, fully paid up	**50.83**	50.82
(50,81,53,380	Equity Shares of ₹ 1 each as at 31st March 2021)		
TOTAL		**50.83**	50.82

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 2020	50,81,23,780	50.81
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	29,600	0.01
Balance as at 31st March 2021	50,81,53,380	50.82
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	1,35,035	0.01
Balance as at 31st March 2022	**50,82,88,415**	**50.83**

b. Terms / Rights attached to equity shares

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

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

The Board of Directors at its meeting held on 18th May 2022 declared a final dividend of ₹ 10.00 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2022, the Company had paid Final Dividend of ₹ 8.50 per equity share of ₹ 1 each for the financial year 2020-21.

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

	As at 31st March 2022		As at 31st March 2021	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,15,51,286**	**10.14**	5,20,51,286	10.24
Shri Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.68**	5,42,73,688	10.68
Shri Ajay Balvantray Parekh	**4,74,33,489**	**9.33**	4,74,33,489	9.33
Shri Sushilkumar Kalyanji Parekh	**-**	**-**	4,13,97,646	8.15
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.16**	2,62,24,280	5.16
Mrudula Sushilkumar Parekh	**4,05,25,693**	**7.97**	15,47,527	0.30

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 2022	As at 31st March 2021
	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 2022	As at 31st March 2021
	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	**37,34,975**	38,35,210

f. Shares held by promoters as defined in the Companies Act, 2013 at the end of the year

Promoters Name	As at 31st March 2022		As at 31st March 2021		% change during the year
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	
Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.68**	5,42,73,688	10.68	0.00
Madhukar Balvantray Parekh	**5,15,51,286**	**10.14**	5,20,51,286	10.24	(0.10)
Ajay Balvantray Parekh	**4,74,33,489**	**9.33**	4,74,33,489	9.33	0.00
Mrudula Sushilkumar Parekh	**4,05,25,693**	**7.97**	15,47,527	0.30	7.67
Sushilkumar Kalyanji Parekh	**-**	**-**	4,13,97,646	8.14	(8.14)
Kalpana Apurva Parekh	**65,77,079**	**1.29**	65,77,079	1.29	0.00
Mala Madhukar Parekh	**64,98,618**	**1.28**	95,98,618	1.89	(0.61)
Darshana Bimal Mody	**57,41,535**	**1.13**	57,41,535	1.13	0.00
Ami Ajay Parekh	**55,50,120**	**1.09**	55,50,120	1.09	0.00
Jasna Raoul Thackersey	**35,76,765**	**0.70**	35,76,765	0.70	0.00
Harish Himatlal Parekh	**33,13,443**	**0.65**	33,38,443	0.66	(0.01)
Rashmikant Himatlal Parekh	**32,47,570**	**0.64**	34,32,570	0.68	(0.04)
Apurva Narendrakumar Parekh	**30,76,918**	**0.61**	30,76,918	0.61	0.00
Neerav A Parekh	**27,25,476**	**0.54**	28,50,000	0.56	(0.02)
Amrita Ajay Parekh	**19,47,130**	**0.38**	19,47,130	0.38	0.00
Bharati Narendrakumar Parekh	**17,72,323**	**0.35**	17,72,323	0.35	0.00
Parul Harish Parekh	**14,20,074**	**0.28**	14,45,074	0.28	0.00
Kamalini Rashmikant Parekh	**11,06,055**	**0.22**	11,06,055	0.22	0.00
Harshada Harvadan Vakil	**7,97,429**	**0.16**	8,04,929	0.16	0.00
Purvee Apurva Parekh	**7,93,299**	**0.16**	7,93,299	0.16	0.00
Panna Deepak Sanghavi	**6,62,391**	**0.13**	7,39,891	0.15	(0.02)
Malay Rashmikant Parekh	**4,21,286**	**0.08**	4,51,286	0.09	(0.01)
Anuja Ankur Shah	**2,53,670**	**0.05**	1,38,670	0.03	0.02
Jimeet D Sanghavi	**1,00,000**	**0.02**	1,00,000	0.02	0.00
Urvi Malay Parekh	**50,663**	**0.01**	50,663	0.01	0.00
Harvadan Manilal Vakil	**41,430**	**0.01**	41,430	0.01	0.00
Ishita Rajiv Amersey	**36,00,000**	**0.71**	-	-	0.71
Maithili Apurva Parekh	**27,59,598**	**0.54**	32,59,598	0.64	(0.10)
Prakash Shah (Trustee of SANMP Private Beneficiary Trust)	**82,00,000**	**1.61**	82,00,000	1.61	0.00
Apurva Parekh (Trustee of NKP Family Trust)	**40,00,000**	**0.79**	40,00,000	0.79	0.00
Prakash Dharshibhai Shah (Trustee of I M Family Trust)	**35,80,217**	**0.70**	35,80,217	0.70	0.00
Ajay Balvantray Parekh (Trustee of Ruchi India Trust)	**19,47,480**	**0.38**	-	-	0.38
Malay Rashmikant Parekh (Trustee of Anuja Family Trust)	**25,000**	**0.00***	25,000	0.00*	0.00
Malay Rashmikant Parekh (Trustee of Malay Family Trust)	**12,500**	**0.00***	12,500	0.00*	0.00
Devkalyan Sales Private Ltd	**2,62,24,280**	**5.16**	2,62,24,280	5.16	0.00
Ishijas Chemicals Private Limited	**2,49,62,038**	**4.91**	2,48,62,038	4.89	0.02
Harton Private Limited	**1,23,57,634**	**2.43**	1,23,57,634	2.43	0.00
The Vacuum Forming Company Pvt Ltd	**1,14,62,186**	**2.26**	1,14,62,186	2.26	0.00
Pidichem Pvt Ltd	**87,83,916**	**1.73**	85,83,916	1.69	0.04
Parkem Dyes & Chemicals Pvt Ltd	**14,36,510**	**0.28**	14,36,510	0.28	0.00
Kalva Marketing And Services Ltd	**13,82,628**	**0.27**	13,82,628	0.27	0.00
Parekh Marketing Limited	**8,56,700**	**0.17**	8,56,700	0.17	0.00
Trivenikalyan Trading Pvt Ltd	**4,63,040**	**0.09**	4,63,040	0.09	0.00
TOTAL	**35,55,11,157**		**35,65,42,681**		

* denoted percentage less than 0.01

(₹ in crores)

20 Other Equity

	As at 31st March 2022	As at 31st March 2021
Capital Reserve on Business Combination	**(1.38)**	(1.38)
Securities Premium	**46.51**	26.04
Capital Redemption Reserve	**0.50**	0.50
Cash Subsidy Reserve	**0.95**	0.95
Share Options Outstanding Account	**33.05**	25.42
General Reserve	**1,335.38**	1,335.38
Retained Earnings	**4,951.11**	4,123.49
TOTAL	**6,366.12**	5,510.40

20.1 Capital Reserve on Business Combination

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	**(1.38)**	0.34
Add / (Less) : Additions / (Deductions) during the year (refer Note 56)	**-**	(1.72)
Closing Balance	**(1.38)**	(1.38)

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

20.2 Securities Premium

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	**26.04**	23.21
Add : Premium on Shares issued against ESOP	**20.47**	2.83
Closing Balance	**46.51**	26.04

Securities Premium 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, and Company can use this reserve for buy-back of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

20.3 Capital Redemption Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning and end of the year	**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.

20.4 Cash Subsidy Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning and end of the year	**0.95**	0.95

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

(₹ in crores)

20.5 Share Options Outstanding Account

	As at 31st March 2022	As at 31st March 2021
Employees Stock Options Outstanding Balance at the beginning of the year	**56.65**	16.95
Add : Options granted during the year	**19.84**	42.59
Less : Transferred to Securities Premium on Options exercised during the year	**(20.47)**	(2.83)
Less : Lapsed during the year	**(1.50)**	(0.06)
Closing Balance (A)	**54.52**	56.65
Deferred Employees Stock Options Cost Balance at the beginning of the year	**(31.23)**	(6.06)
Less : Options granted during the year	**(19.84)**	(42.59)
Add : Amortised and exercised during the year	**28.55**	17.40
Add : Lapsed during the year	**1.05**	0.02
Closing Balance (B)	**(21.47)**	(31.23)
Closing Balance (A+B)	**33.05**	25.42

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 46.

20.6 General Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning and end of the year	**1,335.38**	1,335.38

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

20.7 Retained Earnings

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	**4,123.49**	3,042.74
Add : Profit for the year	**1,268.62**	1,081.46
Less : Payment of Final Dividend	**(431.93)**	-
Other Comprehensive Income for the year, net of income tax	**(9.07)**	(0.71)
Closing Balance	**4,951.11**	4,123.49

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

(₹ in crores)

21 Borrowings - Current

	As at 31st March 2022	As at 31st March 2021
Unsecured - at amortised cost		
Working Capital Demand Loan	**105.00**	55.00
TOTAL	**105.00**	55.00

Unsecured working capital demand loan carries interest rate of relevant benchmark rate plus applicable spread per annum (bank Base rate/relevant benchmark rate plus applicable spread per annum as at 31st March 2021).

22 Trade Payables

	As at 31st March 2022	As at 31st March 2021
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 50)	**58.88**	67.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	**791.88**	726.78
TOTAL	**850.76**	793.82

Trade Payables ageing schedule

		Not Due	Less than 1 year	1-2 years	2-3 years	More Than 3 years	TOTAL
(i)	Micro enterprises and Small enterprises (MSME)	**58.88**	**-**	**-**	**-**	**-**	**58.88**
		(67.04)	-	-	-	-	(67.04)
(ii)	Others	**539.36**	**50.77**	**6.09**	**0.01**	**-**	**596.23**
		(356.59)	(96.58)	(0.13)	(0.49)	-	(453.79)
(iii)	Disputed Dues - MSME	**-**	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	-	-
(vi)	Disputed Dues - Others	**-**	**-**	**-**	**-**	**-**	**-**
		-	-	-	-	-	-
(v)	Unbilled Dues	**195.65**	**-**	**-**	**-**	**-**	**195.65**
		(272.99)	-	-	-	-	(272.99)
TOTAL		**793.89**	**50.77**	**6.09**	**0.01**	**-**	**850.76**
		(696.62)	(96.58)	(0.13)	(0.49)	-	(793.82)

Figures in brackets () represents previous year

23 Other Financial Liabilities - Non-Current

	As at 31st March 2022	As at 31st March 2021
Employee related liabilities	**-**	0.30
Others*	**19.94**	13.33
TOTAL	**19.94**	13.63

* Includes retention payable on capital goods

24 Other Financial Liabilities- Current

	As at 31st March 2022	As at 31st March 2021
Unclaimed Dividend	**2.64**	2.56
Payables on purchase of assets	**1.25**	1.89
Trade / Security Deposit received	**155.28**	133.82
Liabilities for expenses	**502.25**	458.83
Liability for purchase of investment in subsidiary (refer Note 53 (a)/(b)/(c) and 56)	**4.25**	266.46
Employee related liabilities	**15.62**	16.03
Derivative liabilities towards Foreign Exchange Forward Contracts	**0.60**	0.64
Others*	**12.55**	20.21
TOTAL	**694.44**	900.44

* Includes retention payable on capital goods

(₹ in crores)

25 Provisions - Non-Current

	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits		
Compensated Absences	**50.36**	41.58
Anniversary Awards	**1.78**	1.25
Premature Death Pension Scheme	**2.13**	1.82
Total Disability Pension Scheme	**0.42**	0.37
TOTAL	**54.69**	45.02

26 Provisions - Current

	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits		
Gratuity (net) (refer Note 45)	**18.63**	3.11
Compensated Absences	**14.87**	13.09
Anniversary Awards	**0.31**	0.21
Premature Death Pension Scheme	**0.01**	0.01
Total Disability Pension Scheme	**0.07**	0.06
TOTAL	**33.89**	16.48

27 Deferred Tax Liabilities (net)

	As at 31st March 2022	As at 31st March 2021
Tax effect of items constituting Deferred Tax Assets (refer Note 48)	**(30.68)**	(27.21)
Tax effect of items constituting Deferred Tax Liabilities (refer Note 48)	**101.41**	103.07
TOTAL	**70.73**	75.86

28 Other Current Liabilities

	As at 31st March 2022	As at 31st March 2021
Statutory remittances	**67.12**	58.27
Advance from customers	**11.31**	12.44
Other Liabilities	**1.89**	1.95
TOTAL	**80.32**	72.66

29 Current Tax Liabilities (net)

	As at 31st March 2022	As at 31st March 2021
Provision for Tax (net of Advance Tax ₹ **1,053.09** crores) (net of Advance Tax ₹ 1,039.01 crores as at 31st March 2021)	**7.92**	21.95
TOTAL	**7.92**	21.95

(₹ in crores)

30 Revenue from Operations

	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue From Operations*		
Sale of Products	**8,298.49**	6,186.67
TOTAL (A)	**8,298.49**	6,186.67
Other Operating Revenue		
Scrap Sales	**15.20**	11.14
Export Incentives	**13.89**	9.29
GST / Excise Refund	**2.01**	3.47
Others	**10.58**	5.76
TOTAL (B)	**41.68**	29.66
TOTAL (A+B)	**8,340.17**	6,216.33

* 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 geography wise and customer wise 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 2022	For the year ended 31st March 2021
Contracted Price	**9,023.95**	6,779.32
Reduction towards variable consideration components*	**(725.46)**	(592.65)
Revenue Recognised	**8,298.49**	6,186.67

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

Notes forming part of the financial statements

(₹ in crores)

31 Other Income

	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on:		
Bank Deposit (at amortised cost)	**0.30**	3.99
Overdue Trade Receivables	**0.18**	0.40
Tax Free Bonds (at FVTPL)	**-**	8.29
Others	**0.10**	0.10
Dividend on:		
Investments in Preference Shares (at FVTPL)	**1.22**	1.13
Long-term Investments in Subsidiary / Associate (at cost)	**195.19**	1.65
Other Non-Operating Income:		
Windmill Income	**1.78**	1.35
Royalty & Technical Knowhow Income	**3.81**	4.15
Insurance claim received	**3.08**	7.47
Liabilities no longer required written back	**7.83**	0.28
Rental Income from Leases	**1.20**	2.18
Net gain arising on financial assets designated as at FVTPL	**11.19**	39.54
Profit on buyback of shares by subsidiary	**1.11**	-
Miscellaneous Income	**3.38**	2.96
TOTAL	**230.37**	73.49

32 Cost of Materials Consumed

	For the year ended 31st March 2022	For the year ended 31st March 2021
Inventory at the beginning of the year	**469.05**	315.89
Add : Purchases	**4,356.11**	2,617.77
Add : Acquisition under Business combination (refer Note 56)	**-**	4.92
	4,825.16	2,938.58
Less : Inventory at the end of the year	**(650.96)**	(469.05)
TOTAL	**4,174.20**	2,469.53

(₹ in crores)

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

	For the year ended 31st March 2022	For the year ended 31st March 2021
Inventories at the end of the year		
Stock-in-Trade	**132.29**	94.74
Work-in-Progress	**127.79**	88.76
Finished Goods	**452.19**	314.75
Total (A)	**712.27**	498.25
Acquisition under Business Combination (refer Note 56)		
Work-in-Progress	**-**	0.06
Total (B)	**-**	0.06
Inventories at the beginning of the year		
Stock-in-Trade	**94.74**	67.91
Work-in-Progress	**88.76**	71.51
Finished Goods	**314.75**	269.00
Total (C)	**498.25**	408.42
TOTAL (C+B-A)	**(214.02)**	(89.77)

34 Employee Benefits Expense

	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	**805.66**	714.40
Contribution to Provident and Other Funds (refer Note 45)	**49.36**	41.26
Share based payments to employees (net of recovery from subsidiaries) (refer Note 46)	**28.09**	17.28
Staff Welfare Expenses	**22.08**	14.81
TOTAL	**905.19**	787.75

35 Finance Costs

	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest expense on:		
Borrowings	**12.71**	4.41
Lease Liability (refer Note 51)	**6.75**	5.46
Dealer Deposits & others	**6.96**	7.12
TOTAL	**26.42**	16.99

36 Depreciation, Amortisation and Impairment Expense

	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on Property, Plant and Equipment (refer Note 4)	**138.26**	113.65
Depreciation on Right of Use of Assets (refer Note 5 and Note 51)	**29.32**	26.55
Amortisation of Other Intangible Assets (refer Note 6)	**7.54**	6.90
TOTAL	**175.12**	147.10

(₹ in crores)

37 Other Expenses*

		For the year ended 31st March 2022	For the year ended 31st March 2021
Consumption of Stores and Spares		**45.67**	31.53
Clearing and Forwarding Charges		**352.70**	303.18
Power and Fuel		**78.31**	50.70
Contract Labour		**116.99**	99.96
Water Charges		**4.58**	12.93
Rent (refer Note 51)		**16.47**	13.34
Rates and Taxes		**7.89**	14.37
Insurance		**15.54**	9.30
License fees		**0.86**	0.85
Repairs :			
Buildings	**12.31**		9.91
Machinery	**22.81**		16.44
Others	**23.12**		17.64
		58.24	43.99
Directors' Fees		**0.74**	0.61
Advertisement and Publicity		**169.39**	140.78
Legal, Professional and Consultancy fees		**42.82**	40.30
Communication Expenses		**6.87**	5.71
Computer and Software Expenses		**46.26**	33.58
Printing and Stationery		**2.42**	2.49
Travelling and Conveyance Expenses		**60.81**	51.81
Bad Debts		**1.52**	0.27
Allowance for Doubtful Debts and advances (net)		**0.40**	3.73
Processing and Packing Charges		**91.51**	76.79
Sales Commission		**4.33**	4.37
Commission to non executive directors		**2.00**	1.89
Payments to Auditor (refer Note a)		**1.33**	1.29
Donations		**0.82**	5.00
Corporate Social Responsibility Expenses (refer Note 52)		**25.36**	27.70
Loss on disposal of Property, Plant and Equipment		**8.19**	5.85
Net Loss on Foreign Currency Transactions and Translation (refer Note 40)		**13.35**	2.13
Miscellaneous Expenses		**63.61**	62.70
TOTAL		**1,238.98**	1,047.15

* refer Note 53 (k)

a. Details of Payments to Auditor (net of GST)

		For the year ended 31st March 2022	For the year ended 31st March 2021
a)	Auditors	**1.24**	1.04
b)	Tax Matters	**-**	0.21
c)	Other Services	**0.08**	0.03
d)	Reimbursement of Expenses	**0.01**	0.01
TOTAL		**1.33**	1.29

38 Exceptional Items

	For the year ended 31st March 2022	For the year ended 31st March 2021
Impairment in value of Investment in a subsidiary [refer Note 7 (A)(ii) (a)]	**-**	0.45
TOTAL	**-**	0.45

(₹ in crores)

39 Contingent Liabilities and Commitments

		As at 31st March 2022	As at 31st March 2021
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	**89.97**	58.72
	b) Excise Duty and Service Tax claims disputed by the Company relating to issues of classifications	**24.19**	21.08
	c) Sales Tax (VAT, CST, Entry Tax, LBT and GST) claims disputed by the Company relating to issues of declaration forms and classifications	**174.98**	156.85
	d) Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)	**2.66**	3.14
2.	a) Guarantees given by Banks on behalf of Government and others*	**44.25**	43.56
	b) Guarantees given by Company on behalf of the Subsidiaries to Banks*		
	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	**15.90**	15.44
	Pidilite Bamco Ltd	**3.26**	3.16
	Pidilite MEA Chemicals LLC	**41.23**	40.04
	Pidilite Lanka Private Limited	**33.28**	32.32
	Bamco Supply and Services Ltd	**1.10**	1.07
	Pidilite East Africa Limited	**7.57**	-

* 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	**122.11**	177.93
	b) For other commitments, refer Note 47(E)(ii) for financial instruments and Note 51 for leases.		

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The net amount of exchange differences debited to Statement of Profit and Loss is ₹ **13.35** crores (₹ 2.13 crores for the year ended 31st March 2021)

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 2022		As at 31st March 2021	
		Amount Outstanding	Maximum Balance Outstanding during the year	Amount Outstanding	Maximum Balance Outstanding during the year
Pagel Concrete Technologies Pvt Ltd	**Subsidiary**	**0.33**	**0.33**	0.33	0.33

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 mainly includes sale of raw materials.

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 2021-22				Year 2020-21			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Revenue								
Segment Revenue	**6,579.16**	**1,870.73**	**63.70**	**8,513.59**	4,998.16	1,282.73	38.53	6,319.42
Less : Inter Segment Revenue (at cost plus fixed margin)	(5.97)	(167.45)	-	(173.42)	(4.10)	(98.99)	-	(103.09)
Net Revenue	**6,573.19**	**1,703.28**	**63.70**	**8,340.17**	4,994.06	1,183.74	38.53	6,216.33
Revenue based on geography								
India				**7,460.91**				5,547.18
Outside India				**879.26**				669.15
Segment Result	**1,719.10**	**193.56**	**(2.16)**	**1,910.50**	1,658.63	167.58	(1.84)	1,824.37
Unallocable Expenses				(479.40)				(410.81)
Unallocable Income				25.82				44.95
Operating Income				**1,456.92**				1,458.51
Finance Costs				**(26.42)**				(16.99)
Interest / Dividend Income				**196.99**				15.56
Profit before Exceptional Items and Tax				**1,627.49**				1,457.08
Exceptional Items				**-**				(0.45)
Profit Before Tax				**1,627.49**				1,456.63
Tax Expense				**(358.87)**				(375.17)
Profit for the year				**1,268.62**				1,081.46
Other Comprehensive Income				**(9.07)**				(0.71)
Total Comprehensive Income				**1,259.55**				1,080.75
The above includes:								
Depreciation, Amortisation and Impairment (allocable)	**75.45**	**44.77**	**-**	**120.22**	64.92	30.03	0.97	95.92
Depreciation, Amortisation and Impairment (unallocable)				54.90				51.18
Capital Expenditure (including Capital Work-in-Progress) (allocable)	**202.02**	**153.75**	**-**	**355.77**	181.49	68.81	-	250.30
Capital Expenditure (unallocable)				14.68				86.39

There is no transaction with single external customer which amounts to 10% or more of the Company's revenue

Segment Assets & Liabilities	31st March 2022				31st March 2021			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Segment Assets	**3,257.39**	**1,255.05**	**11.74**	**4,524.18**	2,724.66	979.15	20.53	3,724.34
Unallocable Assets				3,899.73				3,899.07
Total Assets				**8,423.91**				7,623.41
Assets based on geography:								
India				**8,228.82**				7,442.85
Outside India				**195.09**				180.56
Segment Liabilities	**1,298.59**	**468.73**	**1.00**	**1,768.32**	1,208.22	395.70	1.74	1,605.66
Unallocable Liabilities				238.64				456.53
Total Liabilities				**2,006.96**				2,062.19
Other Information								
Capital Employed				**6,416.95**				5,561.22

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 2022	For the year ended 31st March 2021
Basic:		
Profit for the year (₹ in crores)	**1,268.62**	1,081.46
Weighted average number of equity shares in calculating basic EPS	**50,81,64,425**	50,81,35,294
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**24.96**	21.28
Diluted:		
Profit for the year (₹ in crores)	**1,268.62**	1,081.46
Weighted average number of equity shares in calculating basic EPS	**50,81,64,425**	50,81,35,294
Add: Effect of Employee Stock Options	**3,85,070**	4,19,540
Weighted average number of equity shares in calculating diluted EPS	**50,85,49,495**	50,85,54,834
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**24.95**	21.27

Notes forming part of the financial statements

44 Related Party Disclosures

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

(i)	**Relationships:**		
	a.	Nitin Enterprises (upto 31st March 2021) (refer Note 56)	Subsidiary
	b.	Fevicol Company Ltd	Subsidiary
	c.	Bhimad Commercial Company Pvt Ltd	Subsidiary
	d.	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd)	Subsidiary
	e.	Pagel Concrete Technologies Pvt Ltd	Subsidiary
	f.	Building Envelope Systems India Ltd	Subsidiary
	g.	Nina Percept Private Limited	Subsidiary
	h.	Hybrid Coatings	Subsidiary
	i.	Pidilite International Pte Ltd	Subsidiary
	j.	Pidilite Middle East Ltd	Subsidiary
	k.	Pidilite USA Inc	Subsidiary
	l.	PIL Trading (Egypt) LLC	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 [refer Note 54(a)]	Subsidiary
	ab.	Pidilite Ventures LLC	Subsidiary
	ac.	Pidilite East Africa Limited	Subsidiary
	ad.	Pidilite Grupo Puma Pvt Ltd (upto 27th October 2021) [refer Note 53(i)]	Subsidiary
	ae.	Pidilite C-Techos Pvt Ltd (upto 1st February 2022) [refer Note 53(i)]	Subsidiary
	af.	Pidilite Litokol Pvt Ltd	Subsidiary
	ag.	Pidilite Grupo Puma Manufacturing Ltd	Subsidiary
	ah.	Nina Percept (Bangladesh) Pvt Ltd	Subsidiary
	ai.	Pidilite C-Techos Walling Ltd	Subsidiary
	aj.	Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (w.e.f. 29th May 2020) [refer Note 53 (a)]	Subsidiary
	ak.	Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Pvt Ltd) (w.e.f. 4th November 2020) [refer Note 53 (b) & 54 (a)]	Subsidiary
	al.	Vinyl Chemicals (India) Ltd	Associate
	am.	Aapkapainter Solutions Private Limited (w.e.f. 3rd November 2020) [refer Note 53(d)(i)]	Associate
	an.	Kaarwan Eduventures Private Limited (w.e.f. 30th March 2022) [refer Note 53 (d)(vi)]	Associate
	ao.	Plus Call Technical Services LLC	Substantial Interest in Voting Power (Joint Venture)
	ap.	Parekh Marketing Ltd	Significant Influence of KMP
	aq.	Pargro Investment Pvt Ltd	Significant Influence of KMP
	ar.	Kalva Marketing and Services Ltd	Significant Influence of KMP
	as.	Dr. Fixit Institute of Structural Protection and Rehabilitation	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 Debabrata Gupta	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 are as follows :

(₹ in crores)

Nature of Transaction	For the year ended 31st March 2022				For the year ended 31st March 2021			
	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	**-**	**-**	**92.40**	**92.40**	-	-	50.82	50.82
Pidilite MEA Chemicals LLC	**67.26**	**-**	**-**	**67.26**	47.08	-	-	47.08
Nina Percept Private Limited	**14.08**	**-**	**-**	**14.08**	7.32	-	-	7.32
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**35.70**	**-**	**-**	**35.70**	30.23	-	-	30.23
Pidilite Lanka (Pvt) Ltd	**14.58**	**-**	**-**	**14.58**	10.07	-	-	10.07
Pidilite Industries Egypt - SAE	**6.38**	**-**	**-**	**6.38**	3.85	-	-	3.85
Pidilite USA Inc	**6.94**	**-**	**-**	**6.94**	6.07	-	-	6.07
ICA Pidilite Pvt Ltd	**0.21**	**-**	**-**	**0.21**	0.34	-	-	0.34
PIL Trading (Egypt) LLC	**1.06**	**-**	**-**	**1.06**	1.07	-	-	1.07
Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**20.16**	**-**	**-**	**20.16**	0.07	-	-	0.07
Pidilite East Africa Ltd	**6.92**	**-**	**-**	**6.92**	0.87	-	-	0.87
Pidilite Innovation Centre Pte Ltd	**0.71**	**-**	**-**	**0.71**	0.15	-	-	0.15
Pidilite Bamco Ltd	**0.16**	**-**	**-**	**0.16**	0.24	-	-	0.24
Pulvitec Do Brasil Industria E Comercio De Colas E Adesivos Ltda	**-**	**-**	**-**	**-**	0.01	-	-	0.01
Tenax Pidilite India Pvt Ltd (w.e.f. 29th May 2020)	**0.01**	**-**	**-**	**0.01**	-	-	-	-
Sub-Total (a)	**174.17**	**-**	**92.40**	**266.57**	107.37	-	50.82	158.19
b. Royalty and Technical Knowhow Received								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**1.93**	**-**	**-**	**1.93**	2.01	-	-	2.01
Pidilite MEA Chemicals LLC	**0.73**	**-**	**-**	**0.73**	0.96	-	-	0.96
Pidilite Industries Egypt - SAE	**0.58**	**-**	**-**	**0.58**	0.80	-	-	0.80
Pidilite Lanka (Pvt) Ltd	**0.26**	**-**	**-**	**0.26**	0.15	-	-	0.15
Pidilite East Africa Ltd	**0.15**	**-**	**-**	**0.15**	0.02	-	-	0.02
Pidilite Bamco Ltd	**0.09**	**-**	**-**	**0.09**	0.14	-	-	0.14
Bamco Supply and Services Ltd	**0.04**	**-**	**-**	**0.04**	0.10	-	-	0.10
Nebula East Africa Pvt Ltd	**0.03**	**-**	**-**	**0.03**	0.04	-	-	0.04
Sub-Total (b)	**3.81**	**-**	**-**	**3.81**	4.22	-	-	4.22

Notes forming part of the financial statements

(₹ in crores)

Nature of Transaction	For the year ended 31st March 2022				For the year ended 31st March 2021			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
c. Income from Services Rendered								
Nina Percept Private Limited	**4.33**	**-**	**-**	**4.33**	2.34	-	-	2.34
ICA Pidilite Pvt Ltd	**0.05**	**-**	**-**	**0.05**	0.16	-	-	0.16
Pidilite Lanka (Pvt) Ltd	**0.36**	**-**	**-**	**0.36**	0.24	-	-	0.24
Pidilite MEA Chemicals LLC	**0.21**	**-**	**-**	**0.21**	0.22	-	-	0.22
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**0.13**	**-**	**-**	**0.13**	0.17	-	-	0.17
Pidilite Bamco Ltd	**0.13**	**-**	**-**	**0.13**	0.15	-	-	0.15
Pidilite Industries Egypt - SAE	**0.06**	**-**	**-**	**0.06**	0.06	-	-	0.06
Pidilite East Africa Ltd	**0.08**	**-**	**-**	**0.08**	0.07	-	-	0.07
Pulvitec Do Brasil Industria E Comercio De Colas E Adesivos Ltda	**0.06**	**-**	**-**	**0.06**	0.08	-	-	0.08
Cipy Polyurathane Pvt Ltd	**0.29**	**-**	**-**	**0.29**	0.31	-	-	0.31
Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**0.31**	**-**	**-**	**0.31**	0.05	-	-	0.05
Pidilite C-Techos Walling Ltd	**0.03**	**-**	**-**	**0.03**	0.01	-	-	0.01
Pidilite Grupo Puma Mfg Ltd	**0.13**	**-**	**-**	**0.13**	0.10	-	-	0.10
Tenax Pidilite India Pvt Ltd (w.e.f. 29th May 2020)	**0.46**	**-**	**-**	**0.46**	0.11	-	-	0.11
Hybrid Coatings	**0.06**	**-**	**-**	**0.06**	0.06	-	-	0.06
Building Envelope Systems India Ltd	**0.06**	**-**	**-**	**0.06**	0.06	-	-	0.06
Pidilite Innovation Centre Pte Ltd	**0.01**	**-**	**-**	**0.01**	0.01	-	-	0.01
Pidilite Litokol Pvt Ltd	**0.01**	**-**	**-**	**0.01**	0.02	-	-	0.02
Bamco Supply and Services Ltd*	**-**	**-**	**-**	**-**	0.00	-	-	0.00
Sub-Total (c)	**6.77**	**-**	**-**	**6.77**	4.22	-	-	4.22
* Amount is **NIL** (₹ 42,905 for the year ended 31st March 2021)								
d. Dividend Received								
Vinyl Chemicals (India) Ltd	**-**	**2.80**	**-**	**2.80**	-	1.65	-	1.65
Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**192.40**	**-**	**-**	**192.40**	-	-	-	-
Sub-Total (d)	**192.40**	**2.80**	**-**	**195.20**	-	1.65	-	1.65
e. Purchase of Goods								
Vinyl Chemicals (India) Ltd	**-**	**714.00**	**-**	**714.00**	-	350.19	-	350.19
Nitin Enterprises (upto 31st March 2021)	**-**	**-**	**-**	**-**	41.75	-	-	41.75
ICA Pidilite Pvt Ltd	**63.62**	**-**	**-**	**63.62**	57.31	-	-	57.31
Hybrid Coatings	**1.68**	**-**	**-**	**1.68**	1.79	-	-	1.79
Cipy Polyurathane Pvt Ltd	**10.25**	**-**	**-**	**10.25**	3.05	-	-	3.05
Tenax Pidilite India Pvt Ltd (w.e.f. 29th May 2020)	**12.90**	**-**	**-**	**12.90**	6.86	-	-	6.86
Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**36.72**	**-**	**-**	**36.72**	0.43	-	-	0.43
Building Envelope Systems India Ltd	**6.24**	**-**	**-**	**6.24**	3.26	-	-	3.26
Sub-Total (e)	**131.41**	**714.00**	**-**	**845.41**	114.45	350.19	-	464.64
f. Royalty Paid								
Pidilite International Pte Ltd	**0.09**	**-**	**-**	**0.09**	-	-	-	-
Sub-Total (f)	**0.09**	**-**	**-**	**0.09**	-	-	-	-
g. Expense for services received								
Pidilite USA Inc	**12.93**	**-**	**-**	**12.93**	13.60	-	-	13.60
Pidilite Innovation Centre Pte Ltd	**8.64**	**-**	**-**	**8.64**	8.16	-	-	8.16
PT Pidilite Indonesia	**0.55**	**-**	**-**	**0.55**	0.71	-	-	0.71
Pidilite Industries Trading (Shanghai) Co Ltd	**1.33**	**-**	**-**	**1.33**	1.06	-	-	1.06
Pidilite Chemical PLC	**-**	**-**	**-**	**-**	0.02	-	-	0.02
Dr. Fixit Institute of Structural Protection and Rehabilitation	**-**	**-**	**0.11**	**0.11**	-	-	0.05	0.05
Sub-Total (g)	**23.45**	**-**	**0.11**	**23.56**	23.55	-	0.05	23.60

