

KHANNA & PANCHMIA

CHARTERED ACCOUNTANTS

303/304, Shyamkamal "D", Tejpal Road, Vile Parle East, Mumbai-400 057
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INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **ICA Pidilite Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other comprehensive Income) the Cash Flow Statement and the statement of changes in the Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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



Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provided any managerial remuneration under the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under section 197 of the Act is not applicable.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 35 to the Standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.



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


Devendra Khanna
Partner

Membership No. 038987

Place: Mumbai
Date: 03rd June 2020

UDIN No.: 20038987AAAAJY6413

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee, which are covered by the provisions of section 185 and 186 of the Companies Act 2013. Hence, reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to Companies(Cost records and Audit) Rules,2014 as amended, prescribed by the Central Government under sub-section(1) Of Section 148 of the Companies Act,2013, and are of opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a)According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, SalesTax, Service tax, Goods and Services Tax, Custom duty, Excise duty, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.
(b) According to information and explanations given to us and the records of the Company examined by us, in our opinion, there were no dues which have not been deposited in respect of Income tax, Sales Tax, Service Tax, Goods and Services



Tax, Customs Duty, Excise Duty and Value Added Tax on account of any dispute except as mentioned below-

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

- (viii) In our opinion and according to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to Bank. The Company has not taken loans from any financial institutions and government nor issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officer/employees has been noticed or reported during the year nor have we been informed about any such case by the Management.
- (xi) According to information and explanations given to us, the Company has not paid/provided any managerial remuneration requiring approvals as mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013, hence reporting under clause 3(xi) of the Order is not applicable.
- (xii) As the Company is not Nidhi Company, the reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Devendra Khanna
Devendra Khanna
Partner

Membership No. 038987

Place: Mumbai
Date: 03rd June 2020

UDIN No.: 20038987AAAAJY6413

Annexure "B" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **ICA Pidilite Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

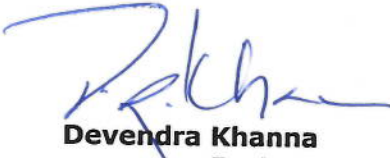
In our opinion, to the best of information and explanations given to us, the Company has, in all materials respects, an adequate internal financial controls system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 2020 based on the 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.

Place: Mumbai
Date: 03rd June 2020

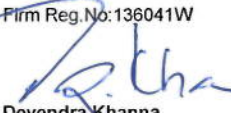




UDIN No.: 20038987AAAAJY6413



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


Devendra Khanna
Partner
Membership No. 038987

ICA PIDILITE PRIVATE LIMITED
Statement of Profit and Loss For The Year Ended 31st March 2020.

Particulars	Note No.	(Amount in Rs.)	
		For the year ended 31st March 2020	For the year ended 31st March 2019
INCOME			
Revenue from Operations	25	1,85,44,94,370	1,68,33,32,344
Other Income	26	30,13,203	6,98,87,482
Total Income		1,85,75,07,574	1,75,32,19,826
EXPENSES			
Cost of Materials Consumed	27	89,20,80,112	68,08,24,255
Purchases of Stock-in-Trade (Traded goods)	28	18,92,97,409	61,04,31,961
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Transit	29	(1,90,95,373)	(7,06,11,630)
Employee Benefits Expense	30	24,46,54,613	20,59,06,023
Finance Costs	31	51,13,269	1,90,12,304
Depreciation and Amortization Expense	32	2,88,57,008	16,67,17,219
Other Expenses	33	29,61,06,541	25,50,10,553
Total Expenses		1,83,70,13,577	1,86,72,90,686
Profit / (Loss) before Exceptional Items and Tax		2,04,93,996	(11,40,70,859)
(Add) / Less : Exceptional Items (net)		-	-
Profit / (Loss) before Tax		2,04,93,996	(11,40,70,859)
Tax Expense			
Current Tax		-	-
Deferred Tax		51,91,961	(2,70,68,690)
Net Tax expense		51,91,961	(2,70,68,690)
Profit/ (Loss) for the year		1,53,02,035	(8,70,02,169)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Actuarial Gains/(Losses)	34	(18,49,374)	(9,42,168)
Income tax relating to items that will not be reclassified to profit or loss	34	4,80,837	2,44,964
Total Other Comprehensive Income		(13,68,537)	(6,97,204)
Total Comprehensive Income		1,39,33,498	(8,76,99,373)
Earnings per share			
Basic (Rs.)	37	2.09	(12.23)
Diluted (Rs.)	37	2.09	(12.23)
Face Value of Share (Re)		10.00	10.00
Significant Accounting Policies	1 to 2		
See accompanying notes forming part of the financial statements	3 to 48		
<p>In terms of our Report attached For Khanna & Panchmia Chartered Accountants Firm Reg.No:136041W</p>   <p>Devendra Khanna Partner Membership No. 38987</p>		<p>FOR AND ON BEHALF OF THE BOARD OF DIRECTORS</p>   <p>BHARAT PURI PRABHAKAR JAIN Director Director</p>   <p>RAJESH JOSHI Company Secretary CEO</p>	
<p>Place: Mumbai Date : 3rd June 2020</p>		<p>Place: Mumbai Date : 3rd June 2020</p>	

ICA PIDILITE PRIVATE LIMITED
Balance Sheet as at 31st March, 2020

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3	92,09,50,063	94,62,28,044
(b) Right of use asset	3a	3,59,91,086	-
(c) Capital Work-In-Progress		15,18,549	-
(d) Goodwill	4	2,07,86,534	2,07,86,534
(e) Other Intangible Assets	5	99,72,51,186	1,16,16,95,487
(f) Financial Assets			
(i) Others	6	1,34,79,773	1,20,73,376
(g) Income Tax Assets (net)	7	45,712	44,95,083
(h) Deferred Tax Assets (net)	8	4,02,72,680	4,49,83,804
(i) Other Non current Non financial Assets	9	2,66,730	27,63,837
Total Non Current Assets		2,03,05,62,312	2,19,30,26,164
Current Assets			
(a) Inventories	10	27,43,76,977	34,32,68,189
(b) Financial Assets			
(i) Investments	11	4,50,96,376	1,81,668
(ii) Trade Receivables	12	39,57,23,913	39,41,31,795
(iii) Cash and cash equivalents	13	5,56,01,708	1,15,67,458
(iv) Loans	14	48,38,576	23,48,375
(c) Other Current Assets	15	5,05,10,845	10,26,98,129
Total Current Assets		82,61,48,396	85,41,95,613
TOTAL ASSETS		2,85,67,10,708	3,04,72,21,777
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	7,30,56,000	7,30,56,000
(b) Other Equity	17	2,36,85,31,385	2,35,45,97,887
Total Equity		2,44,15,87,385	2,42,76,53,887
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	18	1,21,38,832	-
(b) Provisions	19	1,12,37,482	77,06,533
Total Non Current Liabilities		2,33,76,314	77,06,533
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	-	4,42,04,615
(ii) Trade Payables			
Total outstanding dues of micro and small enterprises	21	7,53,50,245	5,41,67,317
Total outstanding dues of others	21	10,65,92,389	26,80,41,946
(iii) Lease Liabilities	22	2,55,33,459	-
(iv) Others	23	17,72,85,587	23,60,56,362
(b) Other Current Liabilities	24	58,64,753	86,15,976
(c) Provisions	25	11,20,576	7,75,141
(d) Current Tax Liabilities (net)			
Total Current Liabilities		39,17,47,009	61,18,61,357
TOTAL EQUITY AND LIABILITIES		2,85,67,10,708	3,04,72,21,777