(₹ in crores)

	Nature of Transaction	For the year ended 31st March 2022				For the year ended 31st March 2021			
		Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
h.	**Investment in Share Capital**								
	Pidilite C-Techos Walling Ltd	**1.21**	**-**	**-**	**1.21**	0.61	-	-	0.61
	Pidilite Middle East Ltd	**-**	**-**	**-**	**-**	10.33	-	-	10.33
	Madhumala Ventures Pvt Ltd	**54.96**	**-**	**-**	**54.96**	10.50	-	-	10.50
	Nina Percept Private Limited	**-**	**-**	**-**	**-**	4.82	-	-	4.82
	Pidilite Chemical PLC	**-**	**-**	**-**	**-**	0.45	-	-	0.45
	Pidilite Grupo Puma Mfg. Ltd	**-**	**-**	**-**	**-**	11.70	-	-	11.70
	Pidilite Litokol Pvt Ltd	**-**	**-**	**-**	**-**	4.08	-	-	4.08
	Sub-Total (h)	**56.17**	**-**	**-**	**56.17**	42.49	-	-	42.49
i.	**Buy Back of Shares**								
	ICA Pidilite Pvt Ltd	**11.28**	**-**	**-**	**11.28**	-	-	-	-
	Sub-Total (i)	**11.28**	**-**	**-**	**11.28**	-	-	-	-
j.	**Sale of Fixed Assets**								
	Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**0.13**	**-**	**-**	**0.13**	-	-	-	-
	Nina Percept Private Limited	**0.01**	**-**	**-**	**0.01**	-	-	-	-
	Sub-Total (j)	**0.14**	**-**	**-**	**0.14**	-	-	-	-
k.	**Rent Paid / (Received)**								
	ICA Pidilite Pvt Ltd	**0.05**	**-**	**-**	**0.05**	0.05	-	-	0.05
	Smt. Mala Parekh	**-**	**-**	**0.69**	**0.69**	-	-	0.58	0.58
	Parekh Marketing Ltd	**-**	**-**	**0.08**	**0.08**	-	-	0.07	0.07
	Pargro Investment Pvt Ltd	**-**	**-**	**(0.07)**	**(0.07)**	-	-	(0.06)	(0.06)
	Sub-Total (k)	**0.05**	**-**	**0.70**	**0.75**	0.05	-	0.59	0.64
l.	**Reimbursement of expenses made**								
	Pidilite MEA Chemicals LLC	**6.26**	**-**	**-**	**6.26**	5.81	-	-	5.81
	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**-**	**-**	**-**	**-**	0.32	-	-	0.32
	PIL Trading (Egypt) LLC	**-**	**-**	**-**	**-**	0.15	-	-	0.15
	Pidilite Innovation Centre Pte Ltd	**-**	**-**	**-**	**-**	0.11	-	-	0.11
	Parekh Marketing Ltd	**-**	**-**	**0.03**	**0.03**	-	-	0.03	0.03
	Pidilite Lanka (Pvt) Ltd	**0.18**	**-**	**-**	**0.18**	0.18	-	-	0.18
	ICA Pidilite Pvt Ltd	**-**	**-**	**-**	**-**	0.06	-	-	0.06
	Nitin Enterprises (upto 31st March 2021)	**-**	**-**	**-**	**-**	0.02	-	-	0.02
	Pidilite Industries Egypt - SAE	**-**	**-**	**-**	**-**	0.11	-	-	0.11
	Cipy Polyurethanes Pvt Ltd	**0.04**	**-**	**-**	**0.04**	-	-	-	-
	Nina Percept Private Limited	**3.76**	**-**	**-**	**3.76**	-	-	-	-
	Sub-Total (l)	**10.24**	**-**	**0.03**	**10.27**	6.76	-	0.03	6.79
m.	**Reimbursement of expenses made**								
	Cipy Polyurethanes Pvt Ltd	**3.45**	**-**	**-**	**3.45**	2.04	-	-	2.04
	Pidilite Grupo Puma Mfg. Ltd	**1.25**	**-**	**-**	**1.25**	1.08	-	-	1.08
	Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**3.67**	**-**	**-**	**3.67**	0.64	-	-	0.64
	Pidilite C-Techos Walling Ltd	**0.31**	**-**	**-**	**0.31**	0.06	-	-	0.06
	Pidilite Litokol Pvt Ltd	**0.16**	**-**	**-**	**0.16**	0.20	-	-	0.20
	Tenax Pidilite India Pvt Ltd (w.e.f. 29th May 2020)	**1.69**	**-**	**-**	**1.69**	1.08	-	-	1.08
	ICA Pidilite Pvt Ltd	**0.94**	**-**	**-**	**0.94**	0.58	-	-	0.58
	Nina Percept Private Limited	**3.68**	**-**	**-**	**3.68**	0.73	-	-	0.73
	Pidilite MEA Chemicals LLC	**1.04**	**-**	**-**	**1.04**	0.34	-	-	0.34
	Pidilite Bamco Ltd	**0.03**	**-**	**-**	**0.03**	0.04	-	-	0.04
	Pidilite Lanka (Pvt) Ltd	**0.79**	**-**	**-**	**0.79**	-	-	-	-
	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**0.99**	**-**	**-**	**0.99**	-	-	-	-
	Parekh Marketing Ltd	**-**	**-**	**0.03**	**0.03**	-	-	-	-
	Sub-Total (m)	**18.00**	**-**	**0.03**	**18.03**	6.79	-	-	6.79

Notes forming part of the financial statements

(₹ in crores)

	Nature of Transaction	For the year ended 31st March 2022				For the year ended 31st March 2021			
		Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
n.	**Compensation of Key Management Personnel of the Company:**								
	Remuneration / Commission to Directors:								
	i (Short Term Employee benefits)								
	- Shri M B Parekh	**-**	**-**	**3.86**	**3.86**	-	-	3.13	3.13
	- Shri Bharat Puri	**-**	**-**	**15.75**	**15.75**	-	-	14.24	14.24
	- Shri A B Parekh	**-**	**-**	**1.49**	**1.49**	-	-	1.33	1.33
	- Shri A N Parekh	**-**	**-**	**6.57**	**6.57**	-	-	5.63	5.63
	- Shri Debabrata Gupta	**-**	**-**	**2.52**	**2.52**	-	-	2.27	2.27
	Sub-Total	**-**	**-**	**30.19**	**30.19**	-	-	26.60	26.60
	ii Share-based payments#								
	- Shri Bharat Puri	**-**	**-**	**26.58**	**26.58**	-	-	-	-
	- Shri Debabrata Gupta	**-**	**-**	**0.05**	**0.05**				
	Sub-Total	**-**	**-**	**26.63**	**26.63**	-	-	-	-
	# Share-based payments does not include stock options which will be subject to vesting conditions in accordance with the 2016 plan.								
o.	**Dividend Paid**	**-**	**-**	**100.90**	**100.90**	-	-	-	-
p.	**Outstanding Balances:**				As at 31st March 2022				As at 31st March 2021
	i Trade Receivables (net)								
	Parekh Marketing Ltd	**-**	**-**	**20.23**	**20.23**	-	-	19.53	19.53
	Pidilite MEA Chemicals LLC	**28.09**	**-**	**-**	**28.09**	18.44	-	-	18.44
	Nina Percept Private Limited	**24.42**	**-**	**-**	**24.42**	10.40	-	-	10.40
	Pidilite Industries Egypt - SAE	**5.16**	**-**	**-**	**5.16**	3.17	-	-	3.17
	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	**10.02**	**-**	**-**	**10.02**	11.63	-	-	11.63
	Pulvitec Do Brasil Industria E Comercio De Colas E Adesivos Ltda	**0.02**	**-**	**-**	**0.02**	0.08	-	-	0.08
	Pidilite USA Inc	**2.30**	**-**	**-**	**2.30**	1.89	-	-	1.89
	Pidilite Lanka (Pvt) Ltd	**12.35**	**-**	**-**	**12.35**	5.50	-	-	5.50
	Pidilite Innovation Centre Pte Ltd	**-**	**-**	**-**	**-**	0.15	-	-	0.15
	PIL Trading (Egypt) LLC	**0.57**	**-**	**-**	**0.57**	0.19	-	-	0.19
	Pidilite Bamco Ltd	**0.22**	**-**	**-**	**0.22**	0.08	-	-	0.08
	Bamco Supply and Services Ltd	**0.01**	**-**	**-**	**0.01**	0.02	-	-	0.02
	Building Envelope Systems India Ltd	**0.03**	**-**	**-**	**0.03**	0.03	-	-	0.03
	Hybrid Coatings	**0.06**	**-**	**-**	**0.06**	0.03	-	-	0.03
	ICA Pidilite Pvt Ltd	**0.81**	**-**	**-**	**0.81**	0.05	-	-	0.05
	Pidilite C-Techos Walling Ltd	**0.08**	**-**	**-**	**0.08**	0.06	-	-	0.06
	Pidilite Litokol Pvt Ltd	**0.26**	**-**	**-**	**0.26**	0.23	-	-	0.23
	Pidilite Grupo Puma Mfg Ltd	**0.78**	**-**	**-**	**0.78**	1.25	-	-	1.25
	Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**4.47**	**-**	**-**	**4.47**	0.76	-	-	0.76
	Tenax Pidilite India Pvt Ltd (w.e.f. 29th May 2020)	**0.53**	**-**	**-**	**0.53**	1.33	-	-	1.33
	Pidilite East Africa Ltd	**1.51**	**-**	**-**	**1.51**	0.94	-	-	0.94
	Cipy Polyurethanes Pvt Ltd	**1.22**	**-**	**-**	**1.22**	3.92	-	-	3.92
	Pargro Investment Pvt Ltd	**-**	**-**	**-**	**-**	-	-	0.01	0.01
	Nebula East Africa Pvt Ltd	**0.03**	**-**	**-**	**0.03**	0.04	-	-	0.04
	Sub-Total	**92.94**	**-**	**20.23**	**113.17**	60.19	-	19.54	79.73

(₹ in crores)

Nature of Transaction	As at 31st March 2022				As at 31st March 2021			
	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	**0.26**	**-**	**-**	**0.26**	0.26	-	-	0.26
Pidilite MEA Chemicals LLC	**1.52**	**-**	**-**	**1.52**	1.35	-	-	1.35
Pidilite Lanka (Pvt) Ltd	**0.29**	**-**	**-**	**0.29**	-	-	-	-
Pagel Concrete Technologies Pvt Ltd	**0.33**	**-**	**-**	**0.33**	0.33	-	-	0.33
ICA Pidilite Pvt Ltd	**0.15**	**-**	**-**	**0.15**	0.21	-	-	0.21
Pidilite Chemical PLC	**-**	**-**	**-**	**-**	0.01	-	-	0.01
Pidilite Grupo Puma Mfg Ltd	**-**	**-**	**-**	**-**	0.08	-	-	0.08
Sub-Total	**2.55**	**-**	**-**	**2.55**	2.24	-	-	2.24
iii Trade Payables (net)								
Vinyl Chemicals (India) Ltd	**-**	**2.03**	**-**	**2.03**	-	93.75	-	93.75
ICA Pidilite Pvt Ltd	**9.40**	**-**	**-**	**9.40**	8.09	-	-	8.09
Pidilite Industries Trading (Shanghai) Co Ltd	**1.33**	**-**	**-**	**1.33**	0.83	-	-	0.83
Pidilite USA Inc	**1.12**	**-**	**-**	**1.12**	0.58	-	-	0.58
Pidilite Innovation Centre Pte Ltd	**0.97**	**-**	**-**	**0.97**	0.84	-	-	0.84
PT Pidilite Indonesia	**0.03**	**-**	**-**	**0.03**	0.03			0.03
Hybrid Coatings	**0.01**	**-**	**-**	**0.01**	0.74	-	-	0.74
Building Envelope Systems India Ltd	**1.73**	**-**	**-**	**1.73**	0.55	-	-	0.55
Pidilite Litokol Pvt Ltd	**0.14**	**-**	**-**	**0.14**	0.13	-	-	0.13
Pidilite Adhesives Pvt Ltd (w.e.f. 4th November 2020)	**9.29**	**-**	**-**	**9.29**	0.50	-	-	0.50
Tenax Pidilite India Pvt Ltd (w.e.f. 29th May 2020)	**2.20**	**-**	**-**	**2.20**	4.51	-	-	4.51
PIL Trading (Egypt) LLC	**0.46**	**-**	**-**	**0.46**	0.19	-	-	0.19
Pidilite MEA Chemicals LLC	**0.05**	**-**	**-**	**0.05**	0.05	-	-	0.05
Cipy Polyurethanes Pvt Ltd	**0.50**	**-**	**-**	**0.50**	0.54	-	-	0.54
Nina Percept Private Limited	**0.30**	**-**	**-**	**0.30**	0.77	-	-	0.77
Pidilite East Africa Ltd	**-**	**-**	**-**	**-**	0.02	-	-	0.02
Pidilite Lanka (Pvt) Ltd	**-**	**-**	**-**	**-**	0.04	-	-	0.04
Pidilite International Pte Ltd	**0.09**	**-**	**-**	**0.09**	-	-	-	-
Sub-Total	**27.62**	**2.03**	**-**	**29.65**	18.41	93.75	-	112.16
iv Corporate guarantee given to bank on behalf of								
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	**15.90**	**-**	**-**	**15.90**	15.44	-	-	15.44
Pidilite Bamco Ltd	**3.26**	**-**	**-**	**3.26**	3.16	-	-	3.16
Pidilite MEA Chemicals LLC	**41.23**	**-**	**-**	**41.23**	40.04	-	-	40.04
Pidilite Lanka Private Limited	**33.28**	**-**	**-**	**33.28**	32.32	-	-	32.32
Bamco Supply & Services Ltd	**1.10**	**-**	**-**	**1.10**	1.07	-	-	1.07
Pidilite East Africa Limited	**7.57**	**-**	**-**	**7.57**	-	-	-	-
Sub-Total	**102.34**	**-**	**-**	**102.34**	92.03	-	-	92.03

45 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined Contribution Plans

- Employers' Contribution to Employees' State Insurance

- Employers' Contribution to Employees' Pension Scheme 1995

- Labour Welfare Fund

(d) National Pension Scheme

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

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

(₹ in crores)

		For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	Contribution to Provident Fund	**24.86**	19.47
(ii)	Contribution to Employees' Superannuation Fund	**0.80**	0.86
(iii)	Contribution to Employees' State Insurance Scheme	**0.24**	0.20
(iv)	Contribution to Employees' Pension Scheme 1995	**9.43**	9.04
(v)	Contribution to National Pension Scheme	**4.77**	3.61
TOTAL		**40.10**	33.18
(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 2022	31st March 2021
(i)	Discount Rate (per annum)	**7.18%**	6.86%
(ii)	Rate of increase in Compensation levels (per annum)	**1st yr - 8.50%, thereafter 6.50%**	1st yr - 8.50%, thereafter 6.50%
(iii)	Expected Rate of Return on Assets	**7.18%**	6.86%
(iv)	Attrition Rate	**upto 5 yrs - 12.7%, 5 - 10 yrs - 5.4%, Above 10 yrs - 4.5%**	upto 5 yrs - 13%, 5 - 10 yrs - 5%, Above 10 yrs - 5%
(v)	Retirement Age	**60 years**	60 years
(vi)	The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment / strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.		
(vii)	The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.		
(viii)	The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		
	Gratuity fund asset is managed by Life Insurance Corporation of India, there is no material risk that the Company would be unable to meet its gratuity liability. Also as the fund is set up as a trust, the money 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 / Kotak 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 2022	31st March 2021
		Gratuity Funded	Gratuity Funded
(i)	**Changes in Present value of Obligation**		
1	Present value of defined benefit obligation at the beginning of the year	**101.16**	87.57
2	Previous period adjustments	**(0.54)**	5.69
3	Current Service Cost	**9.65**	8.43
4	Interest Cost	**6.33**	5.35
5	Actuarial (Gains) / Loss arising from changes in		
	- demographic assumption	**-**	-
	- financial assumption	**(2.67)**	0.63
	- experience adjustment	**15.51**	(0.67)
6	Benefits Paid	**(9.18)**	(5.88)
7	Acquisition under Business combination (refer Note 56)	**-**	0.04
8	**Present value of defined benefit obligation at the end of the year**	**120.26**	101.16
(ii)	**Changes in Fair value of Plan Assets**		
1	Fair value of plan assets at the beginning of the year	**98.05**	85.74
2	Expected Return on Plan Assets	**6.72**	5.70
3	Actuarial Gain / (Loss)	**0.72**	(0.99)
4	Employer's Contributions	**5.32**	13.41
5	Benefits Paid	**(6.53)**	(5.88)
6	Benefits to be receivable from fund	**(2.65)**	-
7	Acquisition under Business combination (refer Note 56)	**-**	0.07
8	**Fair value of plan assets at the end of the year**	**101.63**	98.05

Notes forming part of the financial statements

(₹ in crores)

		31st March 2022	31st March 2021
		Gratuity Funded	Gratuity Funded
(iii)	**Net Benefit (Asset) / Liability**		
1	Defined benefit obligation	**120.26**	101.16
2	Fair value of plan assets	**101.63**	98.05
3	**Net Benefit (Asset) / Liability (refer Note 26)**	**18.63**	3.11
(iv)	**Expenses recognised in the Statement of Profit and Loss**		
1	Current Service Cost	**9.65**	8.43
2	Interest cost on benefit obligation (net)	**(0.39)**	(0.35)
3	**Total Expenses recognized in the Statement of Profit and Loss**	**9.26**	8.08
(v)	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**		
1	Actuarial (Gains) / Loss arising from changes in		
	- demographic assumption	**-**	-
	- financial assumption	**(2.67)**	0.63
	- experience adjustment	**15.51**	(0.67)
2	Return on plan asset	**(0.72)**	0.99
3	**Recognised in Other Comprehensive Income**	**12.12**	0.95
(vi)	**Actual return on plan assets**	**4.85**	4.71
(vii)	**Sensitivity Analysis**		
	Defined Benefit Obligation		
	Discount Rate		
	a Discount Rate - 100 basis points	**129.04**	108.00
	b Discount Rate + 100 basis points	**112.62**	95.15
	Salary Increase Rate		
	a Rate - 100 basis points	**112.52**	95.06
	b Rate + 100 basis points	**129.00**	107.97

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.

(viii)	**Expected Future Cashflows**		
	Year 1	**15.90**	17.74
	Year 2	**18.92**	10.24
	Year 3	**10.35**	9.10
	Year 4	**10.46**	8.43
	Year 5	**9.63**	8.41
	Year 6 to 10	**52.63**	41.67
(ix)	**Average Expected Future Working Life (yrs)**	**11.16**	11.15

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 at grant date (₹)
1	Granted on 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15
2	Granted on 11th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
		4,150	11.04.2018	11.04.2020	1.00	976.94
3	Granted on 30th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
		1,33,200	30.10.2018	30.10.2020	1.00	924.50
		1,500	30.10.2018	30.10.2019	1.00	924.50
		1,500	30.10.2018	30.10.2020	1.00	924.50
		2,000	30.10.2018	30.10.2021	1.00	924.50
4	Granted on 23rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1,112.48
		3,000	23.01.2019	23.01.2023	1.00	1,112.48
		4,000	23.01.2019	23.01.2024	1.00	1,112.48
		1,500	23.01.2019	29.01.2021	1.00	1,127.85
		1,500	23.01.2019	29.01.2022	1.00	1,127.85
		1,500	23.01.2019	01.02.2021	1.00	1,127.85
		1,500	23.01.2019	01.02.2022	1.00	1,127.85
5	Granted on 13th May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
6	Granted on 29th January 2020-ESOP 2016	4,000	29.01.2020	31.01.2021	1.00	1,449.90
		500	29.01.2020	31.01.2021	1.00	1,444.56
		500	29.01.2020	31.01.2021	1.00	1,444.56
		2,500	29.01.2020	18.11.2022	1.00	1,433.92
		2,500	29.01.2020	18.11.2023	1.00	1,433.92
7	Granted on 5th August 2020-ESOP 2016	5,000	05.08.2020	05.08.2022	1.00	1,318.08
		5,000	05.08.2020	05.08.2023	1.00	1,318.08
		1,400	05.08.2020	05.08.2021	1.00	1,319.96
		1,050	05.08.2020	05.08.2022	1.00	1,319.96
		1,050	05.08.2020	05.08.2023	1.00	1,319.96
8	Granted on 4th November 2020-ESOP 2016	15,245	04.11.2020	04.11.2021	1.00	1,536.91
		15,245	04.11.2020	04.11.2022	1.00	1,536.91
		1,17,500	04.11.2020	04.11.2021	1.00	1,536.91
		1,17,500	04.11.2020	04.11.2022	1.00	1,536.91

Notes forming part of the financial statements

	Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value at grant date (₹)
9	Granted on 9th October 2021-ESOP 2016	25,000	09.10.2021	13.10.2022	1.00	2,422.93
		25,000	09.10.2021	13.10.2023	1.00	2,422.93
10	Granted on 9th November 2021-ESOP 2016	2,775	09.11.2021	09.11.2023	1.00	2,345.77
		2,775	09.11.2021	09.11.2024	1.00	2,345.77
		3,700	09.11.2021	09.11.2025	1.00	2,345.77
		14,100	09.11.2021	09.11.2024	2,390.75	944.34
		14,100	09.11.2021	09.11.2025	2,390.75	944.34
		18,800	09.11.2021	09.11.2026	2,390.75	944.34
11	Granted on 24th January 2022-ESOP 2016	1,000	24.01.2022	24.01.2024	1.00	2,667.05
		1,000	24.01.2022	24.01.2025	1.00	2,667.05
12	Granted on 11th March 2022-ESOP 2016	800	11.03.2022	11.03.2023	1.00	2,325.81
		800	11.03.2022	11.03.2024	1.00	2,325.81
		900	11.03.2022	11.03.2025	1.00	2,325.81

b) Fair value of share options granted

The fair value of the stock options has been estimated using Black-Scholes / Binomial 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 8th November 2017-ESOP 2016	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)	758.55	1,000.15	961.55	1,152.80	1,152.80	1,152.80
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	**08.11.2018**	**11.04.2019**	**30.10.2019**	**23.01.2022**	**29.01.2021**	**01.02.2021**
Dividend yield (%)	0.85	0.62	2.54	0.84	0.84	0.84
Option life (no. of years)	2.50	2.50	2.50	6.00	5.02	5.02
Risk free interest rate (%)	6.69	7.09	8.01	7.56	7.49	7.49
Expected volatility (%)	22.12	21.65	23.20	24.34	23.87	23.86
Date of vesting (2)	**08.11.2019**	**11.04.2020**	**30.10.2020**	**23.01.2023**	**29.01.2022**	**01.02.2022**
Dividend yield (%)	0.91	0.66	3.62	0.84	0.84	0.84
Option life (no. of years)	3.50	3.50	3.50	7.00	6.02	6.03
Risk free interest rate (%)	6.64	7.28	8.02	7.58	7.56	7.56
Expected volatility (%)	24.01	23.59	23.24	24.37	24.32	24.30
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		Granted on 05th August 2020-ESOP 2016	
Share price (on the date previous to grant date)	1,154.45	1,461.60	1,461.60	1,461.60	1,342.80	1,342.80
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	**13.05.2020**	**31.01.2021**	**18.11.2022**	**31.01.2021**	**05.08.2022**	**05.08.2021**
Dividend yield (%)	0.84	0.74	0.74	0.74	0.72	0.72
Option life (no. of years)	2.50	4.01	5.80	4.01	5.00	4.00
Risk free interest rate (%)	7.03	6.15	6.39	6.15	5.13	4.89
Expected volatility (%)	23.06	23.69	24.49	23.69	25.39	22.94
Date of vesting (2)	**-**	**-**	**18.11.2023**	**31.01.2022**	**05.08.2023**	**05.08.2022**
Dividend yield (%)	-	-	0.74	0.74	0.72	0.72
Option life (no. of years)	-	-	6.80	5.01	6.00	5.00
Risk free interest rate (%)	-	-	6.43	6.39	5.62	5.13
Expected volatility (%)	-	-	24.56	23.76	25.95	25.39
Date of vesting (3)	**-**	**-**	**-**	**-**	**-**	**05.08.2023**
Dividend yield (%)	-	-	-	-	-	0.72
Option life (no. of years)	-	-	-	-	-	6.00
Risk free interest rate (%)	-	-	-	-	-	5.62
Expected volatility (%)	-	-	-	-	-	25.95

Inputs into the model	Granted on 04th November 2020-ESOP 2016	Granted on 09th October 2021-ESOP 2016	Granted on 09th November 2021-ESOP 2016		Granted on 24th January 2022-ESOP 2016	Granted on 11th March 2022-ESOP 2016
Share price (on the date previous to grant date)	1,565.60	2,441.60	2,382.30	2,382.30	2,700.60	2,349.90
Exercise price	1.00	1.00	2,390.75	1.00	1.00	1.00
Date of vesting (1)	**04.11.2021**	**13.10.2022**	**09.11.2024**	**09.11.2023**	**24.01.2024**	**11.03.2023**
Dividend yield (%)	0.72	0.49	0.49	0.49	0.49	0.49
Option life (no. of years)	4.01	4.00	6.00	5.00	5.00	4.00
Risk free interest rate (%)	4.89	5.41	6.02	5.80	6.07	5.96
Expected volatility (%)	23.17	23.70	23.19	23.19	23.20	24.60
Date of vesting (2)	**04.11.2022**	**13.10.2023**	**09.11.2025**	**09.11.2024**	**24.01.2025**	**11.03.2024**
Dividend yield (%)	0.72	0.49	0.49	0.49	0.49	0.49
Option life (no. of years)	5.01	5.00	7.00	6.00	6.00	5.00
Risk free interest rate (%)	5.13	5.82	6.23	6.02	6.31	6.17
Expected volatility (%)	25.73	23.23	23.95	23.95	23.42	23.80
Date of vesting (3)	**-**	**-**	**09.11.2026**	**09.11.2025**	**-**	**11.03.2025**
Dividend yield (%)	-	-	0.49	0.49	-	0.49
Option life (no. of years)	-	-	8.00	7.00	-	6.00
Risk free interest rate (%)	-	-	6.25	6.23	-	6.47
Expected volatility (%)	-	-	23.90	23.90	-	23.62

Notes forming part of the financial statements

c) Movements in Share Options during the year

	During the year ended 31st March 2022		During the year ended 31st March 2021	
	Options (No.s)	Weighted average exercise price per option	Options (No.s)	Weighted average exercise price per option
Option outstanding at the beginning of the year				
- ESOP 2016	**4,19,540**	**₹ 1**	1,70,850	₹ 1
Granted during the year				
- ESOP 2016	**1,10,750**	**₹ 1,015.16**	2,78,990	₹ 1
Vested during the year - ESOP 2016*	**1,35,130**	**₹ 1**	1,39,300	₹ 1
Exercised during the year - ESOP 2016**	**1,35,035**	**₹ 1**	29,600	₹ 1
Lapsed during the year* **				
- ESOP 2016	**10,515**	**₹ 1**	700	₹ 1
Options outstanding at the end of the year				
- ESOP 2016	**3,84,740**	**₹ 1**	4,19,540	₹ 1
Options available for grant				
- ESOS 2012	**34,200**	**₹ 1**	34,200	₹ 1
- ESOP 2016	**37,34,975**	**₹ 1**	38,35,210	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year	**₹ 2,461.08**		₹ 1,820.83	
Range of exercise price for options outstanding at the end of the year	**₹ 1 - ₹ 2.390.75**		₹ 1	

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

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

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

47 Financial Instruments

(A) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the returns 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 2022	As at 31st March 2021
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds, Preference Shares and Bonds	**203.23**	332.49
Derivative assets towards Foreign Exchange Forward Contracts	**0.44**	0.09
Measured at amortised cost		
Trade Receivables	**1,157.61**	999.09
Cash and Cash Equivalents	**116.49**	109.81
Other Bank balances	**2.82**	2.56
Loans	**22.68**	21.07
Other Financial Assets	**28.47**	22.40
Total Financial Assets	**1,531.74**	1,487.51
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards Foreign Exchange Forward Contracts	**0.60**	0.64
Measured at amortised cost		
Borrowings	**105.00**	55.00
Trade Payables	**850.76**	793.82
Lease Liabilities	**89.27**	67.33
Other Financial Liabilities	**713.78**	913.43
Total Financial Liabilities	**1,759.41**	1,830.22

(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 2022	31st March 2021	31st March 2022	31st March 2021
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	**8,97,400.36**	10,81,550.68	**7.58**	9.31
USD	**1,97,23,942.82**	1,81,31,339.20	**149.33**	133.32
GBP	**15,929.25**	(9,350.00)	**0.16**	(0.09)
Amounts (payable) / advance in foreign currency on account of the following:				
AED	**2,88,560.60**	2,09,539.00	**0.59**	0.42
AUD	**29,820.00**	1,820.00	**0.17**	0.01
CHF	**(13,780.80)**	(51,054.78)	**(0.11)**	(0.40)
EUR	**(3,51,950.45)**	(9,74,428.65)	**(2.97)**	(8.39)
GBP	**(17,10,559.56)**	(9,79,835.82)	**(16.98)**	(9.89)
JPY	**(1,14,28,300.00)**	(1,00,47,800.00)	**(0.71)**	(0.67)
SGD	**-**	(1,54,359.69)	**-**	(0.84)
USD	**(4,67,77,018.15)**	(2,65,45,200.80)	**(354.15)**	(195.19)
ZAR	**64,255.58**	64,255.58	**0.03**	0.03

(i) Foreign currency sensitivity analysis

The Company is mainly exposed to the USD, EUR and GBP. The following table demonstrates the sensitivity to a 2% increase or decrease in the USD, EUR and GBP 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 2022	For the year ended 31st March 2021
Impact on profit or loss for the year (a)	**(4.10)**	(1.24)

	EUR impact	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Impact on profit or loss for the year (b)	**0.09**	0.02

	GBP impact	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Impact on profit or loss for the year (c)	**(0.34)**	(0.20)

(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 GBP receivables and payables at the end of the reporting period.

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

(ii) Foreign exchange forward contracts

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

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

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

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

Outstanding contracts	Average exchange rates (₹)		Foreign Currency	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
USD - Buy	**76.07**	74.48	**3,23,26,444.10**	1,41,21,844.00

(₹ in crores)

Outstanding contracts	Nominal Amounts		Fair value assets/ (liabilities)	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
USD - Buy	**246.06**	104.33	**(0.16)**	(0.55)

The line-items in the financial statements that include the above hedging instruments are "Other Financial Assets" of ₹ **0.44** crores (₹ 0.09 crores as at 31st March 2021) and "Other Financial Liabilities" of ₹ **0.60** crores (Rs 0.64 crores as at 31st March 2021) (refer Note: 13 and 24 respectively).

The aggregate amount of profit under foreign exchange forward contracts recognised in the Statement of Profit and Loss is ₹ **0.14** crores (loss of ₹ 2.49 crores as at 31St March 2021).