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

1 to 2

In terms of our Report attached

For Khanna & Panchmia

Chartered Accountants

Firm Reg.No. 136041W

Devendra Khanna

Partner

Membership No. 38987



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Director

PRABHAKAR JAIN
Director

RAJESH JOSHI
CEO

Company Secretary

Place: Mumbai

Date : 3rd June 2020

Place: Mumbai

Date : 3rd June 2020

ICA PIDILITE PRIVATE LIMITED

STATEMENT OF CASH FLOW

Particulars	As on		For the year ended	
	31st March 2020		31st March 2019	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		2,04,93,996		(11,40,70,859)
Adjustments for:				
Depreciation and amortization expense	22,88,57,008		16,67,17,219	
Net gain on sale of Current Investments	(3,95,832)		(1,66,46,019)	
Provision for Doubtful Debts	37,95,639		30,30,252	
Finance costs	51,13,269		1,90,12,304	
		23,73,70,083		17,21,13,756
Operating profit before working capital changes		25,78,64,079		5,80,42,897
Movement in working capital:				
(Increase) / decrease in operating assets:				
Inventories	6,88,91,213		(16,81,08,161)	
Trade receivables	(53,87,759)		(7,73,62,214)	
Other financial Current assets	(24,90,201)		(10,24,091)	
Other financial Non Current assets	(14,06,397)		(66,49,376)	
Other Current Assets	5,21,87,283		(1,07,36,863)	
Other non current assets	24,97,107		(27,63,837)	
		11,42,91,245		(26,66,44,541)
Increase / (decrease) in operating liabilities:				
Trade payables	(14,02,66,628)		8,32,30,557	
Lease Liability	2,55,33,459			
Other Current Financial liabilities	(5,87,70,776)		7,97,09,215	
Other Current Liabilities	(24,05,788)		(21,87,138)	
Other Non-Current Liabilities	1,56,69,781		(10,99,34,888)	
Other Non Current Financial liabilities				
		(16,02,39,952)		5,08,17,746
Cash generated from / (used in) operations		21,19,15,373		(15,77,83,897)
Net income tax paid	44,49,371	44,49,371	(22)	(22)
Net cash used in operating activities (A)		21,63,64,744		(15,77,83,919)
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(2,64,79,002)		(73,55,41,207)	
Right to use of Assets	(5,01,65,358)		-	
Profit on sale of investments	3,95,832		1,66,46,019	
Sales/(Purchase) in Investment	(4,67,64,083)		29,05,24,068	
Realisation/Investment in Deposits/Realisation	-	(12,30,12,610)	-	(42,83,71,120)
Net cash used in investing activities (B)		(12,30,12,610)		(42,83,71,120)
C. Cash flow from financing activities				
Net Proceeds from Issue of equity share capital	-		53,27,00,000	
Finance costs	(51,13,269)	(51,13,269)	(1,90,12,304)	
Net cash generated from financing activities (C)		(51,13,269)		51,36,87,696
Net increase in Cash and cash equivalents (A+B+C)		8,82,38,865		(7,24,67,344)
Cash and cash equivalents at the beginning of the year		(3,26,37,157)		3,98,30,187
Cash and cash equivalents at the end of the year (Refer Note 13)		5,56,01,708		(3,26,37,157)

In terms of our Report attached
For Khanna & Panchmia
Chartered Accountants

Devendra Khanna
Partner
Membership No. 38987

Place: Mumbai
Date : 3rd June 2020



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Director

PRABHAKAR JAIN
Director

RAJESH JOSHI
CEO

Company Secretary

ICA PIDILITE PRIVATE LIMITED

Statement of changes in Equity
For the year ended 31st March,2020

(Amount in Rs.)

a. Equity Share Capital	Amount
Balance at April 01, 2018	5,78,36,000
<u>Changes in equity share capital during the year</u>	
- Issue of equity shares during the year	1,52,20,000
Balance at March 31, 2019	7,30,56,000
<u>Changes in equity share capital during the year</u>	
- Issue of equity shares during the year	-
Balance at March 31, 2020	7,30,56,000

(Amount in Rs.)

b. Other Equity	Reserves and Surplus		Total
	Securities Premium Account	Retained Earnings	
Balance at April 01, 2018	1,96,91,12,000	(4,42,94,739)	1,92,48,17,261
Profit /(Loss) for the year		(8,70,02,169)	(8,70,02,169)
On Issue of equity shares during the year	51,74,80,000		51,74,80,000
Other comprehensive income for the year, net of income tax	-	(6,97,204)	(6,97,204)
Balance at March 31, 2019	2,48,65,92,000	(13,19,94,113)	2,35,45,97,887
Profit /(Loss) for the year		1,53,02,035	1,53,02,035
On Issue of equity shares during the year	-		-
Other comprehensive income for the year, net of income tax	-	(13,68,537)	(13,68,537)
Balance at March 31, 2020	2,48,65,92,000	(11,80,60,615)	2,36,85,31,385



ICA Pidilite Pvt. Ltd.

Notes to the financial statements for the year ended 31st March 2020

1.0 Corporate Information

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

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

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

2.0 Significant Accounting Policies

2.1 Basis of preparation and presentation

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

a. Certain Financial Assets / Liabilities – at Fair value

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

2.2 Revenue recognition

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

Sale of goods

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

2.3 Foreign currencies

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Gains or losses arising from these translations are recognised in the statement of Profit and Loss.

2.4 Taxation

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

2.5.1 Current tax

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



2.5.2 Deferred tax

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

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

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

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

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

2.5.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.6 Property, plant and equipment

2.6.1 Property, plant and equipment acquired separately

Freehold land is stated at cost and not depreciated.

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

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost of such self-constructed item includes professional fees. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss in the year of occurrence.