(F) Credit risk management

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

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

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

(G) Liquidity risk management

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

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

(i) Liquidity risk tables

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

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

(₹ in crores)

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
As at 31st March 2022					
Variable interest rate instruments					
- Borrowings	105.00	-	-	105.00	**105.00**
Non-interest bearing					
- Trade Payables	850.76	-	-	850.76	**850.76**
- Other Financial Liabilities	538.56	19.94	-	558.50	**558.50**
	1,389.32	19.94	-	1,409.26	**1,409.26**
- Lease Liabilities (undiscounted)	31.74	67.97	8.39	108.10	**89.27**
Fixed interest rate instruments					
- Trade/ Security Deposit received	155.28	-	-	155.28	**155.28**
Derivative liabilities towards foreign exchange forward contracts	0.60	-	-	0.60	**0.60**
Financial guarantee contracts	102.34	-	-	102.34	**-**
As at 31st March 2021					
Variable interest rate instruments					
- Borrowings	55.00	-	-	55.00	55.00
Non-interest bearing					
- Trade Payables	793.82	-	-	793.82	793.82
- Other Financial Liabilities	765.98	13.63	-	779.61	779.61
	1,559.80	13.63	-	1,573.43	1,573.43
- Lease Liabilities (undiscounted)	23.80	49.30	11.86	84.96	67.33
Fixed interest rate instruments					
- Trade/ Security Deposit received	133.82	-	-	133.82	133.82
Derivative liabilities towards foreign exchange forward contracts	0.64	-	-	0.64	0.64
Financial guarantee contracts	92.03	-	-	92.03	-

(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 2022	As at 31st March 2021		
1 Investment in Mutual Fund, Preference Shares and Bonds	**Various listed funds - aggregate fair value of ₹ 191.60 crores**	Various listed funds - aggregate fair value of ₹ 329.00 crores	Level 1	Quoted bid prices in active market
2 Derivative assets and liabilities towards foreign currency forward contracts, Alternate Investment Funds	**Assets - ₹ 0.44 crores Liabilities - ₹ 0.60 crores Investment funds - aggregate fair value of ₹ 11.64 crores**	Assets - ₹ 0.09 crores Liabilities - ₹ 0.64 crores Investment funds - aggregate fair value of ₹ 3.49 crores	Level 2	Mark to market values acquired from banks / financial institution, with whom the Company contracts.

(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 2022	As at 31st March 2021
Deferred Tax Assets	**(30.68)**	(27.21)
Deferred Tax Liabilities	**101.41**	103.07
TOTAL	**70.73**	75.86

a 2021- 2022

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	18.96	0.91	-	**19.87**
Intangible Assets	77.35	-	-	**77.35**
FVTPL Financial Assets	6.75	(2.56)	-	**4.19**
Allowance for doubtful debts	(8.75)	(0.41)	-	**(9.16)**
Provision for Employee Benefits	(14.22)	0.13	(3.05)	**(17.14)**
Share issue and buy-back costs	(1.78)	0.67	-	**(1.11)**
Others	(2.45)	(0.82)	-	**(3.27)**
TOTAL	75.86	(2.08)	(3.05)	**70.73**

b 2020 - 2021

Deferred Tax (Assets) / Liabilities in relation to:

Property, Plant and Equipment	18.08	0.88	-	**18.96**
Intangible Assets	73.07	4.28	-	**77.35**
FVTPL Financial Assets	4.23	2.52	-	**6.75**
Allowance for doubtful debts	(7.81)	(0.94)	-	**(8.75)**
Provision for Employee Benefits	(12.33)	(1.65)	(0.24)	**(14.22)**
Share issue and buy-back costs	1.48	(3.26)	-	**(1.78)**
Others	(0.75)	(1.71)	-	**(2.45)**
TOTAL	75.97	0.12	(0.24)	**75.86**

2 Income Taxes

a Income Tax recognised in Statement of Profit and Loss

	For the year ended 31st March 2022	For the year ended 31st March 2021
Current Tax		
In respect of the current year	**360.95**	375.05
TOTAL	**360.95**	375.05
Deferred Tax		
In respect of the current year	**(2.08)**	0.12
TOTAL	**(2.08)**	0.12
Income Tax expense recognised in the Statement of Profit and Loss	**358.87**	375.17

(₹ in crores)

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit Before Tax	**1,627.49**	1,456.63
Income Tax Rate (%)*	**25.17**	25.17
Income Tax expense	**409.61**	366.60
Effect of income that is exempt from taxation	**(1.92)**	(2.06)
Effect of expenses that are not deductible in determining taxable profit	**6.59**	9.50
Effect of concessions (80M & Deduction for Capital Expenditure u/s 35(iv))	**(50.69)**	-
Effect of lower rate of tax	**(0.70)**	-
Others	**(4.02)**	1.13
Income tax expense recognised in the Statement of Profit and Loss	**358.87**	375.17

* The Tax rate used for the above reconciliation is the corporate tax rate of **25.168**% (25.168% for the year ended 31st March 2021) payable by corporate entities in India on taxable profits under Indian Tax Law.

c Income Tax recognised in Other Comprehensive Income

	For the year ended 31st March 2022	For the year ended 31st March 2021
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**3.05**	0.24
Income Tax recognised in Other Comprehensive Income	**3.05**	0.24

49 Research & Development Expenditure

	For the year ended 31st March 2022	For the year ended 31st March 2021
Capital expenditure included in Property, Plant and Equipment	**5.26**	1.05
Revenue expenditure charged to Statement of Profit and Loss	**79.01**	71.86
TOTAL	**84.27**	72.91

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

		For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	**58.88**	67.04
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-
TOTAL		**58.88**	67.04

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 by the Company. This has been relied upon by the auditors.

(₹ in crores)

51 Lease

Impact of Ind AS 116 on the Statement of Profit and Loss :

	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on lease liabilities (refer Note 35)	**6.75**	5.46
Depreciation of Right-of-use assets (refer Note 36)	**29.32**	26.55
Deferred tax (credit)	**(0.46)**	(0.86)
Impact on the Statement of Profit and Loss	**35.61**	31.15
Expenses related to short term lease incurred during the year (refer Note 37)	**16.47**	13.34

52 Corporate Social Responsibility Expenses

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.

		As at 31st March 2022	As at 31st March 2021
a.	amount required to be spent by the Company during the year	**27.19**	25.88
b.	amount of expenditure incurred	**23.52**	27.70
c.	shortfall/(excess) at the end of the year (a-b)	**3.67***	(1.82)
d.	total of previous years gain	**(1.82)**	-
e.	reason for shortfall	**Pertains to ongoing projects**	Not applicable
f.	details of related party transactions	**Not applicable**	Not applicable
g.	where a provision is made with respect to a liability incurred by entering into a contractual obligation	**Not applicable**	Not applicable

*The unspent amount of ₹ 1.85 crores will be transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules

Nature of CSR activities

(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.

53 Other Information

a) During previous year, the Company had acquired 70% stake in equity shares of Tenax Pidilite India Pvt Ltd ("Tenax") (formerly know as Tenax India Stone Products Pvt Ltd) from Tenax SPA Italy (Tenax Italy) thereby making Tenax a subsidiary of the Company on 28th May 2020. Accordingly, a liability towards acquisition (refer Note 24) had been recognised in this financial statement amounting to ₹ 15.94 crores which was paid in current year based on preconditions mentioned in the agreement.

b) During previous year, the Company had acquired 100% stake in Pidilite Adhesive Private Limited (PAPL) (formerly known as Huntsman Advanced Materials Solutions Private Limited) from Huntsman Group and thereby making subsidiary of the company on 3rd November 2020. Huntsman Group is a leading global producer of differentiated organic chemical products. PAPL manufactures and sells Adhesives, Sealants and other products under well-known brands such as Araldite, Araldite Karpenter and Araseal. Huntsman group had been paid approximately 90% of the cash consideration at closing and balance approximately 10% under an earnout within 18 months if the business achieves sales revenue in-line with 2019. Accordingly, a liability towards acquisition (refer Note 24) had been recognised in the financial statement in previous year amounting to ₹ 208.31 crores which was paid in current year.

c) During the financial year 2017-18, 70% shareholding in Cipy Polyurethanes Pvt Ltd (CIPY) was acquired by entering into a share purchase agreement. Pursuant to share purchase agreement, the Company had an option to purchase and the seller had an option to sell balance 30% of equity share capital of CIPY on or after expiry of 3 years from acquisition date. Accordingly, an investment of ₹ 34.60 crores was accounted in the books with corresponding derivative liability (Net) in financial year 2017-18. During previous year, seller has exercised the option to sell the balance 30% stake on 6th January 2021. A liability towards acquisition (refer Note 24) had been recognised in this financial statement amounting to ₹ 4.25 crores which will be paid once the preconditions mentioned in the agreement are met. During current year additional investment of ₹ 48 crores was recorded on transfer of balance shares.

d) Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala), a wholly owned subsidiary of the Company:

(i) invested an amount of ₹ 15.37 crores in current year (₹ 3.00 crores in previous year) in the Aapkapainter Solutions Private Limited (Aapkapainter). The company is engaged in providing painting and waterproofing solutions to retail consumer.

(ii) invested an amount of ₹ 19.15 crores in previous year in the Home Interior Désigns E.Commerce Private Limited (Livspace) by subscription to Compulsory Convertible Non-Cumulative Preference Shares. Livspace is leading home design and renovation platform of India and Southeast Asia.

(iii) invested an amount of ₹ 1.50 crores in current year (₹ 71.48 crores in previous year) in the Pepperfry Private Limited (formerly known as M/s. Trendsutra Platform Services Private Limited) by subscription to Non Cumulative Compulsory Convertible Debentures/Compulsory Convertible Non-Cumulative Preference Shares. Pepperfry is an online furniture chain in India.

(iv) invested an amount of ₹ 18.45 crores in current year (₹ 49.00 crores in previous year) in the Homevista Décor & Furnishings Pvt Ltd (HomeLane) by subscription to Equity and 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.

(v) invested an amount of ₹ 1.57 crores in current year in the Constrobot Robotics Pvt Ltd by subscription to Equity Shares. The company is engaged in the business of research and development, designing, manufacturing, trading and dealing in robotic equipments etc.

(vi) invested an amount of ₹ 3.75 crores in current year in the Kaarwan Eduventures Private Limited by subscription to Cumulative Compulsory Convertible Preference Shares. The company is engaged in the business of Architecture, Interior and General Designing etc.

(vii) invested an amount of ₹ 2.00 crores in current year in the Finemake Technologies Private Limited by subscription to Preference Shares. The company is engaged in business of providing interior designing services.

(viii) invested an amount of ₹ 10,000 in current year in the Climacrew Private Limited by subscription to Equity Shares. The company is engaged in the business of supply of seaweed and seaweed products.

e) During the year, the Company has invested an amount of ₹ 1.21 crores in "Pidilite C-Techos Walling Limited" (PCWL) by subscription to Equity Shares.

f) During the year, ICA Pidilite Private Limited, subsidiary of the Company made buy back of shares from all shareholder. The company has recognised profit on buyback on shares from subsidiary amounting to ₹ 1.11 crores (refer Note 31).

g) During the current year, the Company had paid Dividend of ₹ 8.50 per equity share of ₹ 1 each for the financial year 2020-21.

h) The Company has taken into account external and internal information for assessing possible impact of COVID-19 on various element of its financial statements, including recoverability of its assets.

i) During the year, on completion of winding up procedures, Pidilite Grupo Puma Private Limited (w.e.f. 27th October 2021) and Pidilite C-Techos Private Limited (w.e.f. 1st February 2022) were struck off by Registrar of Companies.

j) The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

k) Previous year figures have been regrouped/reclassified to make them comparable with those of current year, wherever applicable.

54 Events after reporting period

a) During the year, the Company has filed two merger applications with National Company Law Tribunal (NCLT) with respect to merger of its wholly owned subsidiaries namely Pidilite Adhesives Pvt Ltd (PAPL) and Cipy Polyurethanes Pvt Ltd (CIPY). Consequent to the filing of NCLT orders approving the mergers with Registrar of Companies, mergers have become effective from Appointed date 1st April 2022. As a result of merger being an event happening after balance sheet date, no effect of merger given in the financial statements.

b) Proposed dividend of ₹ 10.00 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 18th May 2022. The proposed dividend is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Notes forming part of the financial statements

55 Key Financial Ratios

Ratios	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	% change	
Current Ratio	Current Assets	Current Liabilities	**1.67**	1.29	29.3%	#
Debt-Equity Ratio	Borrowings	Total Equity	**0.02**	0.01	65.5%	*
Debt Service Coverage Ratio	EBITDA @	Interest on borrowings	**126.83**	351.43	(63.9%)	*
Return on Equity Ratio	Profit After Tax (PAT)	Average Total Equity	**21.18%**	21.60%	(1.9%)	
Inventory turnover ratio	COGS $	Average Inventory	**3.91**	3.30	18.6%	
Trade Receivables turnover ratio	Sale of Products	Average Trade Receivable	**7.70**	6.90	11.5%	
Trade payables turnover ratio	COGS $	Average Trade Payables	**5.59**	4.40	27.1%	**
Net capital turnover ratio	Sale of Products	Working Capital (Current Assets - Current Liabilities)	**6.93**	11.42	(39.3%)	#
Net profit ratio	Profit Before Tax (PBT)	Sale of Products	**19.61%**	23.60%	(16.9%)	
Return on Capital employed	Profit Before Interest and Tax (PBIT)	Average Capital Employed ~	**26.93%**	28.81%	(6.5%)	
Return on investment:						
Return on Mutual Fund	Income during the year	time weighted average of investments ***	**4.42%**	5.42%	(18.5%)	
Return on Fixed Deposit			**3.27%**	3.05%	7.2%	

#	on account of increase in inventory and receivable balances
*	on account of higher working capital loan utilisation in current year
**	on account of input cost inflation
@	EBITDA = Profit Before Tax before exceptional items (PBT) + Finance cost + Depreciation - Other income + Net Loss on Foreign Currency Transactions and Translation
$	COGS = Cost of Materials Consumed + Purchases of Stock-in-Trade + Changes in inventories of Finished Goods
~	Capital Employed = Total Equity + Borrowings + Deferred Tax Liability
***	Investment excludes long term investments in subsidiaries

56 Business Combination

1 Partnership Firm merged

Financial Year	Name of Firm	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred (₹ in crores)
During 2020-21	Nitin Enterprises	Production of sealants	31st March 2021	100%	17.30

(₹ in crores)

2 Consideration transferred

Cash	8.50
Consideration Payable	8.80
TOTAL (A)	**17.30**

The Board of Directors at its meeting held on 29th January 2020 had approved a restructuring proposal whereby the Company shall, for operational convenience and synergies, acquire the business of wholly owned entity, Nitin Enterprises (a partnership firm having two partners which are wholly owned subsidiaries of the Company) on a slump sale basis for a cash consideration. The Company had completed the acquisition of the business of wholly owned entity, Nitin Enterprises on 31st March 2021. During previous year, the Company had made an advance payment of ₹ 8.50 crores to the seller and balance liability towards acquisition has been paid in current year amounting to ₹ 8.80 crores.

(₹ in crores)

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

Property, Plant and Equipment	11.53
Capital Work-in-Progress	0.13
Intangible Assets	
Goodwill	0.23
Right of Use Assets	0.45
Other Financial Assets - Non-Current	2.05
Other Non-Current Assets	4.17
Inventories	4.98
Trade Receivables	0.91
Cash and Cash Equivalents	4.87
Other Current Assets	0.58
Total Assets Acquired (B)	**29.90**
Provisions - Non-Current	0.02
Trade Payables	8.14
Other Financial Liabilities - Current	6.13
Other Current Liabilities	0.03
Total Liabilities taken over (C)	**14.32**
Net Assets Acquired (D) = (B) - (C)	**15.58**
Capital Reserve (E) = (A) - (D)	**1.72**

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

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

Nitin Enterprises contributed ₹ NIL towards revenue from operations and Company's results. If the acquisition had occurred on 1st April 2020, revenue from operations would have been higher by ₹ 40.77 crores and profit would have been lower by ₹ 2.00 crores for the year ended 31st March 2021. In determining these amounts, it is assumed that the fair value adjustments, that arose on date of acquisition would have been same if the acquisition had occurred on 1st April 2020.

57 Approval of financial statement

The financial statements are approved for issue by the Audit Committee and by the Board of Directors at their respective meetings held on 18th May 2022.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

CORPORATE GOVERNANCE REPORT

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

1. Company's Philosophy on Code of Governance

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

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

2. Board Procedures

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

3. Board of Directors

During the financial year 2021-22, seven Board Meetings were held on 12th May, 2021, 15th July, 2021, 11th August, 2021, 06th September, 2021, 10th November, 2021, 25th January, 2022 and 11th March, 2022.

The Directors of the Company, in their fiduciary position, are empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder's 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 (the Act) read with the Rules issued thereunder. The Independent Directors constitute more than 50% of the Board's strength. The details of composition of the Board, category, attendance of Directors at the Board Meetings and previous Annual General Meeting (52nd AGM), number of other Directorships and Committee positions as on 31st March, 2022 are given below:

Sr. No.	Name	DIN	Category	No. of Board Meetings attended @	Attendance at 52nd AGM	No. of Directorships held in other companies(*)	No. of Committee positions held in other companies (**)	
							Member -ships	Chairman-ships
1.	Shri M B Parekh (Executive Chairman)	00180955	ED(P)	7	Yes	10	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED(P)	6	Yes	10	-	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	7	Yes	5	1	-
4.	Shri A B Parekh (Executive Vice Chairman)	00035317	ED(P)	7	Yes	14	2	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED(P)	7	Yes	6	1	-
6.	Shri Debabrata Gupta (Whole Time Director)	01500784	ED	7	Yes	-	-	-
7.	Shri B S Mehta	00035019	NED (I)	7	No	2	-	1
8.	Shri Sanjeev Aga	00022065	NED (I)	7	Yes	5	2	1
9.	Shri Uday Khanna	00079129	NED (I)	7	Yes	5	1	3
10.	Smt Meera Shankar	06374957	NED (I)	6	Yes	3	1	-
11.	Shri Vinod Kumar Dasari	00345657	NED(I)	7	Yes	4	-	-
12.	Shri Piyush Pandey	00114673	NED(I)	6	Yes	5	-	1
13.	Shri Rajeev Vasudeva	02066480	NED(I)	7	Yes	5	-	-

Notes:

@ All the Board meetings were conducted through Video Conferencing.

* Including directorships held in private limited companies, section 8 companies (as per the Act), 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.

Names of listed entities wherein Directors are holding position of Director & the category of Directorship as on 31st March 2022:

Name of Director	Name of the other Listed company	Category of Directorship
Shri M B Parekh	Vinyl Chemicals (India) Limited	Managing Director and Chairperson
	Excel Industries Limited	Non-Executive - Independent Director
Shri N K Parekh	Vinyl Chemicals (India) Limited	Non-Executive - Non Independent Director
Shri Bharat Puri	Tata Consumer Products Limited	Non-Executive - Independent Director
Shri A B Parekh	Vinyl Chemicals (India) Limited	Non-Executive - Non Independent Director
Shri A N Parekh	-	-
Shri B S Mehta	Atul Limited	Non-Executive - Independent Director
Shri Sanjeev Aga	UFO Moviez India Limited	Non-Executive - Independent Director-Chairperson
	Mahindra Holidays & Resorts India Limited	Non-Executive - Independent Director
	Larsen & Toubro Infotech Limited	Non-Executive - Independent Director
	Larsen & Toubro Limited	Non-Executive - Independent Director
Shri Uday Khanna	Castrol India Limited	Non-Executive - Independent Director
	Pfizer Limited	Non-Executive - Independent Director
	Kotak Mahindra Bank Limited	Non-Executive - Independent Director
Smt Meera Shankar	ITC Limited	Non-Executive - Independent Director
	Adani Transmission Limited	Non-Executive - Independent Director
	JK Tyre & Industries Limited	Non-Executive - Independent Director
Shri Vinod Kumar Dasari	-	-
Shri Piyush Pandey	Zee Entertainment Enterprises Limited	Non-Executive - Independent Director
Shri Debabrata Gupta	-	-
Shri Rajeev Vasudeva	Marico Limited	Non-Executive - Independent Director

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 Act. 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, 2022:

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

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: www.pidilite.com.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, 2022)

The core skills/expertise/competencies as required in the context of the Company's business for effective functioning which are available with the Board and taken into consideration while nominating any candidate to serve on the Board are as under:

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 Bharat Puri	√	√	√	√	√	√
Shri A B Parekh	√	√	√	√	√	√
Shri A N Parekh	√	√	√	√	√	√
Shri Debabrata Gupta		√	√	√		√
Non-Executive Non-Independent Director						
Shri N K Parekh	√	√	√	√	√	√
Independent Director						
Shri B S Mehta		√	√	√	√	
Shri Sanjeev Aga	√	√	√	√	√	
Shri Uday Khanna	√	√	√	√	√	
Smt Meera Shankar		√	√	√		
Shri Vinod Dasari	√	√	√	√	√	
Shri Piyush Pandey	√	√	√	√	√	
Shri Rajeev Vasudeva		√	√	√	√	

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Act and Regulation 25(3) of Listing Regulations, meeting of the Independent Directors of the Company was held on 30th March, 2022.

Declarations

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

4. Audit Committee

The composition of the Audit Committee, its powers and terms of reference are in alignment with provisions of Section 177 of the Act read with the Rules issued thereunder and Regulation 18 read with Part C of Schedule II 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 2021-22, six meetings of the Audit Committee were held on 11th May, 2021, 10th August, 2021, 06th September, 2021, 09th November, 2021, 24th January, 2022 and 11th March, 2022, (in respect of all the aforesaid meetings except the meetings held on 06th September, 2021 and 11th March, 2022, 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)	6
2	Shri M B Parekh	Member	ED (P)	6
3	Shri Uday Khanna	Member	NED (I)	6
4	Shri Sanjeev Aga	Member	NED (I)	6

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

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

The Chairman of the Audit Committee couldn't be present at the 52nd Annual General Meeting held on 11th August, 2021 due to some technical issues in VC Connectivity. In absence of Shri B S Mehta, Shri Sanjeev Aga, Independent Director and member of Audit Committee was authorized by the Board of Directors, to answer the queries of the Shareholders.

5. Nomination and Remuneration Committee (NRC)

NRC also functions as Compensation Committee as per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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 2021-22, seven meetings of the NRC were held on 12th May, 2021, 15th July, 2021, 10th August, 2021, 09th November, 2021, 24th January, 2022, 16th February, 2022 and 11th March, 2022.

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)	7
2	Shri N K Parekh	Member	NED (P)	6
3	Shri Sanjeev Aga	Member	NED (I)	7
4	Shri Vinod Dasari	Member	NED (I)	7
5	Shri Rajeev Vasudeva	Member	NED (I)	7

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 Act, Regulation 19 read with Part D (A) of Schedule II of Listing Regulations and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, 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 structure of remuneration payable to the Managing Director involves a fair balance of fixed pay and variable component which is linked to achievement of business goals.

The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Directors like teamwork, integrity, knowledge, competency, participation, conduct and effectiveness. The Board evaluation for financial year 2021-22 was completed and summary of findings and recommendations were discussed by the Directors.

A. Remuneration of Executive Directors

Details of Executive Directors' remuneration for the financial year 2021-22 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	1.72	3.57	5 years from 01.08.2018
2	Shri Bharat Puri (Managing Director)	5.74	4.10	2.06	29.39#	41.29	5 years from 10.04.2020
3	Shri A B Parekh (Executive Vice Chairman)	0.79	0	0	0.56	1.35	5 years from 01.08.2018
4	Shri A N Parekh (Whole Time Director)	0.69	4.91	0	0.84	6.44	5 years from 01.07.2020
5	Shri Debabrata Gupta (Whole Time Director)	1.08	0	0.32	1.03#	2.43	3 years from 01.03.2020

* Includes House Rent Allowance

\# includes perquisite relating to ESOP.

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

Details of Stock options:

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

\# The stock options are issued at the face value.

* Vested but not exercised

** Vested and exercised

B. Service Contracts, notice period, severance fees

Notice period for the Executive Directors is as applicable to the senior employees of the Company except for Shri Bharat Puri where the notice period is of 365 days (as per agreement). No severance fee is payable to the Executive Directors on termination of employment.

C. Details of sitting fees and commission to Non-Executive Directors

The details of sitting fees paid for attending the Board/ Committee meetings and commission due to the Non-Executive Directors for the year ended 31st March 2022 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	12,25,000	25,00,000	37,25,000
2	Shri Sanjeev Aga	12,92,000	25,00,000	37,92,000
3	Shri Uday Khanna	9,25,000	25,00,000	34,25,000
4	Smt. Meera Shankar	5,55,000	25,00,000	30,55,000
5	Shri Vinod Kumar Dasari	8,75,000	25,00,000	33,75,000
6	Shri Piyush Pandey	4,50,000	25,00,000	29,50,000
7	Shri Rajeev Vasudeva	8,75,000	25,00,000	33,75,000
8	Shri N K Parekh	11,67,000	25,00,000	36,67,000

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 Act. The commission is determined by the Board of Directors considering the time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

6. Stakeholders Relationship Committee

The composition and role of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Act read with the Rules issued thereunder and Regulation 20 read with Part D (B) of Schedule II of the Listing Regulations. During the financial year 2021-22, 14 meetings of the Share Transfer Committee were held and one meeting of Stakeholders Relationship Committee was held on 13th January, 2022 which was attended by all the members of the Committee.

Details of composition of the Stakeholders Relationship Committee are given below:

Sr. No.	Name	Designation	Category
1	Shri Sanjeev Aga	Chairman	NED (I)
2	Shri N K Parekh	Member	NED (P)
3	Shri A B Parekh	Member	ED (P)

The Committee is empowered to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/ transmission of shares, non-receipt of declared dividends, non-receipt of Annual Reports, effective exercise of voting rights by shareholders, service standards for Registrar and Share Transfer Agent, reducing quantum of unclaimed dividend, etc.

The status of investor grievances and share transfers is reported to the Board on periodic basis.

Smt. Manisha Shetty, Additional Company Secretary was the Compliance Officer for complying with the requirements of the Securities Laws and Listing Regulations. Thereafter, Smt. Manisha Shetty was appointed as Company Secretary and Compliance Officer (Key Managerial Personnel) w.e.f. 11th March, 2022.

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 Consultants Pvt Ltd (formerly known as 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 602 of which only 14 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 3 demat requests which were pending as on 31st March, 2022, have been processed subsequently.

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 has appointed Shri A N Parekh, Whole Time Director and Smt. Manisha Shetty, Additional Company Secretary (she has been appointed as Company Secretary w.e.f. 11th March, 2022) as the Compliance Officers under PIT Regulations. Shri Puneet Bansal, Company Secretary ceased to be Compliance Officer due to his resignation w.e.f. 16th September, 2021.

7. Risk Management Committee

The composition and role of Risk Management Committee is in compliance with the provisions of the Act and Regulation 21 read with Part D (C) of Schedule II of Listing Regulations. During the year, two meetings of the Committee were held on 11th May, 2021 and 01st November, 2021.The constitution of the Risk Management Committee along with the details of the meetings attended during the financial year 2021-22 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri B S Mehta	Chairman	NED (I)	1
2	Shri Uday Khanna	Member	NED (I)	2
3	Shri A N Parekh	Member	ED (P)	2
4	Shri Debabrata Gupta	Member	ED	1
5	Shri Rajeev Vasudeva *	Member	ED (I)	-
6	Shri A D Ubhaykar	Member	Senior Executive	1
7	Shri Sanjay Bahadur	Member	Senior Executive	2
8	Shri Pankaj Bhargava	Member	Senior Executive	2

* Shri Rajeev Vasudeva was inducted as a member of the Risk Management Committee w.e.f 10th November, 2021

The Chief Financial Officer or Chief - Internal Audit acts as Secretary to the Committee.

The Company also has a Management Risk Committee, also known as the Risk Identification and Mitigation Committee (RIMC). Three meetings of the RIMC were held during the financial year 2021-22.

8. Corporate Social Responsibility (CSR) Committee

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Act.

The Committee met three times during the financial year 2021-22 i.e. on 11th May, 2021, 09th November, 2021 and 24th January, 2022.The constitution of the CSR Committee along with the details of the meetings attended during the financial year 2021-22 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri N K Parekh	Member	NED (P)	3
2	Shri Sanjeev Aga	Member	NED (I)	3
3	Shri A B Parekh	Member	ED (P)	3
4	Smt. Meera Shankar	Member	NED (I)	3
5	Shri Debabrata Gupta	Member	ED	3

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.

d) Recommend the Annual Action Plan for CSR Implementation to the Board for approval.

The details of the CSR initiatives of the Company form part of the Social & Community Service Initiatives Report and Annexure to the Directors' Report. The Constitution of CSR Committee, the CSR Policy and details of CSR Projects are available on the website of the Company: www.pidilite.com

9. General Body Meetings

Details of location, date and time of the Annual General Meetings held during the last three years are given below:

Financial Year	Venue	Date & Time	Details of special resolution passed at the AGM
2020-21	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	11th August, 2021 at 3.00 p.m.	• Re-appointment of Shri Vinod Dasari as an Independent Director for a second term of 5 consecutive years.
2019-20	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	10th September 2020 at 3.00 p.m.	• Re-appointment of Shri N K Parekh as Non-Executive Director, who retired by rotation. • Re-appointment of Shri Sanjeev Aga as an Independent Director for a second term of 5 consecutive years.
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 term of 5 consecutive years. • Re-appointment of Shri Uday Khanna as an Independent Director for a second term of 5 consecutive years. • Re-appointment of Smt. Meera Shankar as an Independent Director for a second term of 5 consecutive years.

The above mentioned Special Resolutions were passed with requisite majority.

Postal Ballot

No postal ballot was conducted during the financial year 2021-22. There is no immediate proposal for passing any resolution through postal ballot.

10. Means of Communication

a. Publication of financial results:

The extract of standalone and consolidated results are normally published in Business Standard and Sakal and are displayed on the website of the Company: www.pidilite.com

b. Websites and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website (www.pidilite.com). Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

c. Analysts presentations:

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company and a transcript of such calls/meeting are uploaded on the Company's website and Stock Exchanges.

d. Stock Exchange:

The Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

e. Reminders to Investors:

Reminders are, inter alia, sent to shareholders for registering their email ids, claiming returned undelivered share certificates and unclaimed dividend and transfer of shares thereto.

f. Annual Report:

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.

11. General Information for Shareholders

Detailed information in this regard is provided in the "Information for Shareholders" section, appearing in the Annual Report.

12. Disclosures

During the financial year 2021-22:

- There were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- The Company has a Vigil Mechanism and Whistle Blower Policy for Directors and Employees to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the Audit Committee Chairman.
- The Company has no material subsidiary. Policy for determining 'material' subsidiary is uploaded on the website of the Company: www.pidilite.com
- 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 ₹ 1.57 crores for financial year 2021-22, for all services, was paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors of the Company M/s. Deloitte Haskins & Sells LLP and all entities in the network firm/network entity of which the Statutory Auditors is a part.
- No loans/advances in the nature of debt was given to firms/companies in which directors are interested.
- There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

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13. Equity shares in Unclaimed Suspense Account

There are NIL Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations.

14. 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 2022 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 makes quarterly presentation to the Audit Committee on their Reports.

15. Information relating to Directors

Information relating to Directors seeking appointment/reappointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the ensuing 53rd Annual General Meeting.

16. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2021-22

a. Number of complaints filed during the financial year: 1
b. Number of complaints disposed of during the financial year: 1
c. Number of complaints pending as on end of the financial year: 0

17. Certificate from Company Secretary in Practice

A certificate from Shri M M Sheth of M/s. M M Sheth & Co., Company Secretaries in Practice 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.

18. Governance of Subsidiary Companies

The summary of the minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 read with Schedule V of the Listing Regulations is provided in Notes to the standalone financial statements.

19. Declaration by Shri Bharat Puri, Managing Director under Schedule V (D) of Listing Regulations

'Pursuant to Schedule V (D) of Listing Regulations, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March 2022.'

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of
M/s. Pidilite Industries Limited

We have examined compliance by Pidilite Industries Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) relating to Corporate Governance for the year ended on 31st March, 2022.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 18th May 2022

For M M SHETH & CO.
(Company Secretaries)

M M SHETH
(Prop)
FCS No. 1455, CP No. 729
PR No. 1000/2020
UDIN: F001455D000343170

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
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, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of Appointment in Company
1	Narendrakumar Kalyanji Parekh	00111518	28/07/1969
2	Madhukar Balvantray Parekh	00180955	31/08/1972
3	Ajay Balvantray Parekh	00035317	26/06/1985
4	Bansidhar Sunderlal Mehta	00035019	25/07/2000
5	Apurva Narendrakumar Parekh	00111366	01/07/2005
6	Bharat Tilakraj Puri	02173566	28/05/2008
7	Uday Chander Khanna	00079129	03/04/2014
8	Meera Shankar	06374957	30/07/2014
9	Sanjeev Aga	00022065	29/07/2011
10	Vinod Kumar Dasari	00345657	01/09/2015
11	Piyush Indernarayan Pandey	00114673	11/04/2018
12	Debabrata Sujit Gupta	01500784	01/03/2020
13	Rajeev Vasudeva	02066480	10/09/2020

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: 18th May 2022

For M M SHETH & CO.
(Company Secretaries)

M M SHETH
(Prop)
FCS No. 1455, CP No. 729
PR No. 1000/2020
UDIN: F001455D000342829

INFORMATION FOR SHAREHOLDERS

Annual General Meeting

Day, Date and Time:
Wednesday, 10th August 2022 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 2021 to 31st March 2022

Date of Book Closure:

Thursday, 28th July, 2022 to Wednesday, 10th August, 2022 (both days inclusive).

Dividend Payment:

Credit/dispatch of dividend warrants will commence from 17th August, 2022 subject to the approval for payment of dividend by the shareholders at the Annual General Meeting.

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 2022-23 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 2021-22 at NSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2021	1,928.50	1,753.00
May 2021	2,124.00	1,791.00
June 2021	2,185.90	2,051.10
July 2021	2,333.95	2160.00
August 2021	2,303.05	2,175.05
September 2021	2,477.70	2,281.80
October 2021	2,532.00	2,250.00
November 2021	2,490.00	2,171.85
December 2021	2,489.00	2,188.55
January 2022	2,764.70	2,445.25
February 2022	2,560.00	2,291.00
March 2022	2,543.85	2,133.55

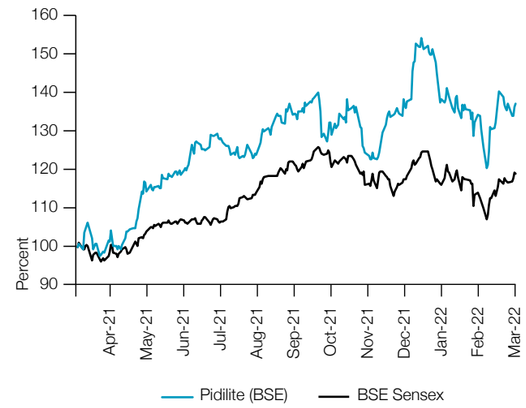
Share prices during the financial year 2021-22 at BSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2021	1,927.95	1,755.60
May 2021	2,124.25	1,791.00
June 2021	2,185.70	2,052.00
July 2021	2,335.00	2,160.00
August 2021	2,300.00	2,176.45
September 2021	2,477.00	2,283.40
October 2021	2,531.90	2,250.35
November 2021	2,490.00	2,171.00
December 2021	2,485.10	2,188.45
January 2022	2,764.60	2,445.80
February 2022	2,559.90	2,292.00
March 2022	2,543.80	2,134.10

Stock Performance

Base is considered to be 100 as on 1st April 2021 .

The performance of the Company's shares in comparison to BSE sensex is given in the chart below:



Registrar & Share Transfer Agent

TSR Consultants Private Limited (RTA)
(formerly known as TSR Darashaw Consultants Private Limited)
Unit: Pidilite Industries Limited
C 101, 1st Floor, 247 Park, L. B. S. Marg, Vikhroli (West),
Mumbai - 400083
Tel : 022 - 66568484
Fax : 022 - 66568494
E-mail: csg-unit@tcplindia.co.in
Website: https://www.tcplindia.co.in

Share Transfer System

The Company has delegated the authority to approve shares received for transfer in physical form to TSR 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.

Shareholder Transactions

In terms of requirements of Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. While the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTA MB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form:

a. Issue of duplicate securities certificate. b. Claim from unclaimed suspense account. c. Renewal/Exchange of securities certificate d. Endorsement e. Sub-division/Splitting of securities certificate. f. Consolidation of securities certificates/ folios g. Transmission and Transposition.

The manner and process of making application as per the revised framework and operational guidelines thereto is available on the website of the RTA at https://www.tcplindia.co.in/InvestorCharter.html.

Request for dematerialization of securities are processed by RTA and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory limit from the date of receipt of securities certificates after due verification.

Investor Charter

In order to facilitate investor awareness for various service requests, SEBI vide its Circular dated 26th November, 2021 had prescribed Investor Charter for RTAs, inter alia, detailing the services provided to investors, rights of investors, timelines for various activities of RTAs, Do's and Dont's for Investors and Grievance Redressal Mechanism.
In this regard, all the registered RTAs were required to take necessary steps to bring the Investor Charter to the notice of existing and new shareholders by way of disseminating it on their websites/ through email and displaying at prominent places in offices, etc.

Additionally, to bring transparency in the Investor Grievance Redressal Mechanism, it has been decided that all registered RTA's shall disclose on their respective websites, the data when the complaint was received by them and redressal thereof, latest by 7th of succeeding month, as per the format provided in the said Circular effective from 1st January, 2022.

The Investor Charter of the Company's RTA is available on their website at https://www.tcplindia.co.in/InvestorCharter.html

Distribution of Shareholding as on 31st March 2022

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Upto 5000	5,76,847	99.58	3,09,46,604	6.09
5001 - 10000	1,448	0.25	1,07,34,343	2.11
10001- 20000	411	0.07	59,07,582	1.16
20001- 30000	114	0.02	28,08,232	0.55
30001- 40000	66	0.01	23,06,820	0.46
40001- 50000	53	0.01	23,43,097	0.46
50001- 100000	97	0.02	71,72,416	1.41
100001 and above	212	0.04	44,60,69,321	87.76
Total	**5,79,248**	**100.00**	**50,82,88,415**	**100.00**
No. of Shareholders & shares in physical mode	762	0.13	12,01,790	0.24
No. of beneficial owners & shares in electronic mode	5,78,486	99.87	50,70,86,625	99.76
Total	**5,79,248**	**100.00**	**50,82,88,415**	**100.00**

Dematerialisation of shares and liquidity

As on 31st March, 2022, 99.76% 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, subject to the documents being valid and complete in all respects.

The shares of the Company were not suspended from trading during the year under review.

Transfer of unclaimed dividend & shares to the Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends and shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more have been transferred by the Company to the Investor Education and Protection Fund (IEPF) Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices through Ordinary Post and Airmail 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 2013-14	17,08,455	10,970

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.

Nodal and Deputy Nodal Officer

Shri A N Parekh was appointed as Nodal Officer on 22nd September, 2021 in place of Shri Puneet Bansal who has resigned w.e.f 16th September, 2021. Presently, the Board has appointed Smt. Manisha Shetty as Nodal Officer (who was earlier Deputy Nodal Officer) and Smt. Poornima Narayanan as Deputy Nodal Officer w.e.f 18th May, 2022.

Plant Locations

Major Plant locations-Mahad, Taloja, Karad (Maharashtra); Vapi, Paria, Surat, Dahej, Panoli (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi, Nalagarh (Himachal Pradesh); Jammu (J & K); 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, 2022. 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.

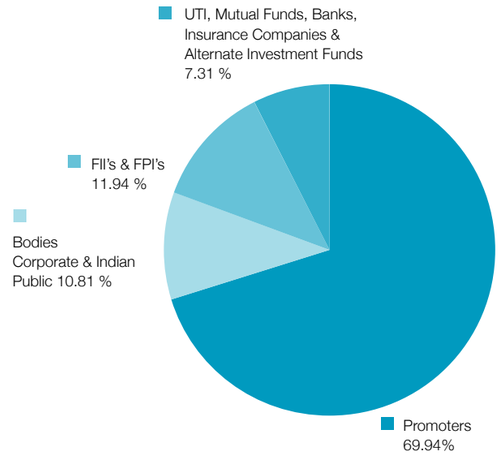
Commodity price risk / Foreign Exchange Risk and Hedging Activities

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 2022



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 Smt. Manisha Shetty, Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact 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, 2022.

Employee Stock Options

The information with regard to the Employee Stock Options are set out under Annexure to Directors' Report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pidilite Industries Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2022, 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 (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance and Information for Shareholder, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Other Matters

(a) We did not audit the financial statements / financial information of 33 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 2,035.94 crores as at 31st March 2022, total revenues of ₹ 1,665.97 crores and net cash outflows amounting to ₹ 101.08 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 ₹ 11.88 crores for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net loss of ₹ NIL for the year ended 31st March 2022, 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 a joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors of the Parent as on 31st March 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies, associate companies and joint venture company incorporated in India, the remuneration paid by the Parent and such subsidiary companies, associate companies and joint venture company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

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

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

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

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

iv) (a) The respective Managements of the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associates and joint venture respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 56(a) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, associates and joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries, associates and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associates and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 56(f) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, associates and joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that those performed by the auditors of the subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 57(b) to the consolidated financial statements, the Board of Directors of the Parent Company and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of the Parent Company and such subsidiaries, associates and joint venture at the ensuing respective Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 22045474AJESQW8032

Place: Mumbai
Date: 18th May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2022

(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 2022, we have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

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

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

N. K. Jain
Partner
(Membership No. 045474)
UDIN: 22045474AJESQW8032

Place: Mumbai
Date: 18th May 2022

CONSOLIDATED BALANCE SHEET

as at 31st March 2022

(₹ in crores)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	**1,554.86**	1,285.03
(b) Right of Use Assets	5	**202.93**	157.81
(c) Capital Work-In-Progress	4	**225.42**	293.87
(d) Goodwill	6	**1,286.83**	1,283.95
(e) Other Intangible Assets	6	**1,658.64**	1,691.13
(f) Investments accounted for using equity method	7	**60.66**	32.47
(g) Financial Assets			
(i) Investments	8	**224.43**	307.04
(ii) Loans	11	**5.05**	4.85
(iii) Other Financial Assets	13	**64.45**	51.06
(h) Income Tax Assets (net)	18	**140.08**	97.12
(i) Deferred Tax Assets (net)	53	**21.28**	16.59
(j) Other Non-Current Assets	20	**55.38**	94.13
Total Non-Current Assets		**5,500.01**	5,315.05
2 Current Assets			
(a) Inventories	17	**1,695.09**	1,234.15
(b) Financial Assets			
(i) Investments	9	**173.52**	176.46
(ii) Trade Receivables	10	**1,430.54**	1,321.02
(iii) Cash and Cash Equivalents	15	**352.07**	442.65
(iv) Bank balances other than (iii) above	16	**3.10**	8.81
(v) Loans	12	**17.22**	16.89
(vi) Other Financial Assets	14	**86.01**	85.26
(c) Current Tax Assets (net)	19	**2.95**	3.13
(d) Other Current Assets	21	**255.11**	227.00
Total Current Assets		**4,015.61**	3,515.37
TOTAL ASSETS		**9,515.62**	8,830.42
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	22	**50.83**	50.82
(b) Other Equity	23	**6,352.88**	5,542.14
Equity attributable to owners of the Company		**6,403.71**	5,592.96
Non-Controlling Interests	42(b)	**198.90**	240.04
Total Equity		**6,602.61**	5,833.00
LIABILITIES			
1 **Non-Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	24	**1.72**	12.39
(ii) Lease Liabilities		**96.04**	80.68
(iii) Other Financial Liabilities	27	**19.94**	13.63
(b) Provisions	29	**71.83**	57.98
(c) Deferred Tax Liabilities (net)	53	**398.45**	398.03
Total Non-Current Liabilities		**587.98**	562.71
2 **Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	25	**285.62**	210.22
(ii) Trade Payables	26		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		**89.50**	86.03
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		**959.79**	920.71
(iii) Lease Liabilities		**32.45**	27.71
(iv) Other Financial Liabilities	28	**780.32**	1,025.33
(b) Other Current Liabilities	31	**120.92**	114.73
(c) Provisions	30	**42.69**	24.96
(d) Current Tax Liabilities (net)	32	**13.74**	25.02
Total Current Liabilities		**2,325.03**	2,434.71
TOTAL LIABILITIES		**2,913.01**	2,997.42
TOTAL EQUITY AND LIABILITIES		**9,515.62**	8,830.42
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: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2022

(₹ in crores)

Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Revenue from Operations	33	**9,920.96**	7,292.71
Other Income	34	**36.30**	79.40
Total Income		**9,957.26**	7,372.11
EXPENSES			
Cost of Materials Consumed	35	**5,040.74**	3,017.82
Purchases of Stock-in-Trade		**648.40**	477.17
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	36	**(244.96)**	(118.32)
Employee Benefits Expense	37	**1,112.36**	980.86
Finance Costs	38	**42.08**	37.23
Depreciation, Amortisation and Impairment Expense	39	**239.61**	200.66
Other Expenses	40	**1,517.13**	1,254.56
Total Expenses		**8,355.36**	5,849.98
Profit before Share of profit / (loss) of Associate and Joint venture, Exceptional Items and Tax		**1,601.90**	1,522.13
Share of Profit in Associate (net of tax)	42(a)	**11.88**	3.98
Total Share of profit of Associate and Joint Venture		**11.88**	3.98
Profit before Exceptional Items and Tax		**1,613.78**	1,526.11
Exceptional Items	41	**-**	3.62
Profit before Tax		**1,613.78**	1,522.49
Tax Expense			
Current Tax	53	**407.94**	399.88
Deferred Tax	53	**(0.92)**	(3.52)
Net Tax Expense		**407.02**	396.36
Profit for the year		**1,206.76**	1,126.13
Attributable to:			
Shareholders of the Company		**1,207.56**	1,131.21
Non-Controlling Interest	42(b)	**(0.80)**	(5.08)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		**(12.88)**	(0.99)
Income tax relating to items that will not be reclassified to profit or loss		**3.23**	0.28
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		**(12.46)**	(10.15)
Total Other Comprehensive Income / (Loss)		**(22.11)**	(10.86)
Attributable to:			
Shareholders of the Company		**(20.63)**	(11.22)
Non-Controlling Interest	42(b)	**(1.48)**	0.36
Total Comprehensive Income for the year		**1,184.65**	1,115.27
Attributable to:			
Shareholders of the Company		**1,186.93**	1,119.99
Non-Controlling Interest		**(2.28)**	(4.72)
Earnings Per Equity Share:	46		
Basic (₹)		**23.76**	22.26
Diluted (₹)		**23.75**	22.24
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: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(₹ in crores)

a. Equity Share Capital

	Amount
Balance as at 1st April 2020	**50.81**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Plan - 2016	0.01
Balance as at 31st March 2021	**50.82**
Changes in equity share capital during the year	
• Issue of equity shares under Employee Stock Option Plan - 2016	0.01
Balance as at 31st March 2022	**50.83**

b. Other Equity

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2022

(₹ in crores)

b. Other Equity

	Reserves and Surplus										Equity attributable to owners of the Company	Non-Controlling interest	Total Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings			
Profit for the year	-	-	-	-	-	-	-	-	-	1,207.56	1,207.56	(0.80)	**1,206.76**
Addition during the year	-	-	-	-	0.01	-	-	(11.21)	-	-	(11.20)	2.05	**(9.15)**
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(9.42)	(9.42)	(1.48)	**(10.90)**
Payment of dividends	-	-	-	-	-	-	-	-	-	(431.93)	(431.93)	-	**(431.93)**
Tax on Buy Back of Shares of a Subsidiary (refer Note 56(b))	-	-	-	-	-	-	-	-	-	(0.59)	(0.59)	-	**(0.59)**
Change in Group Interest	-	-	-	-	-	-	-	-	-	28.22	28.22	(40.91)	**(12.69)**
Recognition of share-based payments	-	20.47	-	-	-	-	7.63	-	-	-	28.10	-	**28.10**
Transferred to Securities Premium on Options exercised during the year	-	20.47	-	-	-	-	(20.47)	-	-	-	-	-	**-**
Amortised and Exercised during the year	-	-	-	-	-	-	28.55	-	-	-	28.55	-	**28.55**
Lapsed during the year	-	-	-	-	-	-	(0.45)	-	-	-	(0.45)	-	**(0.45)**
Balance as at 31st March 2022	**0.34**	**46.51**	**0.50**	**0.95**	**0.27**	**0.15**	**33.05**	**7.11**	**1,335.38**	**4,928.62**	**6,352.88**	**198.90**	**6,551.78**

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(₹ in crores)

		For the year ended 31st March 2022		For the year ended 31st March 2021	
A	**Cash Flows from Operating Activities**				
	Profit before tax		**1,613.78**		1,522.49
	Adjustments for:				
	Share of profit from Associates	**(11.88)**		(3.98)	
	Finance costs	**42.08**		37.23	
	Interest income	**(4.58)**		(16.84)	
	Dividend income	**(1.22)**		(1.13)	
	Dividend from Associate	**2.80**		1.79	
	Exceptional Item - Impairment in value of Investments	**-**		3.62	
	Loss on disposal of Property, Plant and Equipment	**9.12**		5.73	
	Net gain arising on financial assets designated at FVTPL	**(11.93)**		(40.26)	
	Allowance for Doubtful Debts and Advances (net)	**16.73**		11.01	
	Depreciation, Amortisation and Impairment Expense	**239.61**		200.66	
	Unrealised Foreign Exchange Gain (Net)	**(13.56)**		(9.01)	
	Provision for Employee Benefits	**16.00**		8.09	
	Provision / (Write back) of Warranties and Others	**2.70**		(0.35)	
	Expense recognised in respect of Equity-Settled Share-Based Payments	**28.09**		17.24	
	Operating Profits before Working Capital changes		**1,927.74**		1,736.29
	Movements in Working Capital:				
	(Increase) / Decrease in Operating Assets				
	Trade Receivables	**(122.71)**		(175.88)	
	Inventories	**(460.18)**		(278.70)	
	Non-Current Loans	**(0.20)**		(0.76)	
	Current Loans	**(0.33)**		0.49	
	Non-Current Financial Assets	**(10.63)**		(0.19)	
	Other Current Financial Assets	**(0.75)**		17.94	
	Other Non-Current Non Financial Assets	**6.89**		(4.20)	
	Other Current Non Financial Assets	**(28.11)**		(29.20)	
	Increase / (Decrease) in Operating Liabilities				
	Trade Payables	**75.96**		354.61	
	Other Current Financial Liabilities	**17.19**		147.68	
	Other Non-Current Financial Liabilities	**6.31**		6.37	
	Other Current Non Financial Liabilities	**6.19**		(11.41)	
	Cash generated from Operations		**1,417.37**		1,763.04
	Taxes paid (net of refunds)		**(462.00)**		(370.91)
	Net cash generated from Operating Activities [A]		**955.37**		1,392.13
B	**Cash Flows from Investing Activities**				
	Payments for purchase of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	**(374.74)**		(353.76)	
	Proceeds from disposal of Property, Plant and Equipment & Other Intangible Assets	**0.77**		1.76	
	Payments to purchase Investments	**(100.95)**		(2,931.95)	
	Proceeds on sale of Investments	**170.24**		3,638.81	
	Payments for business acquisitions (refer Note 52B)	**(262.21)**		(2,056.86)	
	Decrease / (Increase) in Bank Deposits	**3.07**		(4.75)	
	(Increase) / Decrease in Other Bank Balances	**(0.12)**		0.89	
	Interest received	**4.58**		16.84	
	Dividend received	**1.22**		1.13	
	Net cash used in Investing Activities [B]		**(558.14)**		(1,687.89)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2022

(₹ in crores)

		For the year ended 31st March 2022		For the year ended 31st March 2021	
C	**Cash Flows from Financing Activities**				
	Proceeds from issue of Equity Instruments of the Company	**0.01**		0.01	
	Payment of Lease Liabilities	**(48.68)**		(33.93)	
	Net increase in Current Borrowings	**102.71**		27.93	
	Net Decrease in Non-Current Borrowings	**(18.13)**		(11.13)	
	Payment from Share Capital issued to Minority (net)	**(38.86)**		(29.11)	
	Dividend paid on Equity Shares	**(431.85)**		(0.69)	
	Interest paid	**(33.16)**		(29.32)	
	Net cash used in Financing Activities [C]		**(467.96)**		(76.24)
	Net decrease in Cash and Cash Equivalents [A+B+C]		**(70.73)**		(372.00)
	Cash and Cash Equivalents at the beginning of the year (refer Note 15)	**327.20**		606.37	
	Unrealised (loss) / gain on foreign currency cash and cash equivalents	**(0.05)**		0.18	
	Cash and Cash Equivalents at the beginning of the year		**327.15**		606.55
	Cash and Cash Equivalents at the end of the year (refer Note 15)	**256.47**		327.20	
	Unrealised loss on foreign currency cash and cash equivalents	**(0.05)**		(0.05)	
	Acquisition under Business Combination (refer Note 52B)	**-**		(92.60)	
	Cash and Cash Equivalents at the end of the year		**256.42**		234.55
	Net Decrease in Cash and Cash Equivalents		**(70.73)**		(372.00)

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 2021	Cash Flows	Non-Cash Changes	As at 31st March 2022
			Current/ Non-Current Classification	
Borrowings - Non-Current*	21.10	(18.13)	-	**2.97**
	(32.23)	((11.13))	(-)	**(21.10)**
Borrowings - Current	86.07	102.71	-	**188.78**
	(58.14)	(27.93)	(-)	**(86.07)**

*Including Current maturities of non-current borrowings (refer Note 25).

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

N. K. JAIN
Partner

Place: Mumbai
Date: 18th May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

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 (₹) 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 and its subsidiaries (together referred to as "Group") and Group's share of profit / loss in its Associates and Joint Venture as at 31st March 2022. Control exists when the Group has:

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

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

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

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

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March 2022.

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

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

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

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

d) The excess of cost to the Group of its investments in the subsidiary companies 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, 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 recognized 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 recognized as a change in management estimate in a subsequent period.

2.6.1.a Sale of goods

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

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

2.6.1.b Sale of Services

Revenue from sale of services includes fixed price contracts and time and material contracts and is recognized as sale, as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognized 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 income is recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement in case of sales provided that it is probable that the economic benefits associated with the royalty shall flow to the Group and the amount of royalty can be measured reliably.

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

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

2.7 Leasing

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

2.7.1 Group as Lessor

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

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

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

2.7.2 Group as Lessee

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or 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 activity in the consolidated statement of cash flows.

2.8 Foreign Currencies

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

2.9 Share-based payment transactions of the Group

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

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

2.10 Taxation

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

2.10.1 Current Tax

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

2.10.2 Deferred Tax

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

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

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

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

2.10.3 Current and Deferred Tax for the year

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

2.11 Property, Plant and Equipment

2.11.1 Property, Plant and Equipment acquired separately

Freehold Land is stated at cost and not depreciated.

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

Notes forming part of the consolidated financial statements

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	Over the life of lease contract
Plant and Machinery	1-30 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	3-10 years
Technical Knowhow	10-15 years
Non-Compete Fees	7-15 years
Distributor Relationship	15 years
Copyrights	Indefinite Life
Trademark	Indefinite Life

2.13 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

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

2.14 Inventories

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

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

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

2.15 Provisions (other than Employee Benefits)

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

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

2.16 Financial Instruments

2.16.1 Initial Recognition and Measurement

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

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

Notes forming part of the consolidated financial statements

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 are recognised in Consolidated Statement of Profit and Loss.

2.17 Cash Flow Statement

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

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

2.18 Segment Reporting

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

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

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

2.19 Employee Benefits

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

2.19.1 Defined Contribution Plans

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

2.19.2 Defined Benefit Plans

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

2.19.3 Short-Term and Other Long-Term Employee Benefits

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

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

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

Notes forming part of the consolidated financial statements

3 Critical Accounting Judgements and key sources of Estimation Uncertainty

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

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

3.1 Critical Judgments

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

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

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

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

3.2 Key accounting, judgements, assumptions and estimates

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

3.2.1 Impairment of Goodwill and Other Intangible Assets

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

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

3.2.2 Business Combinations and Intangible Assets

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

3.2.3 Employee related provisions

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

3.2.4 Income taxes

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

3.2.5 Property, Plant and Equipment and Other Intangible Assets

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

3.2.6 Leases

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

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

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

3.2.7 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the Consolidated Statement of Profit and Loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022. The Group is evaluating the amendment and its impact on financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022, although early adoption is permitted. The Group is evaluating the amendment and its impact on financial statements.

Notes forming part of the consolidated financial statements

(₹ in crores)

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

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• Freehold Land	**135.35**	130.00
• Buildings	**522.41**	432.64
• Plant and Machinery	**800.76**	637.07
• Vehicles	**6.75**	7.03
• Furniture and Fixtures	**36.89**	32.97
• Office Equipment	**52.70**	45.32
	1,554.86	1,285.03
Capital Work-In-Progress	**225.42**	293.87
TOTAL	**1,780.28**	1,578.90

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Gross Carrying Amount							
Balance as at 1st April 2020	**123.33**	**498.81**	**1,345.76**	**25.88**	**99.44**	**143.02**	**2,236.24**
Additions	8.41	72.30	187.55	2.06	4.98	16.24	**291.54**
Acquisition under Business Combination (refer Note 52B)	-	-	5.60	-	0.02	-	**5.62**
Disposals / Adjustments	(1.43)	(0.05)	(25.69)	(4.65)	(0.60)	(8.77)	**(41.19)**
Foreign Currency Translation	(0.31)	(3.20)	(4.42)	(0.05)	(0.53)	(0.46)	**(8.97)**
Balance as at 31st March 2021	**130.00**	**567.86**	**1,508.80**	**23.24**	**103.31**	**150.03**	**2,483.24**
Additions	5.10	115.57	287.71	1.64	10.92	23.16	**444.10**
Disposals / Adjustments	-	(0.37)	(34.43)	(0.51)	(5.40)	(2.70)	**(43.41)**
Foreign Currency Translation	0.25	(2.72)	2.96	-	0.07	(1.15)	**(0.59)**
Balance as at 31st March 2022	**135.35**	**680.34**	**1,765.04**	**24.37**	**108.90**	**169.34**	**2,883.34**
Accumulated Depreciation and Impairment							
Balance as at 1st April 2020	**-**	**(117.13)**	**(793.54)**	**(18.71)**	**(64.90)**	**(100.01)**	**(1,094.29)**
Eliminated on disposal of assets	-	0.04	20.38	4.46	0.46	8.33	**33.67**
Acquisition under Business Combination (refer Note 52B)	-	-	(1.52)	-	(0.01)	-	**(1.53)**
Depreciation expense	-	(18.69)	(100.04)	(1.98)	(6.23)	(13.20)	**(140.14)**
Foreign Currency Translation	-	0.56	2.99	0.02	0.34	0.17	**4.08**
Balance as at 31st March 2021	**-**	**(135.22)**	**(871.73)**	**(16.21)**	**(70.34)**	**(104.71)**	**(1,198.21)**
Eliminated on disposal of assets	-	0.10	25.61	0.46	4.91	2.70	**33.78**
Depreciation expense	-	(22.73)	(115.35)	(1.89)	(6.54)	(17.71)	**(164.22)**
Foreign Currency Translation	-	(0.08)	(2.81)	0.02	(0.04)	3.08	**0.17**
Balance as at 31st March 2022	**-**	**(157.93)**	**(964.28)**	**(17.62)**	**(72.01)**	**(116.64)**	**(1,328.48)**
Net Carrying Amount							
Balance as at 1st April 2020	**123.33**	**381.68**	**552.22**	**7.17**	**34.54**	**43.01**	**1,141.95**
Additions	8.41	72.30	187.55	2.06	4.98	16.24	**291.54**
Disposals / Adjustments	(1.43)	(0.05)	(25.69)	(4.65)	(0.60)	(8.77)	**(41.19)**
Acquisition under Business Combination (refer Note 52B)	-	-	4.08	-	0.01	-	**4.09**
Depreciation expense	-	(18.69)	(100.04)	(1.98)	(6.23)	(13.20)	**(140.14)**
Depreciation Eliminated on disposal of assets	-	0.04	20.38	4.46	0.46	8.33	**33.67**
Foreign Currency Translation	(0.31)	(2.64)	(1.43)	(0.03)	(0.19)	(0.29)	**(4.89)**
Balance as at 31st March 2021	**130.00**	**432.64**	**637.07**	**7.03**	**32.97**	**45.32**	**1,285.03**
Additions	5.10	115.57	287.71	1.64	10.92	23.16	**444.10**
Disposals / Adjustments	-	(0.37)	(34.43)	(0.51)	(5.40)	(2.70)	**(43.41)**
Depreciation expense	-	(22.73)	(115.35)	(1.89)	(6.54)	(17.71)	**(164.22)**
Depreciation Eliminated on disposal of assets	-	0.10	25.61	0.46	4.91	2.70	**33.78**
Foreign Currency Translation	0.25	(2.80)	0.15	0.02	0.03	1.93	**(0.42)**
Balance as at 31st March 2022	**135.35**	**522.41**	**800.76**	**6.75**	**36.89**	**52.70**	**1,554.86**

Notes:

(₹ in crores)

a)	Capital Work-In-Progress (CWIP) ageing schedule	CWIP for a period of				TOTAL
		Less than 1 yr	1-2 years	2-3 years	More than 3 years	
	Projects in Progress	**164.63**	**20.74**	**5.84**	**34.21**	**225.42**
		(183.83)	(74.52)	(9.65)	(25.87)	(293.87)
	Projects temporarily suspended	**-**	**-**	-	**-**	**-**
		-	-	-	-	-

Figures in brackets () represents previous year

b) There are no projects under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

(₹ in crores)

c)	Assets given under lease included in Note 4 above are as under:	As at 31st March 2022	As at 31st March 2021
	Carrying Amounts		
	• Freehold Land	**14.99**	17.00
	• Leasehold Land	**6.46**	-
	• Buildings	**36.28**	22.84
	• Plant & Machinery	**0.57**	0.60
	TOTAL	**58.30**	40.44

	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Total
Gross Carrying Amount					
Balance as at 1st April 2020	**13.79**	**-**	**31.32**	**-**	**45.11**
Additions	3.21	-	1.71	5.44	**10.36**
Balance as at 31st March 2021	**17.00**	**-**	**33.03**	**5.44**	**55.47**
Additions	-	6.50	14.90	0.06	**21.46**
Disposals / Adjustments	(2.01)	-	-	-	**(2.01)**
Balance as at 31st March 2022	**14.99**	**6.50**	**47.93**	**5.50**	**74.92**
Accumulated Depreciation and Impairment					
Balance as at 1st April 2020	**-**	**-**	**(9.03)**	**-**	**(9.03)**
Depreciation expense	-	-	(1.16)	(4.84)	**(6.00)**
Balance as at 31st March 2021	**-**	**-**	**(10.19)**	**(4.84)**	**(15.03)**
Depreciation expense	-	(0.04)	(1.46)	(0.09)	**(1.59)**
Balance as at 31st March 2022	**-**	**(0.04)**	**(11.65)**	**(4.93)**	**(16.62)**
Net Carrying Amount					
Balance as at 1st April 2020	**13.79**	**-**	**22.29**	**-**	**36.08**
Additions	3.21	-	1.71	5.44	**10.36**
Depreciation expense	-	-	(1.16)	(4.84)	**(6.00)**
Balance as at 31st March 2021	**17.00**	**-**	**22.84**	**0.60**	**40.44**
Additions	-	6.50	14.90	0.06	**21.46**
Disposals / Adjustments	(2.01)	-	-	-	**(2.01)**
Depreciation expense	-	(0.04)	(1.46)	(0.09)	**(1.59)**
Balance as at 31st March 2022	**14.99**	**6.46**	**36.28**	**0.57**	**58.30**

d) Buildings include shares of co-operative societies of ₹ **0.01** crores (₹ 0.01 crores as at 31st March 2021)

(₹ in crores)

5 Right of Use Assets

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• Leasehold Land	**108.96**	88.39
• Leasehold Buildings	**93.84**	69.14
• Plant and Machinery	**0.13**	0.28
TOTAL	**202.93**	157.81

	Leasehold Land	Leasehold Buildings	Plant and Machinery	TOTAL
Gross Carrying Amount				
Balance as at 1st April 2020	**71.12**	**106.65**	**0.55**	**178.32**
Additions	26.08	26.29	-	**52.37**
Acquisition under Business Combination (refer Note 52B)	-	5.02	-	**5.02**
Disposals / Adjustments	(0.09)	(7.75)	-	**(7.84)**
Foreign Currency Translation	(1.62)	(0.59)	0.01	**(2.20)**
Balance as at 31st March 2021	**95.49**	**129.62**	**0.56**	**225.67**
Additions	30.57	62.66	-	**93.23**
Disposals / Adjustments	(7.79)	(12.95)	-	**(20.74)**
Foreign Currency Translation	(0.14)	0.82	(0.01)	**0.67**
Balance as at 31st March 2022	**118.13**	**180.15**	**0.55**	**298.83**
Accumulated Depreciation and Impairment				
Balance as at 1st April 2020	**(3.78)**	**(27.40)**	**(0.14)**	**(31.32)**
Eliminated on disposal of assets	-	0.21	-	**0.21**
Acquisition under Business Combination (refer Note 52B)	-	(2.03)	-	**(2.03)**
Depreciation expense	(3.46)	(31.51)	(0.14)	**(35.11)**
Foreign Currency Translation	0.14	0.25	-	**0.39**
Balance as at 31st March 2021	**(7.10)**	**(60.48)**	**(0.28)**	**(67.86)**
Eliminated on disposal of assets	2.55	10.21	-	**12.76**
Depreciation expense	(4.55)	(35.66)	(0.14)	**(40.35)**
Foreign Currency Translation	(0.07)	(0.38)	-	**(0.45)**
Balance as at 31st March 2022	**(9.17)**	**(86.31)**	**(0.42)**	**(95.90)**
Net Carrying Amount				
Balance as at 1st April 2020	**67.34**	**79.25**	**0.41**	**147.00**
Additions	26.08	26.29	-	**52.37**
Acquisition under Business Combination (refer Note 52B)	-	2.99	-	**2.99**
Disposals / Adjustments	(0.09)	(7.75)	-	**(7.84)**
Depreciation expense	(3.46)	(31.51)	(0.14)	**(35.11)**
Depreciation Eliminated on disposal of assets	-	0.21	-	**0.21**
Foreign Currency Translation	(1.48)	(0.34)	0.01	**(1.81)**
Balance as at 31st March 2021	**88.39**	**69.14**	**0.28**	**157.81**
Additions	30.57	62.66	-	**93.23**
Disposals / Adjustments	(7.79)	(12.95)	-	**(20.74)**
Depreciation expense	(4.55)	(35.66)	(0.14)	**(40.35)**
Depreciation Eliminated on disposal of assets	2.55	10.21	-	**12.76**
Foreign Currency Translation	(0.21)	0.44	(0.01)	**0.22**
Balance as at 31st March 2022	**108.96**	**93.84**	**0.13**	**202.93**