2.6.2 Depreciation

Depreciation is provided so as to write off the cost of assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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



2.7 Intangible Assets

2.7.1 Intangible assets acquired in a business combination

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

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

2.7.2 Useful lives of intangible assets

Estimated useful lives of the Intangible assets are as follows:

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

2.8 Impairment of tangible and intangible assets other than goodwill

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

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.9 Inventories

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

Cost of inventories is determined on weighted average basis. Cost for this purpose includes cost of direct materials, direct labour, excise duty and appropriate share of overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

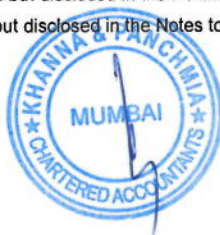
2.10 Provisions

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

Provisions (excluding retirement benefits & Earn out Compensation) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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



2.11 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.11.1 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method.

All other financial assets are measured at fair value.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.11.2 Impairment of financial assets

The Company applies expected credit loss model for recognizing impairment loss on financial assets like trade receivables, financial assets measured at amortised cost, lease receivables and other contractual rights to receive cash or other financial assets. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

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

2.11.3 Financial Liabilities

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

2.11.4 Derecognition of financial assets and liabilities

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

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

2.11.5 Derivative financial instruments

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

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

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

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

2.13 Employee benefits

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



2.13.1 Defined contribution plans

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

2.13.2 Defined benefit plans

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

2.13.3 Short term and other long term employee benefits

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

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

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

2.14 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of change in an accounting estimate is recognised prospectively in the period of change, if the change affects that period only or in the period of the change and future periods if the change affects both current and future periods.

2.14.1 Critical accounting judgements and key sources of estimation uncertainty

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

2.15 Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

2.16 Ind AS 116 Leases

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



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

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

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

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

Certain practical expedients are available under both the methods.

2.16.1

The Company's lease asset classes primarily consist of leases for plant and machinery and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Transition

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

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

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

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



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

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

The amendments require an entity:

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

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

2.18 Others

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. The operation of the Company were disrupted since mid of March 20. As on date, The Company has already restarted the operations albeit in a phased manner after obtaining necessary permissions as required. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Company has evaluated the impact of Covid 19 on the operations of the Company, order booking and revenue, cash flow, assets and liabilities and factored in the impact of it upto the date of approval of these financial results on the carrying value of its assets and liabilities.

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

Given the uncertainties, the impact of Covid19 may be different from that estimated as at the date of approval of these standalone financial results, and the Company will continue to closely monitor the developments.



ICA PIDILITE PRIVATE LIMITED
Notes forming part of financial statements.

3. Property, plant and equipment (Amount in Rs.)

Carrying amounts of:	31st March 2020	31st March 2019
Freehold land	10,49,51,000	10,49,51,000
Building & Civil	39,81,03,659	41,11,91,615
Plant & Machinery	38,97,86,957	40,25,11,904
Vehicles	22,06,441	18,42,148
Furniture & Fixtures	1,55,17,729	1,53,76,264
Office Equipments	1,03,84,277	1,03,55,113
Total	92,09,50,063	94,62,28,044

Cost (Gross Block)	Free holdLand	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at 1st April, 2018	10,49,51,000	-	56,84,837	6,55,225	1,21,30,602	66,35,052	13,00,56,717
Additions	-	41,90,28,795	41,18,10,536	18,17,303	73,68,231	73,68,396	84,73,93,261
Adjustment	-	-	-	-	-	-	-
Balance at March 31, 2019	10,49,51,000	41,90,28,795	41,74,95,373	24,72,528	1,94,98,834	1,40,03,448	97,74,49,978
Additions	-	66,48,686	2,72,76,373	6,07,994,54	20,60,725	29,15,169	3,95,08,948
Adjustment/Disposal	-	(64,75,803)	(88,06,536)	(18,960)	(22,724)	(98,771)	(1,54,22,793)
Balance at March 31, 2020	10,49,51,000	41,92,01,679	43,69,65,210	30,61,563	2,15,36,834	1,68,19,846	1,00,15,36,133