(₹ in crores)

6 Goodwill and Other Intangible Assets

	As at 31st March 2022	As at 31st March 2021
Carrying Amounts		
• Goodwill on Consolidation	**1,183.87**	1,182.63
• Goodwill (acquired separately)	**102.96**	101.32
Total Goodwill (A)	**1,286.83**	1,283.95
Other Intangible Assets		
• Trademark	**1,390.01**	1,395.83
• Computer Software	**20.65**	20.03
• Copyrights	**4.48**	4.48
• Technical Knowhow Fees	**26.01**	32.79
• Commercial Knowhow Fees	**30.24**	36.38
• Non Compete Fees	**0.76**	0.80
• Distribution Network	**186.49**	200.82
Total Other Intangible Assets (B)	**1,658.64**	1,691.13
Total Intangible Assets (A+B)	**2,945.47**	2,975.08

(₹ in crores)

	Goodwill	Trade-mark	Computer Software	Copy-rights	Technical Knowhow Fees	Commercial Knowhow Fees	Non Compete Fees	Distributor Relation-ships	TOTAL
Gross Carrying Amount									
Balance as at 1st April 2020	**184.03**	**251.54**	**62.20**	**4.48**	**74.58**	**59.97**	**5.42**	**-**	**642.22**
Additions	-	0.45	9.44	-	-	-	-	-	**9.89**
Acquisition under Business Combination (refer Note 52B)	1,100.10	1,158.72	-	-	0.82	-	-	215.00	**2,474.64**
Disposals / Adjustments	-	(0.45)	-	-	-	-	-	-	**(0.45)**
Foreign Currency Translation	(0.18)	(1.13)	(0.09)	-	(0.23)	-	-	-	**(1.63)**
Balance as at 31st March 2021	**1,283.95**	**1,409.13**	**71.55**	**4.48**	**75.17**	**59.97**	**5.42**	**215.00**	**3,124.67**
Additions	-	-	6.92	-	-	-	-	-	**6.92**
Disposals / Adjustments	-	-	(11.12)	-	(0.62)	-	-	-	**(11.74)**
Foreign Currency Translation	2.88	(3.27)	(0.08)	-	(0.88)	-	-	-	**(1.35)**
Balance as at 31st March 2022	**1,286.83**	**1,405.86**	**67.27**	**4.48**	**73.67**	**59.97**	**5.42**	**215.00**	**3,118.50**
Accumulated Amortisation and Impairment									
Balance as at 1st April 2020	**-**	**(10.95)**	**(46.96)**	**-**	**(36.24)**	**(25.94)**	**(4.37)**	**-**	**(124.46)**
Acquisition under Business Combination (refer Note 52B)	-	-	-	-	(0.02)	-	-	-	**(0.02)**
Amortisation expense	-	(2.44)	(4.61)	-	(3.93)	-	(0.25)	(14.18)	**(25.41)**
Foreign Currency Translation	-	0.10	0.05	-	(2.19)	2.35	-	-	**0.31**
Balance as at 31st March 2021	**-**	**(13.29)**	**(51.52)**	**-**	**(42.38)**	**(23.59)**	**(4.62)**	**(14.18)**	**(149.58)**
Amortisation expense	-	(2.45)	(5.69)	-	(6.39)	(6.13)	(0.05)	(14.33)	**(35.04)**
Eliminated on disposal of assets	-	-	10.73	-	0.56	-	-	-	**11.29**
Foreign Currency Translation	-	(0.11)	(0.14)	-	0.55	(0.01)	0.01	-	**0.30**
Balance as at 31st March 2022	**-**	**(15.85)**	**(46.62)**	**-**	**(47.66)**	**(29.73)**	**(4.66)**	**(28.51)**	**(173.03)**
Net Carrying Amount									
Balance as at 1st April 2020	**184.03**	**240.59**	**15.24**	**4.48**	**38.34**	**34.03**	**1.05**	**-**	**517.76**
Additions	-	0.45	9.44	-	-	-	-	-	**9.89**
Acquisition under Business Combination (refer Note 52B)	1,100.10	1,158.72	-	-	0.80	-	-	215.00	**2,474.62**
Disposals / Adjustments	-	(0.45)	-	-	-	-	-	-	**(0.45)**
Amortisation expense	-	(2.44)	(4.61)	-	(3.93)	-	(0.25)	(14.18)	**(25.41)**
Foreign Currency Translation	(0.19)	(1.03)	(0.04)	-	(2.42)	2.35	-	-	**(1.33)**
Balance as at 31st March 2021	**1,283.95**	**1,395.84**	**20.03**	**4.48**	**32.79**	**36.38**	**0.80**	**200.82**	**2,975.08**
Additions	-	-	6.92	-	-	-	-	-	**6.92**
Disposals / Adjustments	-	-	(11.12)	-	(0.62)	-	-	-	**(11.74)**
Amortisation expense	-	(2.45)	(5.69)	-	(6.39)	(6.13)	(0.05)	(14.33)	**(35.04)**
Amortisation Eliminated on disposal of assets	-	-	10.73	-	0.56	-	-	-	**11.29**
Foreign Currency Translation	2.88	(3.38)	(0.22)	-	(0.33)	(0.01)	0.01	-	**(1.05)**
Balance as at 31st March 2022	**1,286.83**	**1,390.01**	**20.65**	**4.48**	**26.01**	**30.24**	**0.76**	**186.49**	**2,945.47**

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 2022	As at 31st March 2021
Goodwill on Consolidation		
• Cipy Polyurethanes Pvt Ltd (CIPY)	**57.62**	57.62
• Pidilite Bamco Ltd (Bamco)	**24.03**	22.94
• Bhimad Commercial Co Pvt Ltd (Bhimad)	**0.01**	0.01
• Madhumala Ventures Pvt Ltd (Madhumala)	**0.01**	0.01
• Pidilite Industries Egypt SAE (PIE)	**2.10**	1.95
• Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (refer Note 52B)	**59.21**	59.21
• Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Pvt Ltd) (refer Note 52B)	**1,040.89**	1,040.89
Total (A)	**1,183.87**	1,182.63
Goodwill acquired separately*		
• Pidilite Industries Limited	**86.34**	86.11
• Nitin Enterprises (Nitin)	**-**	0.23
• Building Envelope Systems India Ltd (BESI)	**0.55**	0.55
• Nina Percept Private Limited (Nina Percept)	**5.13**	5.13
• ICA Pidilite Private Limited (ICA)	**2.08**	2.08
• Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda (Pulvitec)	**8.34**	6.71
• Pidilite USA Inc (PUSA)	**0.52**	0.51
Total (B)	**102.96**	101.32
Total Goodwill (A+B)	**1,286.83**	1,283.95

*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 2022. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark is required to be recognised.

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

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management for next year, estimates prepared for the next 4 years thereafter and a discount rate of **12.0%** per annum (11.7% per annum as at 31st March 2021).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady **7%** per annum (7% per annum as at 31st March 2021) 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 **12.3%** (CAGR) (10.8% as at 31st March 2021) 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%** (0.2% as at 31st March 2021) 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 2022		As at 31st March 2021	
	Qty	₹ in crores	Qty	₹ in crores
Carrying amount determined using the Equity method of accounting				
A] Investment in Associates (fully paid up)				
i] Investment in Equity Instruments (Quoted)				
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	**74,51,540**	**1.18**	74,51,540	1.18
Add: Share in accumulated Profits / Reserves		**38.29**		26.93
		39.47		28.11
ii] Investments in Equity and Preference Shares (Unquoted) [refer Note 56 (a)]				
• Equity Shares of ₹ 10 each of Aapkapainter Solutions Pvt Ltd	**903**	**2.98**	-	-
• Cumulative Compulsory Convertible Preference Shares (CCPS) of ₹ 100 each of Aapkapainter Solutions Pvt Ltd	**8,648**	**17.39**	4,062	5.00
Add: Share in accumulated Profits / Reserves		**(2.93)**		(0.64)
		17.44		4.36
#CCPS will be equivaluent to 7,477 Equity Shares				
iii] Investments in Preference Shares (Unquoted) [refer Note 56 (a)]				
• Cumulative Compulsory Convertible Preference Shares of ₹ 10 each of Kaarwan Eduventures Pvt Ltd	**406**	**3.75**	-	-
Total [A]		**60.66**		32.47
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)]		**60.66**		32.47
• Aggregate carrying value of quoted investments		**39.47**		28.11
• Aggregate market value of quoted investments		**195.57**		86.44
• Aggregate carrying value of unquoted investments		**21.19**		4.36
• Aggregate amount of Impairment in value of investments		**1.77**		1.77

8 Investments - Non-Current

	As at 31st March 2022		As at 31st March 2021	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Equity Instruments (fully paid up) (at FVTPL) (Unquoted) [refer Note 56 (a)]				
Equity Shares of ₹ 10 each of Climacrew Private Limited*	**1,000**	**0.00**	-	-
Equity Shares of ₹ 1 each of Constrobot Robotics Pvt Ltd	**1,31,907**	**1.56**	-	-
Equity Shares of ₹ 10 each of Homevista Décor & Furnishings Pvt Ltd	**1,19,039**	**4.87**	-	-
Equity Shares of ₹ 10 each of Finemake Technologies Private Limited*	**1**	**0.00**		
Total [A]		**6.43**		-
B] Investments in Preference Shares (at FVTPL) (Quoted)				
Non-Cumulative Perpetual Preference shares of Kotak Mahindra Bank Ltd	**3,00,00,000**	**15.03**	3,00,00,000	15.20
Total [B]		**15.03**		15.20
C] Investment in Bonds (at FVTPL) (Quoted)				
Units of Bharat Bond ETFs	**2,50,000**	**29.25**	2,50,000	27.85
Total [C]		**29.25**		27.85

* Less than ₹ 1 Lac

	As at 31st March 2022		As at 31st March 2021	
	Qty	₹ in crores	Qty	₹ in crores
D] Investment in Alternative Investment Fund (at FVTPL) (Unquoted)				
Units of Fireside Ventures Investment Fund II	**1,00,000**	**11.64**	50,000	3.49
Total [D]		**11.64**		3.49
E] Investment in Debentures and Promissory Note (at FVTPL) (Unquoted)				
Convertible Promissory Note of Clare Inc**	**-**	**-**	1	3.68
Non Cumulative Compulsory Convertible Debentures of ₹ 10,000 each of Pepperfry Private Limited (formerly known as M/s. Trendsutra Platform Services Private Limited) [refer Note 56 (a)]	**1,502.00**	**1.50**	-	-
Total [E]		**1.50**		3.68
F] Investments in Preference Shares (at FVTPL) (Unquoted) [refer Note 56 (a)]				
• Compulsory Convertible Cumulative Preference Shares of ₹ 20 each of Homevista Décor & Furnishings Pvt Ltd	**20,10,295**	**62.58**	17,52,734	49.00
• Compulsory Convertible Cumulative Preference Shares of ₹ 100 each of Home Interior Désigns E.Commerce Pvt Ltd	**9,32,488**	**19.15**	9,32,488	19.15
• Non Cumulative Compulsory Convertible Preference Shares of ₹ 20 each of Pepperfry Private Limited (formerly known as M/s. Trendsutra Platform Services Private Limited)"	**1,47,80,200**	**71.48**	1,47,80,200	71.48
• Preference Shares of ₹ 10 each of Finemake Technologies Private Limited	**1,354**	**2.00**	-	-
• Preferred stock of USD 0.00001 of Clare Inc**	**7,57,576**	**4.68**	-	-
Total [F]		**159.89**		139.63
G] Investment in Promissory Note (at amortised cost) (Unquoted)				
Convertible Promissory Note of Optmed Inc***	**1**	**5.61**	1	5.51
Less : Impairment in value of Investments		**(4.96)**		(4.96)
Total [G]		**0.65**		0.55
H] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of IDFC Money Manager Fund	**9,191**	**0.04**	9,191	0.04
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	**-**	**-**	2,00,00,000	25.09
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	**-**	**-**	2,00,00,000	24.02
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	**-**	**-**	2,00,00,000	24.57
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	**-**	**-**	2,00,00,000	24.17
• Units of IDFC FTP Series 149 (1424 days) - Direct Plan Growth	**-**	**-**	1,50,00,000	18.75
Total [H]		**0.04**		116.64
Total Investments [A+B+C+D+E+F+G+H]		**224.43**		307.04
• Aggregate carrying value of quoted investments		**44.28**		43.05
• Aggregate market value of quoted investments		**44.28**		43.05
• Aggregate carrying value of unquoted investments		**180.15**		263.99
• Aggregate amount of Impairment in value of investments		**4.96**		4.96

** In the year 2018, Group had invested in convertible promissory note which contains an embedded derivative in the form of an equity conversion option upon qualifying conditions. Group had elected the option to measure the hybrid instrument at fair value in its entirety with changes in fair value recognized in Profit and Loss. During the year, Group converted the convertible promissory note amounting to ₹ 3.68 crores and the outstanding accrued interest thereon amounting to ₹ 0.87 crores into preferred stock.

*** 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 ended 31st March 2021, Group has recognised impairment amounting to ₹ 3.62 crores (refer Note 41).

Notes forming part of the consolidated financial statements

9 Investments - Current

	As at 31st March 2022		As at 31st March 2021	
	Qty	₹ in crores	Qty	₹ in crores
A] Investments in Mutual Funds (at FVTPL) (Quoted)				
• Units of SBI FMP Series C33 (1216 days) - Direct Growth	**2,00,00,000**	**25.81**	2,00,00,000	24.73
• Units of ICICI Prudential Overnight Fund -Direct-Growth	**1,01,804**	**3.21**	1,01,804	3.10
• Units of HDFC Liquid Fund - Growth	**3,592**	**1.50**	1,856	0.75
• Units of SBI Liquid Fund - Growth	**4,513**	**1.50**	2,331	0.75
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	**2,00,00,000**	**26.14**	-	-
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	**2,00,00,000**	**25.06**	-	-
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	**2,00,00,000**	**25.60**	-	-
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	**2,00,00,000**	**25.18**	-	-
• Units of IDFC FTP Series 149 (1424 days) - Direct Growth	**1,50,00,000**	**19.52**	-	-
• Units of Axis Liquid Fund	**8,516**	**2.00**	-	-
• Units of Axis Treasury Advantage Fund	**7,743**	**2.00**	-	-
• Units of HDFC Ultra Short Term Fund	**12,20,544**	**1.50**	-	-
• Units of Kotak Overnight Fund	**17,644**	**2.00**	-	-
• Units of Kotak Savings Fund	**4,21,412**	**1.50**	-	-
• Units of L&T Ultra short term Fund- Growth	**5,56,184**	**2.00**	-	-
• Units of Nippon India Mutual Fund	**3,861**	**2.00**	-	-
• Units of SBI Magnum Ultra Short Duration Fund	**3,071**	**1.50**	-	-
• Units of SBI Overnight Fund	**5,780**	**2.00**	-	-
• Units of HDFC Overnight Fund - Growth	**6,349**	**2.00**	-	-
• Units of Kotak Liquid Fund	**3,493**	**1.50**	-	-
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	**-**	**-**	1,00,00,000	12.58
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	**-**	**-**	2,00,00,000	25.07
• Units of DSP BlackRock FMP S223-39M - Direct Growth	**-**	**-**	1,50,00,000	18.95
• Units of DSP BlackRock FMP S224-39M - Direct Growth	**-**	**-**	1,50,00,000	18.81
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	**-**	**-**	1,00,00,000	12.64
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	**-**	**-**	1,00,00,000	12.56
• Units of IDFC FTP Series 140 Direct Plan - Growth (1145 days)	**-**	**-**	1,50,00,000	18.88
• Units of Kotak FMP Series 219 - Direct Growth	**-**	**-**	1,50,00,000	18.86
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	**-**	**-**	50,00,000	6.28
• Units of ICICI Prudential Equity Arbitrage Fund - Growth	**-**	**-**	3,56,760	1.00
• Units of IDFC Arbitrage Fund - Growth	**-**	**-**	3,74,231	1.00
• Units of L&T Ultra Short Term Fund - Growth	**-**	**-**	1,42,467	0.50
Total [A]		**173.52**		176.46
B] 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 [B]		**-**		-
TOTAL [A+B]		**173.52**		176.46
• Aggregate carrying value of quoted investments		**-**		-
• Aggregate market value of quoted investments		**-**		-
• Aggregate carrying value of unquoted investments		**173.52**		176.46
• Aggregate amount of Impairment in value of investments		**8.80**		8.80

(₹ in crores)

10 Trade Receivables

	As at 31st March 2022	As at 31st March 2021
• Secured, Considered good	**133.91**	114.31
• Unsecured, Considered good	**1,296.63**	1,206.71
• Unsecured, Considered doubtful	**99.77**	88.53
• Unsecured which have Significant Increase in Credit Risk	**-**	-
• Unsecured, Credit Impaired	**-**	-
	1,530.31	1,409.55
Less: Allowance for expected credit loss	**(99.77)**	(88.53)
TOTAL	**1,430.54**	1,321.02

Trade Receivables ageing schedule

		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More Than 3 years	TOTAL
(i)	Undisputed Trade	**1,320.55**	**94.65**	**8.56**	**3.55**	**2.45**	**0.78**	**1,430.54**
	Receivables – considered good	(1,132.23)	(175.97)	(8.27)	(3.30)	(1.10)	(0.14)	(1,321.01)
(ii)	Undisputed Trade	**-**	**10.86**	**15.34**	**10.84**	**13.92**	**12.97**	**63.92**
	Receivables – considered doubtful	-	(6.33)	(8.73)	(20.82)	(8.99)	(15.96)	(60.83)
(iii)	Disputed Trade	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Receivables – considered good	-	-	-	-	-	-	-
(iv)	Disputed Trade	**-**	**0.07**	**0.59**	**3.65**	**12.15**	**19.39**	**35.85**
	Receivables – considered doubtful	-	-	(0.93)	(5.24)	(4.88)	(16.65)	(27.70)
		1,320.55	**105.58**	**24.49**	**18.04**	**28.51**	**33.14**	**1,530.31**
		(1,132.23)	(182.30)	(17.93)	(29.36)	(14.98)	(32.75)	(1,409.55)

Less: Allowance for expected credit loss	**99.77**
	(88.53)
TOTAL	**1,430.54**
	(1,321.02)

Figures in brackets () represents previous year

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 2022	For the year ended 31st March 2021
Balance at the beginning of the year	**88.53**	77.52
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**11.24**	11.01
TOTAL	**99.77**	88.53

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 2022	As at 31st March 2021
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**5.05**	4.85
Loans to Joint Venture*	**4.82**	4.82
Less: Impairment in value of loan	**(4.82)**	(4.82)
	-	-
TOTAL	**5.05**	4.85

*given for business purpose.

(₹ in crores)

12 Loans - Current

	As at 31st March 2022	As at 31st March 2021
Unsecured, Considered good		
Loans and Advances to Employees & Others*	**17.22**	16.89
TOTAL	**17.22**	16.89

*given for business purpose.

13 Other Financial Assets - Non-Current

	As at 31st March 2022	As at 31st March 2021
Security Deposit		
Unsecured, Considered good	**22.38**	17.69
Considered doubtful	**-**	-
	22.38	17.69
Fixed Deposits with Banks with original maturity of more than 12 months*	**12.21**	9.45
Retention Money Receivable	**29.86**	23.82
Other Receivables		
Unsecured, Considered good	**-**	0.10
Considered doubtful	**1.74**	1.74
	1.74	1.84
Less: Allowance for doubtful balances	**(1.74)**	(1.74)
	-	0.10
TOTAL	**64.45**	51.06
* Includes Fixed Deposit under lien	**2.32**	2.02

14 Other Financial Assets - Current

	As at 31st March 2022	As at 31st March 2021
Security Deposit		
Unsecured, Considered good	**9.60**	9.13
Considered doubtful	**0.16**	0.44
	9.76	9.57
Less: Allowance for doubtful balances	**(0.16)**	(0.44)
	9.60	9.13
Derivative assets towards foreign exchange forward contracts	**0.44**	0.18
Retention Money Receivable		
Unsecured, Considered good	**14.54**	16.17
Considered doubtful	**9.46**	5.25
	24.00	21.42
Less: Allowance for doubtful balances	**(9.46)**	(5.25)
	14.54	16.17
Uncertified Revenue from Works Contract	**56.53**	56.05
Other Receivables*	**4.90**	3.73
TOTAL	**86.01**	85.26

* Includes Windmill income and Insurance claim receivable

(₹ in crores)

15 Cash and Cash Equivalents

	As at 31st March 2022	As at 31st March 2021
Cash and Cash Equivalents		
Cash on Hand	**4.01**	2.25
Cheques on Hand	**56.76**	55.50
Balance with banks		
In Current Account	**159.01**	178.07
In EEFC Account	**21.99**	19.71
In Fixed Deposit Accounts with original maturity of 3 months or less	**110.30**	187.12
TOTAL	**352.07**	442.65
Cash and Cash Equivalents (as above)	**352.07**	442.65
Cash Credits and Bank Overdrafts (refer Note 25)	**(95.60)**	(115.45)
Cash and Cash equivalents (as per Statement of Cash Flows)	**256.47**	327.20

16 Bank Balances other than Cash and Cash Equivalents above

	As at 31st March 2022	As at 31st March 2021
Balance with banks		
In Escrow Account	**0.08**	0.04
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	**0.06**	2.84
In Fixed Deposit Accounts with original maturity of more than 3 months but upto 12 months (refer Note a)	**0.32**	3.37
Earmarked Account		
Dividend Payment Bank Account	**2.64**	2.56
TOTAL	**3.10**	8.81
a. Includes Fixed Deposit under lien	**0.24**	-

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

	As at 31st March 2022	As at 31st March 2021
Raw Material and Packing Material	**812.71**	598.38
Work-in-Progress	**134.23**	94.98
Finished Goods	**539.79**	375.70
Stock-in-Trade (acquired for trading)	**197.91**	156.29
Stores and Spares	**10.45**	8.80
TOTAL	**1,695.09**	1,234.15
Included above Goods-in-Transit		
Raw Material and Packing Material	**72.16**	52.55
Work-in-Progress	**6.48**	3.50
Finished Goods	**63.52**	49.42
Stock-in-Trade (acquired for trading)	**28.43**	16.64
TOTAL	**170.59**	122.11

a. The cost of inventories recognised as an expense during the year was ₹ **5,444.18** crores (₹ 3,376.67 crores for the year ended 31st March 2021).

b. The cost of inventories recognised as an expense includes ₹ **1.91** crores in respect of write-downs of inventory to net realisable value (₹ 0.43 crores for the year ended 31st March 2021).

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

Notes forming part of the consolidated financial statements

(₹ in crores)

18 Income Tax Assets (net) - Non-Current

	As at 31st March 2022	As at 31st March 2021
Advance Payment of Taxes (net of provisions)	**140.08**	97.12
TOTAL	**140.08**	97.12

19 Current Tax Assets (net)

	As at 31st March 2022	As at 31st March 2021
Advance Payment of Taxes (net of provisions)	**2.95**	3.13
TOTAL	**2.95**	3.13

20 Other Non-Current Assets

	As at 31st March 2022	As at 31st March 2021
Unsecured, Considered good		
Capital Advances	**32.79**	64.65
Prepaid Expenses	**1.06**	0.16
Balance with Government Authorities*	**21.53**	29.32
TOTAL	**55.38**	94.13

* 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 2022	As at 31st March 2021
Export Benefits receivable		
Unsecured, Considered good	**6.83**	8.79
Considered doubtful	**0.26**	-
	7.09	8.79
Less: Allowance for doubtful balances	**(0.26)**	-
	6.83	8.79
Balance with Government Authorities*		
Unsecured, Considered good	**178.00**	141.35
Considered doubtful	**0.09**	0.09
	178.09	141.44
Less: Allowance for doubtful balances	**(0.09)**	(0.09)
	178.00	141.35
Advances to Vendors		
Unsecured, Considered good	**44.71**	62.73
Considered doubtful	**0.01**	0.01
	44.72	62.74
Less: Allowance for doubtful balances	**(0.01)**	(0.01)
	44.71	62.73
Prepaid Expenses	**25.57**	14.13
TOTAL	**255.11**	227.00

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

(₹ in crores)

		As at 31st March 2022	As at 31st March 2021
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 2021)		
	TOTAL	**70.00**	70.00
	Issued, Subscribed and Paid-up Capital:		
50,82,88,415	Equity Shares of ₹ 1 each, fully paid up	**50.83**	50.82
(50,81,53,380	Equity Shares of ₹ 1 each as at 31st March 2021)		
	TOTAL	**50.83**	50.82

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 2020	50,81,23,780	50.81
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	29,600	0.01
Balance as at 31st March 2021	50,81,53,380	50.82
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016	1,35,035	0.01
Balance as at 31st March 2022	**50,82,88,415**	**50.83**

b. Terms / Rights attached to equity shares

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

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

The Board of Directors at its meeting held on 18th May 2022 declared a final dividend of ₹ 10.00 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2022, the Company had paid Final Dividend of ₹ 8.50 per equity share of ₹ 1 each for the financial year 2020-21.

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

	As at 31st March 2022		As at 31st March 2021	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	**5,15,51,286**	**10.14**	5,20,51,286	10.24
Shri Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.68**	5,42,73,688	10.68
Shri Ajay Balvantray Parekh	**4,74,33,489**	**9.33**	4,74,33,489	9.33
Shri Sushilkumar Kalyanji Parekh	**-**	**-**	4,13,97,646	8.15
Devkalyan Sales Pvt Ltd	**2,62,24,280**	**5.16**	2,62,24,280	5.16
Mrudula Sushilkumar Parekh	**4,05,25,693**	**7.97**	15,47,527	0.30

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 2022	As at 31st March 2021
	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 2022	As at 31st March 2021
	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	**37,34,975**	38,35,210

f. Shares held by promoters as defined in the Companies Act, 2013 at the end of the year

Promoters Name	As at 31st March 2022		As at 31st March 2021		% change during the year
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	
Narendrakumar Kalyanji Parekh	**5,42,73,688**	**10.68**	5,42,73,688	10.68	0.00
Madhukar Balvantray Parekh	**5,15,51,286**	**10.14**	5,20,51,286	10.24	(0.10)
Ajay Balvantray Parekh	**4,74,33,489**	**9.33**	4,74,33,489	9.33	0.00
Mrudula Sushilkumar Parekh	**4,05,25,693**	**7.97**	15,47,527	0.30	7.67
Sushilkumar Kalyanji Parekh	**-**	**-**	4,13,97,646	8.14	(8.14)
Kalpana Apurva Parekh	**65,77,079**	**1.29**	65,77,079	1.29	0.00
Mala Madhukar Parekh	**64,98,618**	**1.28**	95,98,618	1.89	(0.61)
Darshana Bimal Mody	**57,41,535**	**1.13**	57,41,535	1.13	0.00
Ami Ajay Parekh	**55,50,120**	**1.09**	55,50,120	1.09	0.00
Jasna Raoul Thackersey	**35,76,765**	**0.70**	35,76,765	0.70	0.00
Harish Himatlal Parekh	**33,13,443**	**0.65**	33,38,443	0.66	(0.01)
Rashmikant Himatlal Parekh	**32,47,570**	**0.64**	34,32,570	0.68	(0.04)
Apurva Narendrakumar Parekh	**30,76,918**	**0.61**	30,76,918	0.61	0.00
Neerav A Parekh	**27,25,476**	**0.54**	28,50,000	0.56	(0.02)
Amrita Ajay Parekh	**19,47,130**	**0.38**	19,47,130	0.38	0.00
Bharati Narendrakumar Parekh	**17,72,323**	**0.35**	17,72,323	0.35	0.00
Parul Harish Parekh	**14,20,074**	**0.28**	14,45,074	0.28	0.00
Kamalini Rashmikant Parekh	**11,06,055**	**0.22**	11,06,055	0.22	0.00
Harshada Harvadan Vakil	**7,97,429**	**0.16**	8,04,929	0.16	0.00
Purvee Apurva Parekh	**7,93,299**	**0.16**	7,93,299	0.16	0.00
Panna Deepak Sanghavi	**6,62,391**	**0.13**	7,39,891	0.15	(0.02)
Malay Rashmikant Parekh	**4,21,286**	**0.08**	4,51,286	0.09	(0.01)
Anuja Ankur Shah	**2,53,670**	**0.05**	1,38,670	0.03	0.02
Jimeet D Sanghavi	**1,00,000**	**0.02**	1,00,000	0.02	0.00
Urvi Malay Parekh	**50,663**	**0.01**	50,663	0.01	0.00
Harvadan Manilal Vakil	**41,430**	**0.01**	41,430	0.01	0.00
Ishita Rajiv Amersey	**36,00,000**	**0.71**	-	-	0.71
Maithili Apurva Parekh	**27,59,598**	**0.54**	32,59,598	0.64	(0.10)
Prakash Shah (Trustee of SANMP Private Beneficiary Trust)	**82,00,000**	**1.61**	82,00,000	1.61	0.00
Apurva Parekh (Trustee of NKP Family Trust)	**40,00,000**	**0.79**	40,00,000	0.79	0.00
Prakash Dharshibhai Shah (Trustee of I M Family Trust)	**35,80,217**	**0.70**	35,80,217	0.70	0.00
Ajay Balvantray Parekh (Trustee of Ruchi India Trust)	**19,47,480**	**0.38**	-	-	0.38
Malay Rashmikant Parekh (Trustee of Anuja Family Trust)	**25,000**	**0.00***	25,000	0.00*	0.00
Malay Rashmikant Parekh (Trustee of Malay Family Trust)	**12,500**	**0.00***	12,500	0.00*	0.00
Devkalyan Sales Private Ltd	**2,62,24,280**	**5.16**	2,62,24,280	5.16	0.00
Ishijas Chemicals Private Limited	**2,49,62,038**	**4.91**	2,48,62,038	4.89	0.02
Harton Private Limited	**1,23,57,634**	**2.43**	1,23,57,634	2.43	0.00
The Vacuum Forming Company Pvt Ltd	**1,14,62,186**	**2.26**	1,14,62,186	2.26	0.00
Pidichem Pvt Ltd	**87,83,916**	**1.73**	85,83,916	1.69	0.04
Parkem Dyes & Chemicals Pvt Ltd	**14,36,510**	**0.28**	14,36,510	0.28	0.00
Kalva Marketing And Services Ltd	**13,82,628**	**0.27**	13,82,628	0.27	0.00
Parekh Marketing Limited	**8,56,700**	**0.17**	8,56,700	0.17	0.00
Trivenikalyan Trading Pvt Ltd	**4,63,040**	**0.09**	4,63,040	0.09	0.00
TOTAL	**35,55,11,157**		35,65,42,681		

* denoted percentage less than 0.01

(₹ in crores)

23 Other Equity

	As at 31st March 2022	As at 31st March 2021
Capital Reserve	**0.34**	0.34
Securities Premium	**46.51**	26.04
Capital Redemption Reserve	**0.50**	0.50
Cash Subsidy Reserve	**0.95**	0.95
Legal Reserve	**0.27**	0.26
State Investment Reserve	**0.15**	0.15
Share Options Outstanding Account	**33.05**	25.42
Foreign Currency Translation Reserve	**7.11**	18.32
General Reserve	**1,335.38**	1,335.38
Retained Earnings	**4,928.62**	4,134.78
TOTAL	**6,352.88**	5,542.14

23.1 Capital Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning and end of the year	**0.34**	0.34

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

23.2 Securities Premium

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	**26.04**	23.21
Add : Premium on Shares issued against ESOP	**20.47**	2.83
Closing Balance	**46.51**	26.04

Securities Premium 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, and Group can use this reserve for buy-back of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

23.3 Capital Redemption Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning and end of the year	**0.50**	0.50

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

(₹ in crores)

23.4 Cash Subsidy Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning and end of the year	**0.95**	0.95

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

23.5 Legal Reserve

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	**0.26**	0.25
Add : Additions during the year	**0.01**	0.01
Closing Balance	**0.27**	0.26

According to Thai Civil and Commercial Code, Thai Subsidiary of a 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 2022	As at 31st March 2021
Balance at the beginning and end of the year	**0.15**	0.15

State Investment Reserve represents subsidies received by Hybrid Coatings (a subsidiary of the Company) 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 2022	As at 31st March 2021
Employees Stock Options Outstanding		
Balance at the beginning of the year	**56.65**	16.95
Add : Options granted during the year	**19.84**	42.59
Less : Transferred to Securities Premium on Options exercised during the year	**(20.47)**	(2.83)
Less : Lapsed during the year	**(1.50)**	(0.06)
Closing Balance (A)	**54.52**	56.65
Deferred Employees Stock Options Cost		
Balance at the beginning of the year	**(31.23)**	(6.06)
Less: Options granted during the year	**(19.84)**	(42.59)
Add: Amortised and exercised during the year	**28.55**	17.40
Add: Lapsed during the year	**1.05**	0.02
Closing Balance (B)	**(21.47)**	(31.23)
Closing Balance (A+B)	**33.05**	25.42

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 2022	As at 31st March 2021
Balance at the beginning of the year	**18.32**	28.83
Less : Exchange difference arising on translatory foreign operations	**(11.21)**	(10.51)
Closing Balance	**7.11**	18.32

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 2022	As at 31st March 2021
Balance at the beginning and end of the year	**1,335.38**	1,335.38

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

23.10 Retained Earnings

	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	**4,134.78**	3,004.30
Add : Profit for the year	**1,207.56**	1,131.21
Less : Payment of Final Dividend	**(431.93)**	(0.02)
Tax on Buy Back of Shares of a Subsidiary (refer Note 56 {b})	**(0.59)**	-
Change in Group Interest (refer Note 42 {b})	**28.22**	-
Other Comprehensive Income for the year, net of income tax	**(9.42)**	(0.71)
Closing Balance	**4,928.62**	4,134.78

The amount that can be distributed by the Company as dividend 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 2022	As at 31st March 2021
Secured- Term Loan from Bank (refer Note i)	**-**	7.85
Unsecured- Term Loan from Bank (refer Note ii)	**1.72**	4.54
TOTAL	**1.72**	12.39

i) Secured working capital demand loan for domestic subsidiaries as at 31st March 2021 carries interest rate of 8.00% p.a. and for international subsidiaries at 5.48% to 9.92% p.a.. The group working capital demand loan is secured by receivables, inventories, outstanding monies and other assets.

ii) Unsecured term loan from bank for an international subsidiary carries an interest rate of AWPLR - 0.50% p.a. (AWPLR - 0.50% p.a. as at 31st March 2021). Maturity date varies from January 2024 to October 2024 which is repayable in quarterly installments.

Notes forming part of the consolidated financial statements

(₹ in crores)

25 Borrowings - Current

		As at 31st March 2022	As at 31st March 2021
Secured - at amortised cost			
1)	Loans repayable on demand from banks		
	i) Working Capital Demand Loan	**71.88**	25.13
	ii) Bank Overdraft	**56.86**	81.53
2)	Current maturities of non-current borrowings (refer Note 24)*	**-**	2.71
3)	Amount due on Factoring	**6.54**	1.65
Unsecured - at amortised cost			
1)	Loans repayable on demand from banks		
	i) Working Capital Demand Loan	**110.35**	59.28
	ii) Bank Overdraft	**38.74**	33.92
2)	Current portion of non-current borrowings (refer Note 24)*	**1.25**	6.00
TOTAL		**285.62**	210.22

Secured

1) i) Secured working capital demand loan for domestic subsidiaries carries interest rate of 8.00% p.a. (8.00% p.a. as at 31st March 2021) and for international subsidiaries at 2.88% to 5.52% p.a. + CDI, 14.88% p.a. (5.48% to 9.92% p.a. + CDI as at 31st March 2021). The group working capital demand loan is secured by receivables, inventories, outstanding monies and other assets.

ii) Secured bank overdraft for domestic subsidiaries carries interest rate of 8.20% p.a. (8.20% p.a. as at 31st March 2021) and for international subsidiaries at 364 days T- Bill rate + 1.5% (364 days T- Bill rate + 1.5% as at 31st March 2021). It is secured by way of charge to receivables, other assets and inventory.

2) Secured amount due on factoring for domestic subsidiaries carries interest rate (including factoring cost) of 13.00% p.a. (13.00% p.a. as at 31st March 2021). It is secured by a charge against certain trade receivables.

Unsecured

1) i) Unsecured working capital demand loan carries interest rate of T-bill - 4.00% p.a. and for international subsidiaries at 3.30% p.a. + CDI (4.50% p.a. and 3.30% p.a. for international subsidiaries as at 31st March 2021).

ii) Unsecured bank overdraft for international subsidiaries carries interest rate of EIBOR + 1.5% p.a. and AWPLR + 0.35% p.a (EIBOR + 1.5% p.a. and AWPLR + 0.35% p.a as at 31st March 2021).

* Ministry of Corporate Affairs, vide notification dated 24th March 2021 has further prescribed a list of numerous additional disclosures required in the financial statements by amending schedule III to the Companies Act, 2013 which includes presentation of "Current portion of non-current borrowings" under "Current Borrowings". Accordingly previous year figures are also regrouped/reclassified.

26 Trade Payables

	As at 31st March 2022	As at 31st March 2021
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	**89.50**	86.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	**959.79**	920.71
TOTAL	**1,049.29**	1,006.74

(₹ in crores)

Trade Payables ageing schedule

	Not Due	Less than 1 year	1-2 years	2-3 years	More Than 3 years	TOTAL
(i) Micro enterprises and small enterprises (MSME)	**81.06**	**8.44**	**0.00**	**-**	**0.00**	**89.50**
	(83.57)	(2.31)	-	-	-	(85.88)
(ii) Others	**634.45**	**112.87**	**11.96**	**2.07**	**2.79**	**764.14**
	(447.75)	(175.80)	(11.43)	(2.98)	(5.01)	(642.97)
(iii) Disputed Dues - MSME	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	(0.15)	-	-	(0.15)
(vi) Disputed Dues - Others	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(0.02)	(0.02)
(v) Unbilled Dues	**195.65**	**-**	**-**	**-**	**-**	**195.65**
	(277.72)	-	-	-	-	(277.72)
TOTAL	**911.16**	**121.31**	**11.96**	**2.07**	**2.79**	**1,049.29**
	(809.04)	(178.11)	(11.58)	(2.98)	(5.03)	(1,006.74)

Figures in brackets () represents previous year

0.00 - Amount less than ₹ 1 Lac

27 Other Financial Liabilities - Non-Current

	As at 31st March 2022	As at 31st March 2021
Retention money payable	**19.94**	13.33
Employees related liabilities	**-**	0.30
TOTAL	**19.94**	13.63

28 Other Financial Liabilities - Current

	As at 31st March 2022	As at 31st March 2021
Unclaimed Dividend	**2.64**	2.56
BTA payable [refer Note 45 (a)]	**3.31**	3.22
Liability for purchase of investment [refer note 45 (b) and 52B)]	**4.25**	306.22
Payable on purchase of assets	**2.33**	2.40
Trade / Security Deposit received	**156.05**	134.05
Liabilities for expenses	**569.32**	527.35
Derivative liabilities towards foreign exchange forward contracts	**0.67**	0.66
Retention money payable	**14.65**	22.15
Employees related liabilities	**27.10**	26.72
TOTAL	**780.32**	1,025.33

Notes forming part of the consolidated financial statements

(₹ in crores)

29 Provisions - Non-Current

	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits		
Gratuity (net) (refer Note 51)	**5.86**	5.23
Compensated Absences	**53.27**	42.73
Anniversary Awards	**1.78**	1.25
Premature Death Pension Scheme	**2.13**	1.82
Total Disability Pension Scheme	**0.42**	0.37
Other Retirement Benefits	**6.94**	5.91
Others (refer Note 55)	**1.43**	0.67
TOTAL	**71.83**	57.98

30 Provisions - Current

	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits		
Gratuity (net) (refer Note 51)	**19.72**	3.66
Compensated Absences	**15.91**	15.26
Anniversary Awards	**0.31**	0.21
Premature Death Pension Scheme	**0.01**	0.01
Total Disability Pension Scheme	**0.07**	0.06
Other Retirement Benefits	**2.86**	2.74
Provision for warranty expenses (refer Note 55)	**3.81**	3.02
TOTAL	**42.69**	24.96

31 Other Current Liabilities

	As at 31st March 2022	As at 31st March 2021
Statutory remittances	**93.18**	84.51
Advance from customers	**25.74**	28.29
Other liabilities	**2.00**	1.93
TOTAL	**120.92**	114.73

32 Current Tax Liabilities (net)

	As at 31st March 2022	As at 31st March 2021
Provision for Tax (net of Advance Tax)	**13.74**	25.02
TOTAL	**13.74**	25.02

(₹ in crores)

33 Revenue from Operations

	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from Operations*		
Sale of Products	**9,620.11**	7,073.23
Sale of Services	**259.86**	177.69
TOTAL (A)	**9,879.97**	7,250.92
Other Operating Revenue		
Scrap Sales	**17.69**	12.49
Export Incentives	**13.91**	9.33
GST Refund	**2.94**	16.48
Others	**6.45**	3.49
TOTAL (B)	**40.99**	41.79
TOTAL (A+B)	**9,920.96**	7,292.71

* 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 2022	For the year ended 31st March 2021
Contracted Price	**10,799.35**	7,964.46
Reduction towards variable consideration components*	**(919.38)**	(713.54)
Revenue Recognised	**9,879.97**	7,250.92

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

34 Other Income

	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on:		
Bank Deposit (at amortised cost)	**4.01**	6.49
Overdue Trade Receivables	**0.18**	0.40
Tax Free Bonds (at FVTPL)	**-**	8.29
Others	**0.39**	1.66
Dividend on:		
Investments in Preference Shares (at FVTPL)	**1.22**	1.13
Other Non-Operating Income:		
Windmill Income	**1.78**	1.35
Insurance claim received	**3.29**	7.47
Liabilities no longer required written back	**9.29**	0.32
Rental Income from Leases	**1.20**	2.18
Net gain arising on financial assets designated as at FVTPL	**11.93**	40.26
Miscellaneous Income	**3.01**	9.85
TOTAL	**36.30**	79.40

Notes forming part of the consolidated financial statements

(₹ in crores)

35 Cost of Materials Consumed

	For the year ended 31st March 2022	For the year ended 31st March 2021
Inventory at the beginning of the year	**600.19**	420.44
Add : Purchases	**5,253.26**	3,193.20
Add : Acquisition under Business Combination (refer Note 52B)	**-**	2.56
	5,853.45	3,616.20
Less : Inventory at the end of the year	**812.71**	598.38
TOTAL	**5,040.74**	3,017.82

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

	For the year ended 31st March 2022	For the year ended 31st March 2021
Inventories at the end of the year		
Stock-in-Trade	**197.91**	156.29
Work-in-Progress	**134.23**	94.98
Finished Goods	**539.79**	375.70
Total (A)	**871.93**	626.97
Acquisition under Business Combinations (refer Note 52B)		
Stock-in-Trade	**-**	3.48
Finished Goods	**-**	2.50
Total (B)	**-**	5.98
Inventories at the beginning of the year		
Stock-in-Trade	**156.29**	111.30
Work-in-Progress	**94.98**	78.75
Finished Goods	**375.70**	312.62
Total (C)	**626.97**	502.67
TOTAL (C+B-A)	**(244.96)**	(118.32)

37 Employee Benefits Expense

	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	**987.38**	884.38
Contribution to Provident and Other Funds (refer Note 51)	**64.38**	55.28
Share-based Payments to Employees (refer Note 49)	**28.09**	17.24
Staff Welfare Expenses	**32.51**	23.96
TOTAL	**1,112.36**	980.86

38 Finance Costs

	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest expense on:		
Borrowings	**25.28**	15.53
Lease Liability (refer Note 54)	**8.92**	7.91
Unwinding of Liabilities (refer Note 45)	**-**	6.29
Dealer Deposits & others	**7.88**	7.50
TOTAL	**42.08**	37.23

(₹ in crores)

39 Depreciation, Amortisation and Impairment Expense

	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on Property, Plant and Equipment (refer Note 4)	**164.22**	140.14
Depreciation on Right of Use of Assets (refer Note 5 and Note 54)	**40.35**	35.11
Amortisation of Other Intangible Assets (refer Note 6)	**35.04**	25.41
TOTAL	**239.61**	200.66

40 Other Expenses*

		For the year ended 31st March 2022	For the year ended 31st March 2021
Consumption of Stores and Spares		**49.12**	33.63
Clearing, Forwarding and Octroi Duty		**388.38**	331.31
Power and Fuel		**83.07**	55.51
Contract Labour		**139.75**	110.87
Water Charges		**4.82**	13.15
Rent (refer Note 54)		**24.62**	21.67
Rates and Taxes		**9.26**	15.81
Insurance		**20.62**	12.91
License Fees		**1.45**	1.07
Repairs :			
Buildings	**13.11**		10.54
Machinery	**26.01**		18.88
Others	**25.24**		19.00
		64.36	48.42
Directors' Fees		**0.88**	1.05
Advertisement and Publicity		**195.75**	159.76
Legal, Professional and Consultancy Fees		**57.97**	52.49
Communication Expenses		**10.49**	8.42
Printing and Stationery		**4.89**	4.30
Travelling and Conveyance Expenses		**76.62**	62.43
Bad Debts		**6.87**	7.08
Provision for Doubtful Debts		**16.73**	11.01
Processing and Packing Charges		**102.76**	81.89
Sales Commission		**10.52**	12.99
Payments to Auditor (refer Note a)		**3.06**	3.02
Donations		**0.88**	5.18
Commission To Non Executive Directors		**2.00**	1.89
Corporate Social Responsibility Expenses		**27.35**	29.55
Computer and Software Expenses		**46.26**	33.58
Loss on Fixed Assets Sold / Discarded (net)		**9.12**	5.73
Net Loss on Foreign Currency Transactions and Translation		**21.74**	2.37
Miscellaneous Expenses		**137.79**	127.47
TOTAL		**1,517.13**	1,254.56

*Refer Note 56(g).

a. Details of Payments to Auditors of Parent and Subsidiaries (net of taxes)

a) Auditor	**2.35**	2.20
b) Tax Matters	**-**	0.38
c) Other Services	**0.69**	0.42
d) Reimbursement of Expenses	**0.02**	0.02
TOTAL	**3.06**	3.02

41 Exceptional Items

	For the year ended 31st March 2022	For the year ended 31st March 2021
Provision for Diminution / Impairment in value of Investment (refer Note 8G)	**-**	3.62
TOTAL	**-**	3.62

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 2022	Proportion of ownership interest / voting rights held by the Group: As at 31st March 2021
Vinyl Chemicals (India) Ltd	Trading in chemicals	India	**40.64%**	40.64%

(₹ in crores)

(ii) Financial information in respect of Associate

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Group's share of profit	**14.17**	4.62
Group's share of Other Comprehensive Income	**-**	-
Group's share of Total Comprehensive Income	**14.17**	4.62

(iii) Reconciliation with carrying amount of investment

	As at 31st March 2022	As at 31st March 2021
Net assets excluding dividend adjustment	**94.19**	66.25
Share in accumulated Profits / Reserves (%)	**40.64**	40.64
Share in accumulated Profits / Reserves	**38.29**	26.93
Investment in Equity Share Capital	**1.18**	1.18
Total Investment	**39.47**	28.11

B. (i) Details of Associate

Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the Group: As at 31st March 2022	Proportion of ownership interest / voting rights held by the Group: As at 31st March 2021
Aapkapainter Solutions Private Limited	Painting and Waterproofing Solutions	India	**47.67%**	28.89%

(₹ in crores)

(ii) Financial information in respect of Associate

	For the year ended 31st March 2022	For the year ended 31st March 2021
Group's share of loss	**(2.29)**	(0.64)
Group's share of Other Comprehensive Income	**-**	-
Group's share of Total Comprehensive Income	**(2.29)**	(0.64)

(iii) Reconciliation with carrying amount of investment

	As at 31st March 2022	As at 31st March 2021
Net assets excluding dividend adjustment	**11.05**	3.38
Share in accumulated Profits / Reserves (%)	**47.67**	28.89
Share in accumulated Profits / Reserves	**(2.93)**	(0.64)
Investment in Equity & Preference Share Capital	**20.37**	5.00
Total Investment	**17.44**	4.36

C. (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 2022	As at 31st March 2021
Kaarwan Eduventures Private Limited (w.e.f. 30th March 2022)	Architecture, Interior and General Designing	India	28.88%	-

(₹ in crores)

(ii) Financial information in respect of Associate

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Group's share of profit / (loss)	**0.00***	-
Group's share of Other Comprehensive Income	**-**	-
Group's share of Total Comprehensive Income	**0.00**	-

* Less than ₹ 1 Lac

(iii) Reconciliation with carrying amount of investment

	As at 31st March 2022	As at 31st March 2021
Net assets excluding dividend adjustment	**3.76**	-
Share in accumulated Profits / Reserves (%)	**28.88**	-
Share in accumulated Profits / Reserves	**-**	-
Investment in Equity & Preference Share Capital	**3.75**	-
Total Investment	**3.75**	-

D. (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 2022	As at 31st March 2021
Plus Call Technical Services LLC (refer Note 7B)	Flooring, tiling, painting, concrete work and related contracting activities	United Arab Emirates	**40.00%**	40.00%

(₹ in crores)

(ii) Financial information in respect of Joint Venture

	For the year ended 31st March 2022	For the year ended 31st March 2021
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 2022	As at 31st March 2021
Balance at the beginning of the year	**240.04**	215.65
Share of Loss for the year	**(0.80)**	(5.08)
Share of Other Comprehensive Income / (Loss) for the year	**(1.48)**	0.36
Non-Controlling Interests arising on the acquisition of:		
Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (refer Note 52B)	**-**	10.91
Additional non-controlling interests arising on increase in capital of:		
Pidilite East Africa Ltd	**1.29**	1.75
Pidilite Litokol Pvt Ltd	**-**	9.52
Pidilite Grupo Puma Manufacturing Ltd	**-**	11.71
Pidilite C-Techos Walling Ltd	**0.76**	0.40
Change in Group Interest:		
Nina Percept Pvt Ltd	**-**	(4.49)
Pidilite Lanka (Pvt) Ltd	**-**	(0.69)
Cipy Polyurethanes Pvt Ltd	**(28.22)**	-
ICA Pidilite Pvt Ltd	**(12.69)**	-
TOTAL	**198.90**	240.04

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 2022	As at 31st March 2021
Nina Percept Pvt Ltd	India	**25%**	25%
ICA Pidilite Pvt Ltd	India	**50%**	50%
Cipy Polyurethanes Pvt Ltd [refer Note 45 (b)]	India	**-**	30%
Building Envelope Systems India Pvt Ltd	India	**40%**	40%
Bamco Supply and Services Ltd	Thailand	**51%**	51%
Pidilite Lanka (Pvt) Ltd	Sri Lanka	**24%**	24%
Pidilite East Africa Ltd	Kenya	**45%**	45%
Pidilite Grupo Puma Manufacturing Ltd	India	**50%**	50%
Pidilite Litokol Pvt Ltd	India	**40%**	40%
Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (refer Note 52B)	India	**30%**	30%

(₹ in crores)

Name of subsidiaries	Profit / (Loss) allocated to non-controlling interests		Other Comprehensive Income		Accumulated non-controlling interest	
	For the year ended 31st March 2022	For the year ended 31st March 2021	For the year ended 31st March 2022	For the year ended 31st March 2021	As at 31st March 2022	As at 31st March 2021
Nina Percept Pvt Ltd	**(6.85)**	(7.08)	**(0.12)**	0.10	**23.00**	29.16
ICA Pidilite Pvt Ltd	**7.22**	1.86	**(0.13)**	(0.03)	**118.32**	123.92
Cipy Polyurethanes Pvt Ltd [refer Note 45 (b)]	**-**	0.09	**-**	(0.05)	**-**	28.22
Building Envelope Systems India Pvt Ltd	**0.18**	0.03	**-**	-	**9.30**	9.12
Bamco Supply and Services Ltd	**0.15**	0.07	**(0.08)**	0.06	**4.14**	4.07
Pidilite Lanka (Pvt) Ltd	**(1.18)**	0.37	**(1.25)**	0.22	**4.98**	7.41
Pidilite East Africa Ltd	**-**	(0.75)	**0.06**	0.06	**4.26**	2.91
Pidilite Grupo Puma Manufacturing Ltd	**(0.84)**	(0.64)	**-**	-	**10.20**	11.04
Pidilite Litokol Pvt Ltd	**(0.02)**	(0.02)	**-**	-	**9.86**	9.88
Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (refer Note 52B)	**0.97**	1.03	**-**	-	**12.91**	11.94
Individually immaterial subsidiaries with non-controlling interests	**(0.43)**	(0.04)	**0.04**	-	**1.93**	2.37
TOTAL	**(0.80)**	(5.08)	**(1.48)**	0.36	**198.90**	240.04

(₹ in crores)

43 Contingent Liabilities and Commitments

		As at 31st March 2022	As at 31st March 2021
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	**91.34**	60.05
b)	Excise Duty and Service Tax claims disputed by the Group relating to issues of classifications	**52.11**	49.69
c)	Sales Tax (VAT, LBT, Entry Tax and GST) claims disputed by the Group relating to issues of declaration forms and classifications	**177.20**	158.23
d)	Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, open access charges, etc.)	**3.56**	19.73
2.	Guarantees given by Banks in favour of Government and others *	**52.95**	53.16
	* 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	**135.78**	180.42
b)	For other commitments, refer Note 50 (E) (ii) Financial instruments, 45 Business combinations, and 54 Leases.		

44 Research & Development Expenditure

	For the year ended 31st March 2022	For the year ended 31st March 2021
Capital expenditure included in Property, Plant and Equipment	**5.30**	3.69
Revenue expenditure charged to the Consolidated Statement of Profit and Loss	**65.24**	68.62
TOTAL	70.54	72.31

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 Rs 82.02 crores, out of which ₹ 78.81 crores was settled by the Company to the Seller as of 31st March 2022. A balance amount of ₹ 3.22 crores including Holdback Amount is payable by the Company to the Seller after settlement of the unrealised Net Working Capital.

An amount of the identified Net Working Capital, i.e. Receivables, Inventories, Retention Monies receivables, etc which was not fully realised by 15th April 2020, was to be deducted by the Company from the Holdback amount and the balance was to be paid to the seller or recovered from the seller. The settlement of which was to be completed by 31st October 2020, post verification of books of account.

Due to pandemic, the verification of books by Independent Audit firm got delayed. The report is now submitted by the Independent auditors and is under discussion. The same will be finalised in the Financial Year 2022-23.

45 (b) During the financial year 2017-18, 70% shareholding in CIPY Polyurethane 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 had 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. Accordingly, a gross liability towards acquisition (refer Note 28) has been recognised in the Consolidated Financial Statement in the previous year. During previous year, seller has exercised the option to sell the balance 30% stake on 6th January 2021. Consequent to this, CIPY is wholly owned Subsidiary of the Company. Accordingly Minority interest has been reversed into retained earnings. Balance liability towards acquisition (refer Note 28) will be paid once the pre-conditions mentioned in the agreement are met.

(₹ 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 2022	For the year ended 31st March 2021
Basic:		
Profit attributable to shareholders of the Company (₹ in crores)	**1,207.56**	1,131.21
Weighted average number of equity shares in calculating basic EPS	**50,81,64,425**	50,81,35,294
Par value per share (₹)	**1.00**	1.00
Earning per share (Basic) (₹)	**23.76**	22.26
Diluted:		
Profit attributable to shareholders of the Company (₹ in crores)	**1,207.56**	1,131.21
Weighted average number of equity shares in calculating basic EPS	**50,81,64,425**	50,81,35,294
Add: Effect of Employee Stock Option Scheme / Plan	**3,85,070**	4,19,540
Weighted average number of equity shares in calculating diluted EPS	**50,85,49,495**	50,85,54,834
Par value per share (₹)	**1.00**	1.00
Earning per share (Diluted) (₹)	**23.75**	22.24

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.	Aapkapainter Solutions Private Limited (w.e.f. 3rd November 2020) {refer Note 56(a)}	Associate
	c.	Kaarwan Eduventures Private Limited (w.e.f. 30th March 2022) {refer Note 56(a)}	Associate
	d.	Plus Call Technical Services LLC	Joint Venture
	e.	Parekh Marketing Ltd	Significant Influence of KMP
	f.	Pargro Investment Pvt Ltd	Significant Influence of KMP
	g.	Kalva Marketing and Services Ltd	Significant Influence of KMP
	h.	Dr. Fixit Institute of Structural Protection and Rehabilitation	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 Debabrata Gupta	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 2022 are as follows:

	Nature of Transaction	For the year ended 31st March 2022			For the year ended 31st March 2021		
		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	-	**92.40**	**92.40**	-	50.82	50.82
	Sub-Total (a)	-	**92.40**	**92.40**	-	50.82	50.82
b.	Dividend Received						
	Vinyl Chemicals (India) Ltd	**2.80**	-	**2.80**	1.65	-	1.65
	Sub-Total (b)	**2.80**	-	**2.80**	1.65	-	1.65
c.	Purchase of Goods						
	Vinyl Chemicals (India) Ltd	**714.00**	-	**714.00**	350.19	-	350.19
	Sub-Total (c)	**714.00**	-	**714.00**	350.19	-	350.19
d.	Rent Paid / (Received)						
	Smt Mala Parekh	-	**0.69**	**0.69**	-	0.58	0.58
	Parekh Marketing Ltd	-	**0.08**	**0.08**	-	0.07	0.07
	Pargro Investment Pvt Ltd	-	**(0.07)**	**(0.07)**	-	(0.06)	(0.06)
	Sub-Total (d)	-	**0.70**	**0.70**	-	0.59	0.59
e.	Reimbursement of expenses made						
	Parekh Marketing Ltd	-	**0.03**	**0.03**	-	0.03	0.03
	Sub-Total (e)	-	**0.03**	**0.03**	-	0.03	0.03
f.	Expense for services received						
	Dr. Fixit Institute of Structural Protection and Rehabilitation	-	**0.11**	**0.11**	-	0.05	0.05
	Sub-Total (f)	-	**0.11**	**0.11**	-	0.05	0.05
g.	Compensation of Key Management Personnel of the Company:						
	Remuneration / Commission to Directors:						
	i Short Term Employee benefits						
	- Shri M B Parekh	-	**3.86**	**3.86**	-	3.13	3.13
	- Shri Bharat Puri	-	**15.75**	**15.75**	-	14.24	14.24
	- Shri A B Parekh	-	**1.49**	**1.49**	-	1.33	1.33
	- Shri A N Parekh	-	**6.57**	**6.57**	-	5.63	5.63
	- Shri Debabrata Gupta	-	**2.52**	**2.52**	-	2.27	2.27
	Sub-Total	-	**30.19**	**30.19**	-	26.60	26.60
	ii Share-based payments#						
	Shri Bharat Puri	-	**26.58**	**26.58**	-	-	-
	Shri Debabrata Gupta	-	**0.05**	**0.05**	-	-	-
	Sub-Total	-	**26.63**	**26.63**	-	-	-
h.	Dividend Paid	-	**100.90**	**100.90**	-	-	-
i.	Outstanding Balances:		As at 31st March 2022			As at 31st March 2021	
	i Trade Receivables (net)						
	Parekh Marketing Ltd	-	**20.23**	**20.23**	-	19.53	19.53
	Pargro Investment Pvt Ltd	-	-	-	-	0.01	0.01
	Sub-Total	-	**20.23**	**20.23**	-	19.54	19.54
	ii Trade Payables (net)						
	Vinyl Chemicals (India) Ltd	**2.03**	-	**2.03**	93.75	-	93.75
	Sub-Total	**2.03**	-	**2.03**	93.75	-	93.75

Share-based payments does not include stock options which will be subject to vesting conditions in accordance with the 2016 plan.

Notes forming part of the consolidated financial statements

48 Segment information

The Group 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 mainly includes sale of raw materials.