Accumulated depreciation	Free holdLand	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at 1st April, 2018	-	-	18,74,535	4,86,259	27,52,121	17,37,883	68,50,798
Depreciation expense	-	78,37,181	1,31,08,934	1,44,121	13,70,449	19,10,452	2,43,71,137
Balance at March 31, 2019	-	78,37,181	1,49,83,469	6,30,381	41,22,570	36,48,334	3,12,21,935
Depreciation expense	-	1,34,30,880	3,13,41,154	2,25,211	19,03,852	28,11,937	4,97,13,033
Adjustment/Disposal	-	(1,70,040)	(1,46,370)	(469)	(7,316)	(24,702)	3,48,897
Balance at March 31, 2020	-	2,10,98,020	4,61,78,253	8,55,122	60,19,105	64,35,569	8,05,86,070

Carrying amount (Net Block)	Free holdLand	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Office Equipment	Total
Balance at 1st April, 2018	10,49,51,000	-	38,10,302	1,68,966	93,78,482	48,97,169	12,32,05,919
Additions	-	41,90,28,795	41,18,10,536	18,17,303	73,68,231	73,68,396	84,73,93,261
Depreciation expense	-	78,37,181	1,31,08,934	1,44,121	13,70,449	19,10,452	2,43,71,137
Balance at March 31, 2019	10,49,51,000	41,11,91,615	40,25,11,904	18,42,148	1,53,76,264	1,03,55,113	94,62,28,044
Additions	-	66,48,686	2,72,76,373	6,07,995	20,60,725	29,15,169	3,95,08,948
Adjustment/Disposal	-	(64,75,803)	(88,06,536)	(18,960)	(22,724)	(98,771)	(1,54,22,793)
Depreciation expense	-	1,32,60,840	3,11,94,784	2,24,742	18,96,536	27,87,235	4,93,64,136
Balance at March 31, 2020	10,49,51,000	39,81,03,659	38,97,86,957	22,06,441	1,55,17,729	1,03,84,277	92,09,50,063



			(Amount in Rs.)	
3a. Right of Use Assets			As at	As at
			31st March 2020	31st March 2019
Carrying Amounts				
Plant & Machinery			9,38,340	-
Leasehold Buildings			3,50,52,746	-
	TOTAL		3,59,91,086	-

(Amount in Rs.)			
	Plant & Machinery	Leasehold Buildings	TOTAL
Gross Carrying Amount			
Balance as at 1st Apr 2019	-	-	-
Additions		2,33,10,865	2,33,10,865
Disposals/ Adjustments	12,13,526	2,56,40,967	2,68,54,493
Balance as at 31st March 2020	12,13,526	4,89,51,832	5,01,65,357

(Amount in Rs.)			
	Plant & Machinery	Leasehold Buildings	TOTAL
Accumulated Depreciation and Impairment			
Balance as at 1st Apr 2019	-	-	-
Adjustments			
Depreciation expense	2,75,186	1,38,99,086	1,41,74,272
Balance as at 31st March 2020	2,75,186	1,38,99,086	1,41,74,272

(Amount in Rs.)			
	Plant & Machinery	Leasehold Buildings	TOTAL
Net Carrying Amount			
Balance as at 1st Apr 2019	-	-	-
Additions	-	2,33,10,865	2,33,10,865
Disposals/ Adjustments	12,13,526	2,56,40,967	2,68,54,493
Depreciation expense	2,75,186	1,38,99,086	1,41,74,272
Adjustments	-	-	-
Balance as at 31st March 2020	9,38,340	3,50,52,746	3,59,91,086



ICA PIDLITE PRIVATE LIMITED
Notes forming part of financial statements.

4. Goodwill (Amount in Rs.)

	31st March 2020	31st March 2019
Cost	2,07,86,534	2,07,86,534
Accumulated impairment losses	-	-
Total	2,07,86,534	2,07,86,534
Cost	31st March 2020	31st March 2019
Balance at beginning of year	2,07,86,534	2,07,86,534
Additional amounts recognised during the year	-	-
Balance at end of year	2,07,86,534	2,07,86,534

5. Other Intangible assets

Carrying amounts of	31st March 2020	31st March 2019
Trade Mark	25,38,33,632	28,82,75,752
Computer Software	1,95,66,787	2,38,21,303
Technical Knowhow	29,78,13,823	34,24,40,313
Non Compete Fees	30,41,096	35,41,096
Commercial knowhow	26,83,18,711	32,35,08,736
Commerical Right in the Form of Marketing Exclusivity	15,46,77,137	18,01,08,288
	99,72,51,186	1,16,16,95,488