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 2021-22				Year 2020-21			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	TOTAL
Revenue								
Segment Revenue	**7,794.41**	**2,278.32**	**63.70**	**10,136.43**	5,808.88	1,575.40	38.53	7,422.81
Less : Inter Segment Revenue (at cost plus fixed margin)	(23.97)	(191.50)	-	(215.47)	(16.73)	(113.37)	-	(130.10)
Net Revenue	**7,770.44**	**2,086.82**	**63.70**	**9,920.96**	5,792.15	1,462.03	38.53	7,292.71
Revenue based on geography								
India				**8,458.50**				6,086.10
Outside India				**1,462.46**				1,206.61
Segment Result	**1,933.70**	**152.70**	**(2.16)**	**2,084.24**	1,773.63	118.13	(1.84)	1,889.92
Unallocable Expenses				(473.66)				(389.67)
Unallocable Income				27.60				41.14
Operating Income				**1,638.18**				1,541.39
Finance Cost				**(42.08)**				(37.23)
Interest / Dividend Income				**5.80**				17.97
Share of Profit of Associates / Joint Ventures				**11.88**				3.98
Profit Before Exceptional items and Tax				**1,613.78**				1,526.11
Exceptional items				**-**				(3.62)
Profit Before Tax				**1,613.78**				1,522.49
Tax Expense				**(407.02)**				(396.36)
Profit for the year				**1,206.76**				1,126.13
Other Comprehensive Income				**(22.11)**				(10.86)
Total Comprehensive Income				**1,184.65**				1,115.27
Share of Non-Controlling Interest - Loss				**(2.28)**				(4.72)
Total Comprehensive Income attributable to shareholders				**1,186.93**				1,119.99
The above includes:								
Depreciation, Amortisation and Impairment (allocable)	**130.50**	**54.21**	**-**	**184.71**	108.73	39.78	0.97	149.48
Depreciation, Amortisation and Impairment (unallocable)				**54.90**				51.18
Capital Expenditure (including Capital Work-In-Progress) (allocable)	**206.13**	**161.78**	**-**	**367.91**	173.38	76.17	-	249.55
Capital Expenditure (unallocable)				14.68				86.39
Capital Expenditure				**382.59**				335.94
India				**372.13**				325.63
Outside India				**10.46**				10.31

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue

Segment Assets & Liabilities	As at 31st March 2022				As at 31st March 2021			
	Consumer & Bazaar	Business to Business	Others	Total	Consumer & Bazaar	Business to Business	Others	Total
Segment Assets	**6,804.00**	**1,850.86**	**11.74**	**8,666.60**	6,353.49	1,565.54	20.53	7,939.56
Unallocable Assets				849.02				890.86
Total Assets				**9,515.62**				8,830.42
Assets based on geography:								
India				**8,626.57**				8,175.79
Outside India				**889.05**				654.63
Segment Liabilities	**1,699.18**	**974.19**	**1.00**	**2,674.37**	1,653.18	837.44	1.74	2,492.36
Unallocable Liabilities				238.64				505.06
Total Liabilities				**2,913.01**				2,997.42
Other Information								
Capital Employed				**6,602.61**				5,833.00

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 8th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
		28,750	08.11.2017	08.11.2019	1.00	734.15
2	Granted on 11th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
		4,150	11.04.2018	11.04.2020	1.00	976.94
3	Granted on 30th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
		1,33,200	30.10.2018	30.10.2020	1.00	931.19
		1,500	30.10.2018	30.10.2019	1.00	924.50
		1,500	30.10.2018	30.10.2020	1.00	924.50
		2,000	30.10.2018	30.10.2021	1.00	924.50
4	Granted on 23rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1,112.48
		3,000	23.01.2019	23.01.2023	1.00	1,112.48
		4,000	23.01.2019	23.01.2024	1.00	1,112.48
		1,500	23.01.2019	29.01.2021	1.00	1,127.85
		1,500	23.01.2019	29.01.2022	1.00	1,127.85
		1,500	23.01.2019	01.02.2021	1.00	1,127.85
		1,500	23.01.2019	01.02.2022	1.00	1,127.85
5	Granted on 13th May 2019-ESOP 2016	2,500	13.05.2019	13.05.2020	1.00	1,124.69
6	Granted on 29th January 2020-ESOP 2016	4,000	29.01.2020	31.01.2021	1.00	1,449.90
		500	29.01.2020	31.01.2021	1.00	1,444.56
		500	29.01.2020	31.01.2021	1.00	1,444.56
		2,500	29.01.2020	18.11.2022	1.00	1,433.92
		2,500	29.01.2020	18.11.2023	1.00	1,433.92
7	Granted on 5th August 2020-ESOP 2016	5,000	05.08.2020	05.08.2022	1.00	1,318.08
		5,000	05.08.2020	05.08.2023	1.00	1,318.08
		1,400	05.08.2020	05.08.2021	1.00	1,319.96
		1,050	05.08.2020	05.08.2022	1.00	1,319.96
		1,050	05.08.2020	05.08.2023	1.00	1,319.96

Notes forming part of the consolidated financial statements

	Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value at grant date (₹)
8	Granted on 4th November 2020-ESOP 2016	15,245	04.11.2020	04.11.2021	1.00	1,536.91
		15,245	04.11.2020	04.11.2022	1.00	1,536.91
		1,17,500	04.11.2020	04.11.2021	1.00	1,536.91
		1,17,500	04.11.2020	04.11.2022	1.00	1,536.91
9	Granted on 9th October 2021-ESOP 2016	25,000	09.10.2021	13.10.2022	1.00	2,422.93
		25,000	09.10.2021	13.10.2023	1.00	2,422.93
10	Granted on 9th November 2021-ESOP 2016	2,775	09.11.2021	09.11.2023	1.00	2345.77
		2,775	09.11.2021	09.11.2024	1.00	2345.77
		3,700	09.11.2021	09.11.2025	1.00	2345.77
		14,100	09.11.2021	09.11.2024	2,390.75	944.34
		14,100	09.11.2021	09.11.2025	2,390.75	944.34
		18,800	09.11.2021	09.11.2026	2,390.75	944.34
11	Granted on 24th January 2022-ESOP 2016	1,000	24.01.2022	24.01.2024	1.00	2,667.05
		1,000	24.01.2022	24.01.2025	1.00	2,667.05
12	Granted on 11th March 2022-ESOP 2016	800	11.03.2022	11.03.2023	1.00	2,325.81
		800	11.03.2022	11.03.2024	1.00	2,325.81
		900	11.03.2022	11.03.2025	1.00	2,325.81

b) Fair value of share options granted

The fair value of the stock options has been estimated using Black-Scholes / Binomial 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 8th November 2017-ESOP 2016	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)	758.55	1,000.15	961.55	1,152.80	1,152.80	1,152.80
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	**08.11.2018**	**11.04.2019**	**30.10.2019**	**23.01.2022**	**29.01.2021**	**01.02.2021**
Dividend yield (%)	0.85	0.62	2.54	0.84	0.84	0.84
Option life (no. of years)	2.50	2.50	2.50	6.00	5.02	5.02
Risk free interest rate (%)	6.69	7.09	8.01	7.56	7.49	7.49
Expected volatility (%)	22.12	21.65	23.20	24.34	23.87	23.86
Date of vesting (2)	**08.11.2019**	**11.04.2020**	**30.10.2020**	**23.01.2023**	**29.01.2022**	**01.02.2022**
Dividend yield (%)	0.91	0.66	3.62	0.84	0.84	0.84
Option life (no. of years)	3.50	3.50	3.50	7.00	6.02	6.03
Risk free interest rate (%)	6.64	7.28	8.02	7.58	7.56	7.56
Expected volatility (%)	24.01	23.59	23.24	24.37	24.32	24.30
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		Granted on 05th August 2020-ESOP 2016	
Share price (on the date previous to grant date)	1,154.45	1,461.60	1,461.60	1,461.60	1,342.80	1,342.80
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	**13.05.2020**	**31.01.2021**	**18.11.2022**	**31.01.2021**	**05.08.2022**	**05.08.2021**
Dividend yield (%)	0.84	0.74	0.74	0.74	0.72	0.72
Option life (no. of years)	2.50	4.01	5.80	4.01	5.00	4.00
Risk free interest rate (%)	7.03	6.15	6.39	6.15	5.13	4.89
Expected volatility (%)	23.06	23.69	24.49	23.69	25.39	22.94
Date of vesting (2)	**-**	**-**	**18.11.2023**	**31.01.2022**	**05.08.2023**	**05.08.2022**
Dividend yield (%)	-	-	0.74	0.74	0.72	0.72
Option life (no. of years)	-	-	6.80	5.01	6.00	5.00
Risk free interest rate (%)	-	-	6.43	6.39	5.62	5.13
Expected volatility (%)	-	-	24.56	23.76	25.95	25.39
Date of vesting (3)	**-**	**-**	**-**	**-**	**-**	**05.08.2023**
Dividend yield (%)	-	-	-	-	-	0.72
Option life (no. of years)	-	-	-	-	-	6.00
Risk free interest rate (%)	-	-	-	-	-	5.62
Expected volatility (%)	-	-	-	-	-	25.95

Inputs into the model	Granted on 04th November 2020-ESOP 2016	Granted on 09th October 2021-ESOP 2016	Granted on 09th November 2021-ESOP 2016		Granted on 24th January 2022-ESOP 2016	Granted on 11th March 2022-ESOP 2016
Share price (on the date previous to grant date)	1,565.60	2,441.60	2,382.30	2,382.30	2,700.60	2,349.90
Exercise price	1.00	1.00	2,390.75	1.00	1.00	1.00
Date of vesting (1)	**04.11.2021**	**13.10.2022**	**09.11.2024**	**09.11.2023**	**24.01.2024**	**11.03.2023**
Dividend yield (%)	0.72	0.49	0.49	0.49	0.49	0.49
Option life (no. of years)	4.01	4.00	6.00	5.00	5.00	4.00
Risk free interest rate (%)	4.89	5.41	6.02	5.80	6.07	5.96
Expected volatility (%)	23.17	23.70	23.19	23.19	23.20	24.60
Date of vesting (2)	**04.11.2022**	**13.10.2023**	**09.11.2025**	**09.11.2024**	**24.01.2025**	**11.03.2024**
Dividend yield (%)	0.72	0.49	0.49	0.49	0.49	0.49
Option life (no. of years)	5.01	5.00	7.00	6.00	6.00	5.00
Risk free interest rate (%)	5.13	5.82	6.23	6.02	6.31	6.17
Expected volatility (%)	25.73	23.23	23.95	23.95	23.42	23.80
Date of vesting (3)	**-**	**-**	**09.11.2026**	**09.11.2025**	**-**	**11.03.2025**
Dividend yield (%)	-	-	0.49	0.49	-	0.49
Option life (no. of years)	-	-	8.00	7.00	-	6.00
Risk free interest rate (%)	-	-	6.25	6.23	-	6.47
Expected volatility (%)	-	-	23.90	23.90	-	23.62

Notes forming part of the consolidated financial statements

c) Movements in Share Options during the year

	During the year ended 31st March 2022		During the year ended 31st March 2021	
	Options (No.s)	Weighted average exercise price per option	Options (No.s)	Weighted average exercise price per option
Option outstanding at the beginning of the year				
- ESOP 2016	**4,19,540**	**₹ 1**	1,70,850	₹ 1
Granted during the year				
- ESOP 2016	**1,10,750**	**₹ 1,015.16**	2,78,990	₹ 1
Vested during the year - ESOP 2016*	**1,35,130**	**₹ 1**	1,39,300	₹ 1
Exercised during the year - ESOP 2016**	**1,35,035**	**₹ 1**	29,600	₹ 1
Lapsed during the year***				
- ESOP 2016	**10,515**	**₹ 1**	700	₹ 1
Options outstanding at the end of the year				
- ESOP 2016	**3,84,740**	**₹ 1**	4,19,540	₹ 1
Options available for grant				
- ESOS 2012	**34,200**	**₹ 1**	34,200	₹ 1
- ESOP 2016	**37,34,975**	**₹ 1**	38,35,210	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		**₹ 2,461.08**		₹ 1,820.83
Range of exercise price for options outstanding at the end of the year		**₹ 1 - ₹ 2,390.75**		₹ 1

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

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

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

50 Financial Instruments

(A) Capital Management

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

(B) Categories of Financial Instruments

(₹ in crores)

	As at 31st March 2022	As at 31st March 2021
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds, Preference Shares, Debentures and Bonds	**395.80**	479.27
Derivative assets towards foreign exchange forward contracts	**0.44**	0.18
Investments in Promissory Notes and Debentures	**1.50**	3.68
Measured at amortised cost		
Investments in Promissory Notes	**0.65**	0.55
Trade Receivables	**1,430.54**	1,321.02
Cash and Cash Equivalents	**352.07**	442.65
Other Bank balances	**3.10**	8.81
Loans	**22.27**	21.74
Other Financial Assets	**150.02**	136.14
Total Financial Assets	**2,356.39**	2,414.04
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards foreign exchange forward contracts	**0.67**	0.66
Measured at amortised cost		
Borrowings	**287.34**	222.61
Trade Payables	**1,049.29**	1,006.74
Lease Liabilities	**128.49**	108.39
Other Financial liabilities	**799.59**	1,038.30
Total Financial Liabilities	**2,265.38**	2,376.70

(C) Financial risk management objectives

The Group's Treasury function 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 2022	31st March 2021	31st March 2022	31st March 2021
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	**8,97,400.36**	24,72,137.16	**7.58**	21.28
USD	**1,28,78,819.85**	1,38,65,843.08	**97.51**	139.57
GBP	**15,929.25**	(9,350.00)	**0.16**	(0.09)
SGD	**-**	21,052.00	**-**	0.11
Amounts (payable) / advance in foreign currency on account of the following:				
AED	**2,88,560.60**	2,09,539.00	**0.59**	0.42
AUD	**29,820.00**	1,820.00	**0.17**	0.01
CHF	**(13,780.80)**	(51,054.78)	**(0.11)**	(0.40)
EUR	**15,25,661.40**	8,28,706.20	**12.89**	7.13
GBP	**(17,06,367.06)**	(9,69,635.82)	**(16.94)**	(9.79)
JPY	**(1,14,28,300.00)**	(1,00,47,800.00)	**(0.72)**	(0.67)
SGD	**-**	(1,54,359.69)	**-**	(0.84)
USD	**(4,11,90,526.05)**	(2,21,04,483.46)	**(311.85)**	(162.51)
THB	**-**	4,82,285.26	**-**	0.11
ZAR	**64,255.58**	64,255.58	**0.03**	0.03

(i) Foreign currency sensitivity analysis

The Group is mainly exposed to the USD, EUR and GBP. The following table demonstrates the sensitivity to a 2% increase or decrease in the USD, EUR and GBP 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 2022	For the year ended 31st March 2021
Impact on profit or loss for the year (a)	**(4.29)**	(1.21)

(₹ in crores)

	EUR impact	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Impact on profit or loss for the year (b)	**0.41**	0.57

(₹ in crores)

	GBP impact	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Impact on profit or loss for the year (c)	**(0.34)**	(0.20)

(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 GBP receivables and payables at the end of the reporting period.

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

(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 2022	31st March 2021	31st March 2022	31st March 2021
USD - Buy	**76.07**	74.45	**3,23,26,444.10**	1,49,40,376.00

(₹ in crores)

Outstanding contracts	Nominal Amounts		Fair value assets / (liabilities)	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
USD - Buy	**246.06**	110.34	**(0.16)**	(0.48)

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" of ₹ **0.44** crores (₹ 0.18 crores as at 31st March 2021) and "Other financial liabilities" ₹ **0.67** crores (₹ 0.66 crores as at 31st March 2021) (refer Note 14 and 28 respectively).

At 31st March 2022, the aggregate amount of gain under foreign exchange forward contracts recognised in the Consolidated Statement of Profit and Loss is ₹ **0.14** crores (loss of ₹ 2.30 crores as at 31st March 2021).

(F) Credit risk management

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

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

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

(G) Liquidity risk management

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

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

(i) Liquidity risk tables

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

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

(₹ in crores)

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
As at 31st March 2022					
Non-interest bearing					
- Trade Payables	1,049.29	-	-	1,049.29	**1,049.29**
- Other Financial Liabilities	623.60	19.94	-	643.54	**643.54**
	1,672.89	19.94	-	1,692.83	**1,692.83**
- Lease Liabilities (undiscounted)	40.21	90.24	32.64	163.09	**128.49**
Fixed interest rate instruments					
- Trade / Security Deposit received	156.05	-	-	156.05	**156.05**
Variable interest rate instruments					
- Borrowings	284.37	1.72	-	286.09	**286.09**
- Current Maturity of Term Loan	1.25	-	-	1.25	**1.25**
Derivative liabilities towards foreign exchange forward contracts	0.67	-	-	0.67	**0.67**
As at 31st March 2021					
Non-interest bearing					
- Trade Payables	1,006.74	-	-	1,006.74	1,006.74
- Other Financial Liabilities	890.62	13.63	-	904.25	904.25
	1,897.36	13.63	-	1,910.99	1,910.99
- Lease Liabilities (undiscounted)	34.95	65.20	48.47	148.62	108.39
Fixed interest rate instruments					
- Trade / Security Deposit received	134.05	-	-	134.05	134.05
Variable interest rate instruments					
- Borrowings	201.51	12.39	-	213.90	213.90
- Current Maturity of Term Loan	8.71	-	-	8.71	8.71
Derivative liabilities towards foreign exchange forward contracts	0.66	-	-	0.66	0.66

(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 2022	As at 31st March 2021		
1	Investment in Mutual Funds, Preference Shares, Debentures and Bonds	**Various listed funds - aggregate fair value of ₹ 217.84 crores**	Various listed funds - aggregate fair value of ₹ 339.64 crores	Level 1	Quoted bid prices in active market
2	Derivative assets & liabilities towards foreign currency forward contracts and Alternative Investment Fund	**Assets - ₹ 0.44 crores Liabilities - ₹ 0.67 crores Investment funds - aggregate fair value of ₹ 11.64 crores**	Assets - ₹ 0.18 crores Liabilities - ₹ 0.66 crores Investment funds - aggregate fair value of ₹ 3.49 crores	Level 2	Mark to market values acquired from banks/ financial institution, with whom the Group contracts.
3	Investment in Equity and Preference Shares	**Aggregate fair value of ₹ 166.32 crores**	Aggregate fair value of ₹ 139.13 crores	Level 3	Fair value is derived considering recent financial rounds of investment
4	Investment in Promissory Notes and Debentures	**Aggregate fair value of ₹ 1.50 crores**	Aggregate fair value of ₹ 3.68 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.

Notes forming part of the consolidated financial statements

51 Employee Benefits

The Group has classified various employee benefits as under :

(A) Defined Contribution Plans

(a) Provident Fund

(b) Superannuation Fund

(c) State Defined Contribution Plans

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

(d) National Pension Scheme

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

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

(₹ in crores)

		For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	Contribution to Provident Fund	**36.11**	21.94
(ii)	Contribution to Employees' Superannuation Fund	**0.80**	0.86
(iii)	Contribution to Employees' State Insurance Scheme & Labour Welfare Fund	**0.29**	0.29
(iv)	Contribution to Employees' Pension Scheme 1995	**9.91**	9.49
(v)	Contribution to National Pension Scheme	**4.77**	3.61
vi)	Other Funds (International)	**1.29**	9.41
TOTAL		**53.17**	45.60

(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 2022	Valuations as at 31st March 2021
(i)	Discount Rate (per annum)	**6.25% - 14.97%**	6.06% - 7.23%
(ii)	Rate of increase in Compensation levels (per annum)	**6.5% - 10%**	4% - 10%
(iii)	Expected Rate of Return on Assets	**6.91% - 14.97%**	6.06% - 7.23%
(iv)	Attrition Rate	**1% - 26%**	1% - 20%
(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.		

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 2022		31st March 2021	
			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	**106.72**	**5.06**	92.47	4.57
	2	Previous period adjustments	**(0.54)**	**-**	5.69	-
	3	Acquisition under Business Combination (refer Note 52B)	**-**	**-**	-	0.61
	4	Current Service Cost	**10.55**	**0.73**	9.20	0.59
	5	Interest Cost	**6.67**	**0.30**	5.66	0.27
	6	Actuarial (Gains) / Loss arising from changes in:				
		- demographic assumption	**-**	**(0.11)**	(0.06)	(0.03)
		- financial assumption	**(2.77)**	**(0.13)**	1.23	0.14
		- experience adjustment	**15.65**	**1.08**	(0.78)	(0.58)
	7	Benefits Paid	**(9.05)**	**(0.31)**	(6.58)	(0.46)
	8	Foreign Currency Translation	**0.07**	**(0.16)**	(0.11)	(0.05)
	9	**Present value of defined benefit obligation at the end of the year**	**127.30**	**6.46**	106.72	5.06
(ii)	**Changes in Fair value of Plan Assets**					
	1	Fair value of plan assets at the beginning of the year	**102.89**	**-**	90.33	-
	2	Expected Return on Plan Assets	**6.97**	**-**	6.08	-
	3	Actuarial Loss	**0.78**	**-**	(1.07)	-
	4	Employer's Contributions	**7.27**	**-**	14.27	-
	5	Benefits Paid	**(7.14)**	**-**	(6.64)	-
	6	Benefits to be receivable from fund	**(2.66)**	**-**	-	-
	7	Foreign Currency Translation	**0.07**	**-**	(0.08)	-
	8	**Fair value of plan assets at the end of the year**	**108.18**	**-**	102.89	-
(iii)	**Net Benefit (Asset) / Liability**					
	1	Defined benefit obligation	**127.30**	**6.46**	106.72	5.06
	2	Fair value of plan assets	**108.18**	**-**	102.89	-
	3	**Net Benefit (Asset) / Liability**	**19.12**	**6.46**	3.83	5.06

Notes forming part of the consolidated financial statements

(₹ in crores)

			31st March 2022		31st March 2021	
			Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(iv)	**Expenses recognised in the Consolidated Statement of Profit and Loss**					
	1	Current Service Cost	**10.55**	**0.73**	9.20	0.59
	2	Past Service Cost	**-**	**(0.01)**	-	(0.01)
	3	Interest cost on benefit obligation (net)	**(0.33)**	**0.27**	(0.37)	0.27
	4	**Total Expenses recognised in the Consolidated Statement of Profit and Loss**	**10.22**	**0.99**	8.83	0.85
(v)	**Remeasurement Effects recognised in Other Comprehensive Income for the year**					
	1	**Actuarial (Gains) / Loss arising from changes in:**				
		- demographic assumption	**-**	**(0.11)**	(0.06)	(0.03)
		- financial assumption	**(2.77)**	**(0.13)**	1.23	0.14
		- experience adjustment	**15.59**	**1.08**	(0.78)	(0.58)
	2	Return on plan asset	**(0.78)**	**-**	1.07	-
	3	**Recognised in Other Comprehensive Income**	**12.04**	**0.84**	1.46	(0.47)
(vi)	**Actual return on plan assets**		**4.91**	**-**	4.78	-
(vii)	**Sensitivity Analysis**					
	Defined Benefit Obligation					
	Discount Rate					
	a	Discount Rate - 100 basis points	**135.73**	**6.89**	114.04	5.09
	b	Discount Rate + 100 basis points	**118.39**	**6.09**	100.34	4.34
	Salary Increase Rate					
	a	Rate - 100 basis points	**118.29**	**6.09**	100.25	4.34
	b	Rate + 100 basis points	**135.68**	**6.89**	114.04	5.07

Note on Sensitivity Analysis

1 Sensitivity analysis for each significant actuarial assumptions of the Group which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

3 There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.

(viii)	**Expected Future Cashflows**					
	Year 1		**16.37**	**1.10**	18.07	0.62
	Year 2		**19.32**	**0.85**	10.67	0.70
	Year 3		**10.73**	**0.77**	9.46	0.56
	Year 4		**10.95**	**0.68**	8.77	0.55
	Year 5		**10.02**	**0.66**	8.84	0.48
	Year 6 to 10		**55.60**	**2.45**	44.11	2.21
(ix)	**Average Expected Future Working Life (yrs)**		**12.04**	**5.93**	12.82	6.11

52A Subsidiaries

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

	Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group	
			As at 31st March 2022	As at 31st March 2021
a.	Fevicol Company Ltd (Fevicol)	India	**100.00%**	100.00%
b.	Bhimad Commercial Company Pvt Ltd (Bhimad)	India	**100.00%**	100.00%
c.	Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala)	India	**100.00%**	100.00%
d.	Pagel Concrete Technologies Pvt Ltd (PCTPL)	India	**80.00%**	80.00%
e.	Nitin Enterprises (Nitin) (refer Note 56(c))	India	**-**	100.00%
f.	Building Envelope Systems India Ltd (BESI)	India	**60.00%**	60.00%
g.	Nina Percept Private Limited	India	**74.58%**	74.58%
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) LLC (PTC)	Egypt	**100.00%**	100.00%
u.	Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	China	**100.00%**	100.00%
v.	Bamco Supply and Services Ltd (BSSL)*	Thailand	**49.00%**	49.00%
w.	ICA Pidilite Pvt Ltd (ICA) *	India	**50.00%**	50.00%
x.	Cipy Polyurethanes Pvt Ltd (refer Note 45(b))	India	**100.00%**	70.00%
y.	Pidilite Lanka (Pvt) Ltd (PLPL)	Sri Lanka	**76.00%**	76.00%
z.	Nebula East Africa Pvt Ltd (Nebula)	Kenya	**100.00%**	100.00%
aa.	Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)**	Sri Lanka	**72.70%**	72.70%
ab.	Pidilite Ventures LLC	USA	**100.00%**	100.00%
ac.	Pidilite East Africa Limited	Kenya	**55.00%**	55.00%
ad.	Pidilite Grupo Puma Pvt Ltd (PGPPL) *#	India	**50.00%**	50.00%
ae.	Pidilite C-Techos Pvt Ltd #	India	**60.00%**	60.00%
af.	Pidilite Litokol Pvt Ltd	India	**60.00%**	60.00%
ag.	Pidilite Grupo Puma Manufacturing Ltd (PGPML) *	India	**50.00%**	50.00%
ah.	Nina Percept (Bangladesh) Pvt Ltd ***	Bangladesh	**71.81%**	71.81%
ai.	Pidilite C-Techos Walling Ltd	India	**60.00%**	60.00%
aj.	Tenax Pidilite India Pvt Ltd (Formerly known as Tenax India Stone Products Pvt Ltd) (refer Note 52B)	India	**70.00%**	70.00%
ak.	Pidilite Adhesives Pvt Ltd (Formerly known as Huntsman Advanced Materials Solutions Pvt Ltd) (refer Note 52B)	India	**100.00%**	100.00%

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

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

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

\# During the year, on completion of winding up procedures, Pidilite Grupo Puma Private Limited (w.e.f. 27th October 2021) and Pidilite C-Techos Private Limited (w.e.f. 1st February 2022) were struck off by Registrar of Companies.

52B Business Combination

1 Subsidiaries acquired

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

(₹ in crores)

2 Consideration transferred

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

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

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

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

	2020-21	
	Tenax Pidilite India Pvt Ltd	Pidilite Adhesives Pvt Ltd
Property, Plant and Equipment	-	4.08
Right of use assets	-	2.99
Intangible Assets		
• Trade Mark	4.60	1,121.83
• Technical Knowhow Fees	0.57	-
• Intellectual Property	-	30.31
• Distributor Relationships	-	215.00
Income Tax Asset (Net)	-	3.37
Other Financial Assets - Non-Current	1.86	-
Inventories	1.40	6.55
Trade Receivables	6.60	38.84
Cash and Cash Equivalents	7.20	82.32
Other bank balances	0.09	-
Other Financial Assets - Current	3.10	-
Current Tax Assets (net)	0.17	-
Other Current Assets	0.12	0.17
Total Assets Acquired (B)	**25.71**	**1,505.46**

(₹ in crores)

	2020-21	
	Tenax Pidilite India Pvt Ltd	Pidilite Adhesives Pvt Ltd
Provisions - Non-Current	-	0.47
Deferred Tax Liability (net)	0.06	315.59
Lease Liability	-	3.02
Trade Payables	0.19	24.69
Other Current Liabilities	0.01	3.79
Provisions - Current	-	0.20
Current Tax Liabilities (net)	-	2.13
Total Liabilities taken over (C)	**0.26**	**349.89**
Net Assets Acquired (D) = (B)-(C)	**25.45**	**1,155.57**
Goodwill (E) = (A) - (D)	**59.21**	**1,040.89**

Note A Tenax Pidilite India Pvt Ltd

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

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 6.60 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

The transaction cost of ₹ 1.50 crores had been expensed in the Consolidated Statement of Profit and Loss for the year ended 31st March 2021.

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

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

Note B Pidilite Adhesives Pvt Ltd

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

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

The transaction cost of ₹ 8.70 crores has been expensed in the Consolidated Statement of Profit and Loss for the year ended 31st March 2021.

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

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

(₹ in crores)

53 Taxes

1. Deferred Tax

	As at 31st March 2022	As at 31st March 2021
Deferred Tax Assets (net)	**(21.28)**	(16.59)
Deferred Tax Liabilities (net)	**398.45**	398.03
TOTAL	**377.17**	381.44

a 2021-22

Deferred Tax (Assets) / Liabilities in relation to:

	Opening Balance	Acquisition under Business Combination (refer Note 52B)	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	39.58	-	1.92	-	(0.13)	**41.37**
Intangible Assets	96.55	-	7.10	-	(0.49)	**103.16**
DTL on Acquired Intangibles (refer Note 52B)	309.91	-	(3.61)	-	-	**306.30**
FVTPL financial assets	6.82	-	(2.53)	-	-	**4.29**
Other Provisions	(7.99)	-	(1.39)	-	0.07	**(9.31)**
Allowance for Doubtful Debts	(20.18)	-	(3.91)	-	(0.04)	**(24.13)**
Provision for Employee Benefits	(16.33)	-	(0.26)	(3.23)	-	**(19.82)**
Share issue and buy-back costs	(1.78)	-	0.67	-	-	**(1.11)**
Tax Losses	(25.14)	-	1.09	-	0.47	**(23.58)**
Total	**381.44**	**-**	**(0.92)**	**(3.23)**	**(0.12)**	**377.17**

b 2020-21

Deferred Tax (Assets) / Liabilities in relation to:

	Opening Balance	Acquisition under Business Combination (refer Note 52B)	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	38.92	0.21	0.64	-	(0.19)	**39.58**
Intangible Assets	84.65	4.40	7.52	-	(0.02)	**96.55**
DTL on Acquired Intangibles (refer Note 52B)	-	311.41	(1.50)	-	-	**309.91**
FVTPL financial assets	4.28	-	2.54	-	-	**6.82**
Other Provisions	(7.58)	(0.06)	(0.43)	-	0.08	**(7.99)**
Allowance for Doubtful Debts	(16.87)	(0.07)	(3.22)	-	(0.02)	**(20.18)**
Provision for Employee Benefits	(14.08)	(0.21)	(1.76)	(0.28)	-	**(16.33)**
Share issue and buy-back costs	1.48	-	(3.26)	-	-	**(1.78)**
Tax Losses	(21.51)	-	(4.05)	-	0.42	**(25.14)**
TOTAL	**69.29**	**315.68**	**(3.52)**	**(0.28)**	**0.27**	**381.44**

(₹ in crores)

2. Income Taxes

a Income Tax recognised in Consoldated Statement of Profit and Loss

	For the year ended 31st March 2022	For the year ended 31st March 2021
Current Tax		
In respect of the current year	**407.40**	399.88
In respect of the prior years	**0.54**	-
TOTAL	**407.94**	399.88
Deferred Tax		
In respect of the current year	**(0.92)**	(3.52)
Income tax expense recognised in the Consolidated Statement of Profit and Loss	**407.02**	396.36

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:

	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit before tax (after exceptional items)	**1,601.90**	1,518.51
Income Tax Rate (%)*	**25.17**	25.17
Income Tax expense	**403.17**	382.18
Effect of income that is exempt from taxation	**(1.90)**	(6.40)
Effect of expenses that are not deductible in determining taxable profit	**8.95**	12.35
Effect of lower rate of tax	**(0.72)**	-
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**-**	0.03
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax liabilities	**0.04**	0.97
Effect of subsidiary companies being taxed at lower tax rate (minimum alternate tax) as the profits under tax laws are lower than the book profits	**(0.02)**	(0.20)
Effect of subsidiary companies taxed at a different rate than the Parent Company	**2.94**	5.66
Effect of concessions (Deduction u/S35(iv) for Capital Expenditure)	**(1.31)**	-
Others	**(4.67)**	1.77
TOTAL	**406.48**	396.36
Adjustments recognised in the current year in relation to the current tax of prior years	**0.54**	-
Income tax expense recognised in the Consolidated Statement of profit and Loss	**407.02**	396.36

* The Tax rate used for the above reconciliation is the corporate tax rate of **25.168%** (25.168% for the year ended 31st March 2021) payable by corporate entities in India on taxable profits under Indian Tax Law.

c Income Tax recognised in Other Comprehensive Income

	For the year ended 31st March 2022	For the year ended 31st March 2021
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**3.23**	0.28
Income Tax recognised in Other Comprehensive Income	**3.23**	0.28

(₹ in crores)

54 Lease

Impact of Ind AS 116 on the Consolidated Statement of Profit and Loss :

	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest on lease liabilities (refer Note 38)	**8.92**	7.91
Depreciation of Right-of-use assets (refer Note 39)	**40.35**	35.11
Deferred tax (credit)	**(0.64)**	(1.01)
Impact on the Consolidated Statement of profit and Loss for the year	**48.63**	42.01
Expenses related to short term lease incurred during the year (refer Note 40)	**24.62**	21.67

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:

Particulars	Opening Balance	Additions	Utilisation	Foreign Currency Translation	Closing Balance
Provision for Employee related claims	**0.11**	**0.99**	**0.00**	**(0.09)**	**1.01**
	(0.12)	(0.05)	((0.05))	((0.01))	(0.11)
Provision for other contingencies (regulatory tax related claims)	**0.56**	**-**	**-**	**(0.14)**	**0.42**
	(0.67)	(-)	(-)	((0.11))	(0.56)
Provision for Warranty Expenses	**3.02**	**4.43**	**(3.85)**	**0.21**	**3.81**
	(4.76)	(1.16)	((2.70))	((0.20))	(3.02)
TOTAL	**3.69**	**5.42**	**(3.85)**	**(0.02)**	**5.24**
	(5.55)	(1.21)	((2.75))	((0.32))	(3.69)

Figures in brackets () represents previous year

Of the above, the following amounts are expected to be incurred within a year :

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Warranty Expenses	**3.81**	3.02

56 Other Information

a) Madhumala Ventures Pvt Ltd (Formerly known as Madhumala Traders Pvt Ltd) (Madhumala), a wholly owned subsidiary of the Company:

(i) invested an amount of ₹ 15.37 crores in current year (₹ 3.00 crores in previous year) in the Aapkapainter Solutions Pvt Ltd (Aapkapainter). The company is engaged in providing painting and waterproofing solutions to retail consumer.

(ii) invested an amount of ₹ 19.15 crores in previous year in the Home Interior Désigns E.Commerce Pvt Ltd (Livspace) by subscription to Compulsory Convertible Non-Cumulative Preference Shares. Livspace is leading home design and renovation platform of India and Southeast Asia.

(iii) invested an amount of ₹ 1.50 crores in current year (₹ 71.48 crores in previous year) in the Pepperfry Private Limited (formerly known as M/s. Trendsutra Platform Services) by subscription to Non Cumulative Compulsory Convertible Debentures / Compulsory Convertible Non-Cumulative Preference Shares. Pepperfry is an online furniture chain in India.

(iv) invested an amount of ₹ 18.45 crores in current year (₹ 49.00 crores in previous year) in the Homevista Décor & Furnishings Pvt Ltd (HomeLane) by subscription to Equity and 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.

(v) invested an amount of ₹ 1.56 crores in current year in the Constrobot Robotics Pvt Ltd by subscription to Equity Shares. The company is engaged in the business of research and development, designing, manufacturing, trading and dealing in robotic equipments etc.

(vi) invested an amount of ₹ 3.75 crores in current year in the Kaarwan Eduventures Private Limited by subscription to Cumulative Compulsory Convertible Preference Shares. The company is engaged in the business of Architecture, Interior and General Designing etc.

(vii) invested an amount of ₹ 2.00 crores in current year in the Finemake Technologies Private Limited by subscription to Preference Shares. The company is engaged in business of providing interior designing services.

(viii) invested an amount of ₹ 10,000 in current year in the Climacrew Private Limited by subscription to Equity Shares. The company is engaged in the business of supply of seaweed and seaweed products.

b) During the year, ICA Pidilite Pvt Ltd, subsidiary of the Company made buy back of shares from the Parent Company and other shareholder. Tax paid on such buy back is debited to Retained Earnings in Consolidated Financials.

c) The Board of Directors at its meeting held on 29th January 2020 had approved a restructuring proposal whereby the Company shall, for operational convenience and synergies, acquire the business of wholly owned entity, Nitin Enterprises (a partnership firm having two partners which are wholly owned subsidiaries of the Company) on a slump sale basis for a cash consideration. The Company has completed the acquisition of the business of wholly owned entity, Nitin Enterprises on 31st March 2021.

d) The Group has taken into account external and internal information for assessing possible impact of COVID -19 on various element of its financial statements, including recoverability of its assets.

e) During the current year, the Company had paid Dividend of ₹ 8.50 per equity share of ₹ 1 each for the financial year 2020-21.

f) The Parent and its subsidiaries, associates and joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, associates and joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

g) Previous year figures have been regrouped / reclassified to make them comparable with those of current year, wherever applicable.

57 Events after reporting period

a) During the year, the Parent Company has filed two merger applications with National Company Law Tribunal (NCLT) with respect to merger of its wholly owned subsidiaries namely Pidilite Adhesives Pvt Ltd (PAPL). and Cipy Polyurethanes Pvt Ltd (CIPY). Consequent to the filing of NCLT orders approving the mergers with Registrar of Companies, mergers have become effective from Appointed date 1st April 2022.

b) Proposed dividend of ₹ 10.00 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 18th May 2022. The proposed dividend is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

58 Approval of financial statements

The consolidated financial statements are approved for issue by the Audit Committee and by the Board of Directors at their respective meetings held on 18th May 2022.

Notes forming part of the consolidated financial statements

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 total Comprehensive Income	Amount
Pidilite Industries Limited	**78.89**	**5,208.80**	**86.51**	**1,044.02**	**(347.72)**	**76.88**	**94.62**	**1,120.90**
Indian Subsidiaries								
Bhimad Commercial Co Pvt Ltd	0.12	7.92	0.01	0.07	-	-	0.01	0.07
Building Envelope Systems India Ltd	0.06	4.10	(1.10)	(13.27)	(0.05)	0.01	(1.12)	(13.26)
Fevicol Company Ltd	0.00	0.25	(0.00)	(0.02)	(0.32)	0.07	0.00	0.05
Hybrid Coatings	0.10	6.38	(0.35)	(4.18)	-	-	(0.35)	(4.18)
Madhumala Ventures Pvt Ltd	2.70	178.54	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Nina Percept Private Limited	1.50	99.19	1.67	20.18	5.56	(1.23)	1.60	18.95
Pagel Concrete Technologies Pvt Ltd	0.00	0.07	-	-	-	-	-	-
Cipy Polyurethanes Pvt Ltd	2.34	154.63	(1.41)	(16.98)	0.18	(0.04)	(1.44)	(17.02)
ICA Pidilite Pvt Ltd	1.36	89.68	(4.23)	(51.02)	0.59	(0.13)	(4.32)	(51.15)
Pidilite C-Techos Walling Ltd	0.02	1.20	(0.05)	(0.59)	-	-	(0.05)	(0.59)
Pidilite Grupo Puma Manufacturing Ltd	0.17	10.99	(0.06)	(0.71)	-	-	(0.06)	(0.71)
Pidilite Litokol Pvt Ltd	0.23	14.92	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Pidilite Adhesives Pvt Ltd	1.26	83.36	7.52	90.74	(0.27)	0.06	7.66	90.80
Tenax Pidilite India Pvt Ltd	0.43	28.47	(0.85)	(10.23)	-	-	(0.86)	(10.23)
Foreign Subsidiaries								
Pidilite Bamco Ltd	0.96	63.18	0.23	2.77	3.23	(0.71)	0.17	2.06
Bamco Supply and Services Ltd	0.06	3.98	0.13	1.62	1.24	(0.28)	0.11	1.34
Pidilite MEA Chemicals LLC	0.63	41.38	5.28	63.74	(33.20)	7.34	6.00	71.08
Pidilite Chemical PLC	0.00	0.03	(0.07)	(0.84)	(1.94)	0.43	(0.03)	(0.41)
Pidilite Industries Egypt SAE	0.28	18.49	0.60	7.28	(16.01)	3.54	0.91	10.82
Pidilite Industries Trading (Shanghai) Co Ltd	0.00	0.17	(0.10)	(1.16)	(0.05)	0.01	(0.10)	(1.15)
Pidilite Innovation Centre Pte Ltd	0.12	7.79	(0.57)	(6.87)	(0.18)	0.04	(0.58)	(6.83)
Pidilite International Pte Ltd	0.15	10.11	(0.81)	(9.80)	356.65	(78.86)	(7.48)	(88.66)
Pidilite Lanka (Pvt) Ltd	0.35	23.39	0.94	11.40	17.96	(3.97)	0.63	7.43
Pidilite Middle East Ltd	(0.00)	(0.01)	(0.02)	(0.30)	18.06	(3.99)	(0.36)	(4.29)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	1.63	107.55	4.62	55.74	(2.31)	0.51	4.75	56.25
Pidilite USA Inc	1.80	118.95	(0.02)	(0.20)	6.24	(1.38)	(0.13)	(1.58)
PIL Trading (Egypt) LLC	0.04	2.51	0.34	4.13	(3.75)	0.83	0.42	4.96
PT Pidilite Indonesia	0.03	2.09	(0.04)	(0.52)	0.81	(0.18)	(0.06)	(0.70)
Pulvitec do Brasil Industria e Commercio de Colas e Adesivos Ltda	0.59	38.86	0.22	2.67	87.90	(19.43)	(1.42)	(16.76)
Nina Lanka Construction Technologies (Pvt) Ltd	0.00	0.24	0.05	0.55	1.08	(0.24)	0.03	0.31
Nebula East Africa Pvt Ltd	0.01	0.61	(0.00)	(0.02)	-	-	(0.00)	(0.02)
Pidilite Ventures Ltd	0.13	8.72	0.01	0.15	(0.09)	0.02	0.01	0.17
Pidilite East Africa Limited	0.09	6.25	0.61	7.36	(0.32)	0.07	0.63	7.43
Nina Percept (Bangladesh) Pvt Ltd	0.00	0.26	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Non-Controlling Interest	**3.01**	**198.90**	**(0.07)**	**(0.80)**	**6.69**	**(1.48)**	**(0.19)**	**(2.28)**
Aapkapainter Solutions Pvt Ltd (Associate)	**0.26**	**17.44**	**(0.19)**	**(2.29)**	**-**	**-**	**(0.19)**	**(2.29)**
Vinyl Chemicals (India) Ltd (Associate)	**0.60**	**39.47**	**1.17**	**14.17**	**-**	**-**	**1.20**	**14.17**
Plus Call Technical Services LLC (Joint Venture)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Kaarwan Eduventures Private Limited (Associate)	**0.06**	**3.75**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**100.00**	**6,602.61**	**100.00**	**1,206.76**	**100.00**	**(22.11)**	**100.00**	**1,184.65**

INFORMATION ON SUBSIDIARY COMPANIES

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

(₹ in crores)

Name of entity	Date of acquisition / incorporation of subsidiary	Reporting period (FY)	Reporting Currency	Exchange Rates as at year end	Share Capital (includes Share application Money)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (except in case of subsidiaries)	Turnover	Profit / (Loss) Before Taxation	Provision For Tax (including Deferred Tax)	Profit / (Loss) After Taxation	Proposed Dividend	% of shareholding*
Pidilite International Pte Ltd	29.12.2004	31.03.2022	USD	75.71	204.89	(8.40)	196.56	0.06	-	-	(9.45)	-	(9.45)	-	100.00%
Pidilite Middle East Ltd	18.05.2005	31.03.2022	AED	20.62	198.28	(103.83)	94.49	0.05	-	-	(0.30)	-	(0.30)	-	100.00%
Pidilite MEA Chemicals (LLC)	28.06.2005	31.03.2022	AED	20.62	0.62	(169.98)	130.01	299.38	-	134.02	(4.20)	-	(4.20)	-	49.00%
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	29.12.2005	31.03.2022	Taka	0.88	30.98	69.11	137.05	36.97	-	171.41	25.24	7.42	17.82	-	100.00%
Pidilite Bamco Ltd	27.02.2006	31.03.2022	Baht	2.27	7.94	31.01	47.77	8.81	-	47.84	5.11	1.06	4.05	-	100.00%
PT Pidilite Indonesia	01.03.2006	31.03.2022	IDR	0.01	6.07	(3.95)	2.13	0.02	-	-	0.09	0.06	0.03	-	100.00%
Pidilite USA Inc	12.05.2006	31.03.2022	USD	75.71	111.90	6.19	134.53	16.44	0.57	128.49	7.07	1.49	5.58	-	100.00%
Pidilite Innovation Center Pte Ltd	20.12.2006	31.03.2022	SGD	55.95	5.57	3.24	12.86	4.06	-	4.26	1.28	(0.05)	1.34	-	100.00%
Pidilite Industries Egypt - SAE	18.10.2007	31.03.2022	EGP	4.15	40.64	(20.47)	49.99	29.83	-	40.05	(6.15)	(0.07)	(6.08)	-	100.00%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	10.05.2005	31.03.2022	BRL	15.87	117.89	(79.05)	85.15	46.31	-	95.17	2.65	0.04	2.61	-	100.00%
Bamco Supply and Services Limited	22.04.2008	31.03.2022	Baht	2.27	0.23	7.88	8.97	0.87	-	9.05	0.40	0.11	0.29	-	49.00%
PIL Trading (Egypt) LLC	27.07.2009	31.03.2022	EGP	4.15	2.26	(5.89)	6.24	9.86	-	10.05	(0.17)	-	(0.17)	-	100.00%
Pidilite Industries Trading (Shanghai) Co Ltd	22.11.2010	31.03.2022	RMB	11.93	1.14	0.39	2.06	0.53	-	0.51	0.16	-	0.16	-	100.00%
Pidilite Chemical PLC	10.12.2014	31.03.2022	Birr	1.48	2.65	(2.65)	0.03	0.04	-	-	(0.84)	-	(0.84)	-	100.00%
Pidlite Ventures LLC	08.08.2018	31.03.2022	USD	75.71	7.95	0.77	8.73	0.02	4.68	-	0.15	-	0.15	-	100.00%
Nebula East Africa Pvt Ltd	09.09.2015	31.03.2022	KES	0.66	0.33	0.24	1.31	0.73	-	1.38	(0.05)	-	(0.05)	-	100.00%
Pidilite Lanka (Pvt) Ltd	07.08.2015	31.03.2022	LKR	0.24	32.18	(11.46)	41.43	20.71	-	58.44	(4.27)	0.66	(4.93)	-	76.00%
Nina Lanka Construction Technologies (Pvt) Limited	20.02.2017	31.03.2022	LKR	0.24	0.38	(0.13)	1.03	0.78	-	1.26	(0.04)	-	(0.04)	-	72.70%
Pidilite East Africa Limited	12.02.2019	31.03.2022	KES	0.66	11.46	(1.97)	18.11	8.61	-	25.85	(0.21)	(0.21)	-	-	55.00%
Nina Percept (Bangladesh) Pvt Ltd	29.01.2020	31.03.2022	Taka	0.88	0.39	(0.02)	0.37	0.01	-	-	(0.01)	-	(0.01)	-	71.81%
Fevicol Company Limited	28.07.1979	31.03.2022	INR	-	0.27	2.01	2.28	-	0.04	-	0.06	-	0.06	-	100.00%
Madhumala Ventures Pvt Ltd	01.06.1989	31.03.2022	INR	-	0.24	199.48	199.74	0.01	186.77	-	-	-	(0.01)	-	100.00%
Bhimad Commercial Company Pvt Ltd	01.06.1989	31.03.2022	INR	-	0.01	7.91	7.94	0.03	-	-	0.09	0.02	0.07	-	100.00%
Pagel Concrete Technologies Pvt Ltd	24.01.2007	31.03.2022	INR	-	0.10	(0.43)	-	0.33	-	-	-	-	-	-	80.00%
Building Envelope Systems India Ltd	07.09.2012	31.03.2022	INR	-	8.35	14.91	24.44	1.17	-	14.45	0.92	0.47	0.45	-	60.00%
Nina Percept Private Limited	30.03.2015	31.03.2022	INR	-	1.18	89.30	334.77	244.29	-	258.59	(36.20)	(9.27)	(26.93)	-	74.58%
ICA Pidilite Pvt Ltd	20.11.2015	31.03.2022	INR	-	6.66	229.98	312.46	75.82	-	271.77	19.20	4.75	14.45	-	50.00%
Cipy Polyurethanes Pvt Ltd	09.02.2018	31.03.2022	INR	-	0.94	101.28	129.85	27.63	-	126.40	11.34	3.14	8.20	-	100.00%
Pidilite C-Techos Walling Ltd	05.03.2020	31.03.2022	INR	-	1.82	0.06	2.21	0.34	-	0.30	(1.04)	-	(1.04)	-	60.00%
Pidilite Litokol Pvt Ltd	07.10.2019	31.03.2022	INR	-	1.88	22.78	25.76	1.10	-	-	(0.01)	0.03	(0.04)	-	60.00%
Pidilite Grupo Puma Manufacturing Ltd	13.01.2020	31.03.2022	INR	-	0.91	19.49	24.80	4.40	-	-	(1.65)	0.03	(1.68)	-	50.00%
Pidilite Adhesives Private Limited	03.11.2020	31.03.2022	INR	-	27.49	172.28	270.19	70.42	-	494.56	158.72	40.91	117.80	-	100.00%
Tenax Pidilite India Private Limited	28.05.2020	31.03.2022	INR	-	0.60	42.45	50.02	6.96	-	23.51	4.42	1.17	3.25	-	70.00%

% of holding and voting power either directly or indirectly through subsidiary as at 31st March 2022.

Name of Subsidiaries which have been liquidated or sold during the year: Not Applicable

During the year, on completion of winding up procedures, Pidilite Grupo Puma Private Limited (w.e.f. 27th October 2021) and Pidilite C-Techos Private Limited (w.e.f. 1st February 2022) were struck off by Registrar of Companies.

Notes forming part of the consolidated financial statements

INFORMATION ON ASSOCIATES

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

(₹ in crores)

	Name of Associates	Vinyl Chemicals (India) Ltd	Aapkapainter Solutions Private Limited	Kaarwan Eduventures Private Limited
1	Latest audited Balance Sheet Date	31st March 2022	31st March 2022	31st March 2022
2	Share of Associate held by the Company at the year end			
	• Number	74,51,540	8,380	406
	• Amount of Investment in Associate	1.18	20.37	3.75
	• Extent of Holding %	40.64%	47.67%	28.88%
3	Description of how there is significant influence	Associate	Associate	Associate
4	Reason why Associate is not consolidated	refer Note 2.5	refer Note 2.5	refer Note 2.5
5	Networth attributable to Shareholding as per latest audited Balance Sheet	39.03	53.15	1.09
6	Profit / (Loss) for the year			
	(i) Considered in Consolidation	14.46	(2.29)	0.00*
	(ii) Not Considered in Consolidation	21.09	(2.51)	0.01

* Less than ₹ 1 Lac

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 2022
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

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

MANISHA SHETTY
Company Secretary

Place: Mumbai
Date: 18th May 2022

NOTES

NOTES

Pidilite Industries Limited
Registered Office:
Regent Chambers, 7th Floor,
Jamnalal Bajaj Marg,
208 Nariman Point,
Mumbai 400 021.

www.pidilite.com

Pidilite Industries Limited

Registered Office: Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021.

NOTICE

NOTICE is hereby given that the **53rd ANNUAL GENERAL MEETING** of the Members of the Company will be held on Wednesday, 10th August 2022 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 standalone financial statements of the Company for the financial year ended 31st March 2022 together with the reports of Board of Directors and the Auditors' thereon; and
   b. the audited consolidated financial statements of the Company for the financial year ended 31st March 2022 together with the report of the Auditors' thereon.
2. To declare Dividend on equity shares.
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 Regulation 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 a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152, read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the 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 of the Nomination and Remuneration Committee, Smt. Meher Pudumjee (DIN: 00019581), who was appointed as an Additional Director (Independent) of the Company in terms of Section 161 of the Act by the Board of Directors with effect from 18th May 2022 and who holds office upto the date of this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of a Director, and being eligible, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years upto 17th May 2027 and she 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 do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. 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 the 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 of the Nomination and Remuneration Committee, Shri. Sudhanshu Vats (DIN: 05234702), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act by the Board of Directors with effect from 18th May 2022 and who holds office upto the date of this Annual General Meeting (AGM) 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, 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.

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

   "RESOLVED THAT in accordance with the recommendation of the Nomination and Remuneration Committee and pursuant to provisions of Section 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 modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded for the appointment of Shri. Sudhanshu Vats (DIN: 05234702) as Whole Time Director designated as the Deputy Managing Director of the Company for a period of 5 (five) years, with effect from 18th May 2022, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to this Notice."

   "RESOLVED FURTHER THAT Shri. Sudhanshu Vats, the Deputy Managing Director shall work under the superintendence, control and direction of the Board of Directors."

   "RESOLVED FURTHER THAT Shri. Sudhanshu Vats 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. Sudhanshu Vats will be liable to retire by rotation during his term as a Deputy Managing Director."

   "RESOLVED FURTHER THAT the Deputy Managing 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 of Directors be and are 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. Sudhanshu Vats."

   "RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances etc., payable to Shri. Sudhanshu Vats, Deputy 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 authorized 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."

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

   "RESOLVED THAT pursuant to provisions of Section 14, 149(1) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, including any amendment(s) and re-enactment(s) thereto for the time being in force, and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the consent of the members is hereby accorded for increasing the maximum number of Directors that the Company may appoint at any point of time, from the existing limit of 15 (fifteen) Directors to new limit of 18 (eighteen) Directors and consequently the Articles of Association of the Company be amended by replacing existing Article no 22 (i) with the following new Article as under:

   22 DIRECTORS

   (i) Subject to the applicable provisions of the Act, the number of directors of the Company shall not be less than 3 (three) and not more than 18 (eighteen).

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

9. 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 read with 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. R00213) 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 2023, 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 : 18th May 2022

MANISHA SHETTY
COMPANY SECRETARY

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

Notes:

1. The Ministry of Corporate Affairs (the MCA) has, vide its circular dated 5th May 2022 read with relevant circulars issued by Securities and Exchange Board of India (the SEBI) has permitted the holding of the Annual General Meeting (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 53rd 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 (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 9 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 31st July 2022 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 to this Notice.
9. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 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, Smt. Meher Pudumjee and Shri Sudhanshu Vats, 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 Thursday, 28th July 2022 to Wednesday, 10th August 2022 (both days inclusive) for the purpose of payment of dividend on equity shares and the AGM. The Record date will be Wednesday, 27th July 2022 for determining entitlement of members for payment of dividend for the financial year ended 31st March 2022.
13. A. 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 Consultants Private Limited (Formerly known as TSR Darashaw Consultants Private Limited), the Company's Registrar & Share Transfer Agents (**Company's R & T Agents**).

    B. As per Regulation 40 of the SEBI Listing Regulations and SEBI Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, as amended, securities of listed companies can be transferred only in dematerialized form, 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.

    C. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the listed companies to issue securities in dematerialized form only while processing certain prescribed service requests. Accordingly, the members are requested to make service request by submitting a duly filled and signed Form No. ISR-4, the format of which is available on the Company's website at www.pidilite.com and on the website of Company's R & T Agents at www.tcplindia.co.in. Members are requested to note that any service request would only be processed after the folio is KYC compliant.
14. The Members are requested to inform of changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC, etc., immediately to:

    (i) Company's R & T Agents in prescribed Form No. ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 in case of shares held in Physical Form; or

    (ii) Depository Participants (DP) in case of shares held in Electronic Form.
15. 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.
16. 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are also available on the website of the Company at www.pidilite.com.
17. 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.
18. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

    A) For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% (Ten percent) on the amount of Dividend declared and paid by the Company during financial year 2022-23 provided PAN is registered by the Shareholder. If PAN is not registered or PAN is not linked with Aadhaar or specified person under Section 206AB of the Income Tax Act, 1961, TDS would be deducted @ 20% (Twenty percent). However, no tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received by them during financial year 2022-23 does not exceed ₹ 5,000/-. In cases where the shareholder furnishes Form 15G (applicable to any person other than a Company or a Firm or HUF)/Form 15H (applicable to an Individual above the age of 60 years)/Nil/lower TDS certificate issued by the Income-tax department, no TDS shall be deducted provided that the eligibility conditions are being met.

    B) For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (Twenty percent) (plus applicable surcharge and education cess) on the amount of Dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

    - Copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident.
    - Self declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
    - Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
    - Self-Declaration certifying the following points:
        i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2022-23;
        ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
        iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
        iv. Member is the ultimate beneficial owner of its shareholding in the Company and Dividend receivable from the Company; and
        v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

    As per Finance Act, 2021, Section 206AB has been inserted effective 1st July 2021, wherein higher rate of tax (20%) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio/Foreign Institutional Investor, higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

    C) Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.

    D) Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above before 25th July 2022.

    E) Kindly note that the aforementioned documents are required to be submitted at https://tcpl.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before 25th July 2022 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/ deduction shall be entertained post 25th July 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

F) The soft copy of TDS certificate can be emailed to you at your registered e-mail ID in accordance with the provisions of the Income Tax Act, 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

G) Separate email communication is being sent to the shareholders informing the said change in Income Tax Act, 1961 as well as relevant procedure to be adopted by the shareholders for availing the applicable tax rate.

19. 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 2014 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 2015 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 31st July 2022, 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 11th August 2021 (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 2015 to 31st March 2021 are requested to contact the R & T Agents, M/s. TSR Consultants Pvt. Ltd. (Formerly known as TSR Darashaw Consultants Pvt. Ltd.), Unit: Pidilite Industries Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083.

20. 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 have been transferred to IEPF and hence no claim shall lie in respect thereof against the Company.

21. Voting through electronic means

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 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 details of the process and manner for remote e-voting are explained herein below:

Step 1: Access to NSDL e-voting

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1 Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will also be able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL for e-Voting facility. 2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800-1020-990 and 1800-224-430.
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at (022) 2305 8738 or (022) 2305 8542/43.

B. Login Method for e-Voting and joining virtual meeting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Login to NSDL e-voting website?

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 'Shareholder/ Member' 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. 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 is12********** 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 alllowed to modify your vote.

Process for those shareholders whose email ids are not registered with the Depositories/Company for procuring User ID and Password for e-Voting for the resolutions set out in this Notice:

Shareholders/members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-Voting by providing below mentioned documents:

1. In case shares are held in physical mode please provide folio no., name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card).
2. In case shares are held in demat mode, please provide DP ID Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card). If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at note Step 1.A 'Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode'.

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

Physical Holding	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares/ debentures/bonds, etc., held in physical form	Form ISR-4
The forms for updating the above details are available at Company's website https://www.pidilite.com/investors/shareholders-corner/		
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 1020 990 /1800 224 430 or send a request at evoting@nsdl.co.in.

iv. Any person, holding shares in physical form and non-individual shareholders 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 August 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders

holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e 3rd August 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

v. The remote e-voting period shall commence on Saturday, 6th August 2022 at 9.00 a.m. and would end on Tuesday, 9th August 2022 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 August 2022 (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 casted 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 August 2022, 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:

A. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.

B. 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.

C. 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.

D. 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.

E. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800 1020 990/ 1800 224 430 or contact Mr. Amit Vishal, Assistant Vice President– NSDL or Ms. Soni Singh at evoting@nsdl.co.in.

F. 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 3rd August 2022 to 5th August 2022. 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.

22. 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.

23. 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.

24. 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 53rd AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

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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 the past, Members have approved appointment of Shri N K Parekh as Non-Executive Director of the Company by passing Special Resolution(s), as required under Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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 the 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, as set out in Item No. 4 of the Notice, for approval by the Members.

Item No. 5

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors (the Board) has appointed Smt. Meher Pudumjee (DIN: 00019581) as an Additional Director (Independent) of the Company with effect from 18th May 2022, who holds office upto the date of the ensuing Annual General Meeting.

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

Smt. Meher Pudumjee is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Nomination and Remuneration Committee has recommended the appointment of Smt. Meher Pudumjee as an Independent Director for a period of five consecutive years upto 17th May 2027 and she shall not be liable to retire by rotation.

The Company has received a declaration from Smt. Meher Pudumjee stating that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act including under Rule 6(3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 for inclusion of her name in Independent Director's Database and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Listing Regulations**).

Smt. Meher Pudumjee is the chairperson of Thermax Ltd., a Pune based global conglomerate focused on providing energy and environmental solutions. A postgraduate in Chemical Engineering from the Imperial College of Science & Technology, London, she joined Thermax in 1990 and is widely credited for the turnaround of the Company. She represented India at the Asian Business Women's Conference in Osaka in 2006. The World Economic Forum in 2008 selected her as a Young Global Leader for her professional accomplishment, commitment to society and potential to contribute towards shaping the future of the world. In 2009, she was named CEO of the Year, by Business Standard. She has also served as the Chairperson of Pune Zonal Council of the Confederation of Indian Industry. Brief profile of Smt. Meher Pudumjee as stipulated under Regulation 36(3) of the Listing Regulations is given as an annexure to this Notice.

Smt. Meher Pudumjee is independent of the management and possesses appropriate skills, experience and knowledge, inter alia, in the field of leadership and governance, business and senior management. In the opinion of the Board, she fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations.

Keeping in view her expertise and vast knowledge, it will be in the interest of the Company to appoint Smt. Meher Pudumjee as an Independent Director, not liable to retire by rotation.

Smt. Meher Pudumjee 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 the draft letter of appointment of Smt. Meher Pudumjee as an Independent Director setting out the terms and conditions is available for inspection by the Members through electronic mode, on the basis of request being sent on queries_documents@pidilite.com.

Except Smt. Meher Pudumjee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are 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.5 of the Notice, for approval by the Members.

Item No. 6

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors (the Board) has appointed Shri. Sudhanshu Vats (DIN: 05234702) as an Additional Director of the Company with effect from 18th May 2022 who holds office upto the date of the ensuing Annual General Meeting.

Shri. Sudhanshu Vats 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.

Shri Sudhanshu Vats is an alumnus of IIM-Ahmedabad and NIT Kurukshetra and has a rich and varied experience of over 30 years in the field of Sales & Marketing and General Management in diverse organizations like Unilever, BP (Castrol), Viacom18 and EPL (formerly known as Essel Propack). Shri Vats is on the Board of The Advertising Standards Council of India. In accordance with the provisions of Regulation 36(3) of the Listing Regulations, a brief profile of Shri Sudhanshu Vats 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. Sudhanshu Vats for the office of Director of the Company.

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

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

Except Shri. Sudhanshu Vats, none of the other Directors, Key Managerial Personnel of the Company and their relatives are 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 Ordinary Resolution, as set out in Item No. 6 of the Notice, for approval by the Members.

Item No. 7

In accordance with the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 18th May 2022 have, subject to the approval of Members, appointed Shri. Sudhanshu Vats (DIN: 05234702) as the Deputy Managing Director of the Company for a period of 5 years with effect from 18th May 2022 on the following terms and conditions:

A. Basic Salary:

Basic Salary of ₹ 3,03,75,000/- (Rupees Three Crore Three Lakhs Seventy Five Thousand Only) per annum with first increment due on 1st September 2022 and subsequent increments will become due on 1st April every year.

B. Special Allowance:

An amount of ₹ 1,36,43,963/- (Rupees One Crore Thirty Six Lakhs Forty Three Thousand Nine Hundred Sixty Three Only) per annum.

C. Variable Pay:

An amount not exceeding ₹ 2,75,00,000/- (Rupees Two Crore Seventy Five Lakhs Only) per annum.

D. Perquisites / Benefits / Allowances

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

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

   b. Benefits of Superannuation and National Pension Scheme, as per the rules of the Company.

   c. Gratuity payment as per rules of the Company.

ii. Other Perquisites/ Allowances:

   Perquisites/Allowances shall not exceed an amount of ₹ 75,00,000/- (Rupees Seventy Five Lakhs Only) per annum, on a cost to company basis:

   a) Residential Accommodation:

      The Company shall provide House Rent Allowance of an amount not exceeding 50% of Basic Salary.

   b) 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.

   c) Reimbursement of membership fees/ subscription for a club in India.

   d) Medical, Personal Accident Insurance and Life Insurance.

   e) Company's car with driver.

   f) 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 & 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 & 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 to the Deputy Managing Director, the stock options.

Shri Sudhanshu Vats joined the Company on 1st September, 2021 as a senior managerial personnel designated as Deputy Managing Director. Shri Vats is an alumnus of IIM-Ahmedabad and NIT Kurukshetra and has a rich and diverse experience of over 30 years in the field of Sales & Marketing and General Management in diverse organizations like Unilever, BP (Castrol), Viacom18 and EPL (formerly known as Essel Propack). Shri Vats is on the Board of The Advertising Standards Council of India. In accordance with the provisions of Regulation 36(3) of the Listing Regulations, a brief profile of Shri Sudhanshu Vats is given as an annexure to this Notice and forms part of this explanatory statement.

Shri. Sudhanshu Vats satisfies all the conditions as set out in Part I of Schedule V and also under Section 196 of the Act, for being eligible to be appointed as the Deputy Managing Director of the Company.

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

The above may be treated as written memorandum setting out the terms of appointment of Shri. Sudhanshu Vats under Section 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. Sudhanshu Vats, 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 the Ordinary Resolution, as set out in Item No. 7 of the Notice, for approval by the Members.

Item No. 8

In accordance with the provisions of Section 149(1) of the Act, a Company may appoint maximum of 15 individuals as Directors. However, the Company may appoint more than 15 Directors after seeking approval from the Members of the Company by passing a special resolution. Further, in terms of provisions of Section 14 of the Act, the Company can amend its Articles of Association by passing a Special Resolution. Considering Company's expansion of business, strengthening the Board and to bring diversity, the Board of Directors of the Company at its Meeting held on 18th May 2022 subject to the consent of the Members, have approved to increase the number of Directors from 15 to 18 and to amend Article 22 (i) of the existing Articles of Association of the Company.

A copy of the existing as well as the proposed amended Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day upto the date of the Annual General Meeting.

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

The Board recommends the Special Resolution, as set out in Item No. 8 of the Notice, for approval by the Members.

Item No. 9

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 2023 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 read with 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.

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

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

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 18th May 2022

MANISHA SHETTY
COMPANY SECRETARY

Registered Office:
Regent Chambers, 7th floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
Tel : 91 22 2835 7000
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
Name of Director	**Shri A B Parekh**	**Shri N K Parekh**	**Smt. Meher Pudumjee**	**Shri Sudhanshu Vats**
Age	65 years	84 years	56 years	55 years
Date of first appointment on the Board	26th June 1985	28th July 1969	18th May 2022	18th May 2022
Qualification	B. S. Chem. Engg. (USA)	B.Sc., B.Sc (Tech), M.S. Chem. Engg. (USA)	Postgraduate in Chemical Engineering from the Imperial College of Science & Technology, London	MBA from Indian Institute of Management – Ahmedabad and NIT Kurukshetra
Experience (including expertise in specific functional area) / Brief Resume	He is a Promoter Director and Executive Vice Chairman of the Company. He has been serving as a Director of the Company since 1985 and has an experience over 40 years.	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	Independent Director for term of 5 consecutive years.	Whole-time Director appointed for a period of 5 years.
Remuneration last drawn (FY 2021-2022)	For details, please refer to the Corporate Governance Report.		Nil	Nil
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 Remuneration Policy	As per the resolution at Item No. 7 of the Notice convening this Meeting read with explanatory statement thereto
Other Companies in which he/she 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. Thermax Limited	-
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company	For details, please refer to the Corporate Governance Report.		Nil	Nil

Resolution/Item No	3	4	5	6 & 7
Name of Director	**Shri A B Parekh**	**Shri N K Parekh**	**Smt. Meher Pudumjee**	**Shri Sudhanshu Vats**
Chairperson/ Membership of the Committee(s) of Other Boards excluding Section 8 companies and Private Companies	1. Vinyl Chemicals (India) Ltd.: Member of Committee: • Stakeholders Relationship Committee 2. Parekh Marketing Ltd.: Chairman of Committee: • Corporate Social Responsibility Committee Member of Committees: • Nomination and Remuneration Committee • Audit Committee	1.Vinyl Chemicals (India) Ltd. Chairman of Committee: • Corporate Social Responsibility Committee Member of Committee: • Nomination and Remuneration Committee	1.Thermax Ltd. Chairperson of Committee: • Corporate Social Responsibility Committee Member of Committees: • Stakeholders Relationship Committee • Nomination and Remuneration Committee	Nil
Number of Meetings of the Board attended during the year	For details, please refer to the Corporate Governance Report.		NIL	NIL
Shareholding in the Company as on 31st March 2022	4,74,33,489 Equity Shares	5,42,73,688 Equity Shares	NIL	NIL
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	None