Cost (Gross block)	Trade Mark	Computer Software	Technical Knowhow	Non Compete Fees	Commercial knowhow- Distribution Network	Commerical Right in the Form of Marketing Exclusivity	Total
Balance at 1st April, 2018	24,53,41,938	2,41,78,756	31,41,49,192	50,00,000	34,51,39,694	25,43,11,508	1,18,81,21,088
Other Additions	9,90,79,269	51,21,850	13,21,15,715	-	10,36,08,379	-	33,99,25,213
Balance at March 31, 2019	34,44,21,207	2,93,00,606	44,62,64,907	50,00,000	44,87,48,073	25,43,11,508	1,52,80,46,301
Other Additions	-	8,74,300	-	-	-	-	8,74,300
Balance at March 31, 2020	34,44,21,207	3,01,74,906	44,62,64,907	50,00,000	44,87,48,073	25,43,11,508	1,52,89,20,601

Accumulated amortisation and impairment	Trade Mark	Computer Software	Technical Knowhow	Non Compete Fees	Commercial knowhow- Distribution Network	Commerical Right in the Form of Marketing Exclusivity	Total
Balance at 1st April, 2018	4,70,51,879	7,82,915	6,02,47,790	9,58,904	6,61,91,174	4,87,72,069	22,40,04,731
Amortisation expense	90,93,577	46,96,388	4,35,76,804	5,00,000	5,90,48,163	2,54,31,151	14,23,46,082
Balance at March 31, 2019	5,61,45,455	54,79,303	10,38,24,594	14,58,904	12,52,39,337	7,42,03,220	36,63,50,813
Amortisation expense	3,44,42,120	51,28,816	4,46,26,490	5,00,000	5,51,90,025	2,54,31,151	16,53,18,602
Balance at March 31, 2020	9,05,87,575	1,06,08,119	14,84,51,084	19,58,904	18,04,29,362	9,96,34,371	53,16,69,415

Carrying amount (Net Block)	Trade Mark	Computer Software	Technical Knowhow	Non Compete Fees	Commercial knowhow- Distribution Network	Commerical Right in the Form of Marketing Exclusivity	Total
Balance at 1st April, 2018	19,82,90,059	2,33,95,841	25,39,01,402	40,41,096	27,89,48,520	20,55,39,439	96,41,16,357
Other Additions	9,90,79,269	51,21,850	13,21,15,715	-	10,36,08,379	-	33,99,25,213
Amortisation expense	90,93,577	46,96,388	4,35,76,804	5,00,000	5,90,48,163	2,54,31,151	14,23,46,082
Balance at March 31, 2019	28,82,75,752	2,38,21,303	34,24,40,313	35,41,096	32,35,08,736	18,01,08,288	1,16,16,95,488
Other Additions	-	8,74,300	-	-	-	-	8,74,300
Amortisation expense	3,44,42,120	51,28,816	4,46,26,490	5,00,000	5,51,90,025	2,54,31,151	16,53,18,602
Balance at March 31, 2020	25,38,33,632	1,95,66,787	29,78,13,823	30,41,096	26,83,18,711	15,46,77,137	99,72,51,186



6 Other Financial Assets-Non Current		As at 31.3.2020	As at 31.3.2019
Unsecured, considered good		1,34,79,773	1,20,73,376
Security deposits		1,34,79,773	1,20,73,376
	TOTAL	1,34,79,773	1,20,73,376
7 Income Tax Assets (net) Non Current		As at 31.3.2020	As at 31.3.2019
Advance Income Tax (Net of Provisions)-Non Current		45,712	44,95,083
	TOTAL	45,712	44,95,083
8 Deferred Tax Assets (Net)		As at 31.3.2020	As at 31.3.2019
Deferred Tax Assets (net)		4,02,72,680	4,49,83,804
	TOTAL	4,02,72,680	4,49,83,804
9 Other Non current Non financial Assets		As at 31.3.2020	As at 31.3.2019
Advance to Capital Vendors		2,66,730	27,63,837
	TOTAL	2,66,730	27,63,837
10 Inventories (At lower of cost and net realizable value)		As at 31.3.2020	As at 31.3.2019
Raw Material & Packing Material *		9,20,55,018	18,00,41,604
Stock in Trade		6,60,10,370	8,70,93,190
Finished Goods		11,63,11,589	7,61,33,395
	TOTAL	27,43,76,977	34,32,68,190
* Includes Goods in transit Rs.1,93,56,146/- (Rs. 8,62,57,985/)			
11 Financial Assets - Investments - Current		As at 31.3.2020	As at 31.3.2019
Current Investments (at fair value)			
Units of ICICI Prudential Overnight Fund Direct Plan Growth		4,50,96,376	-
Units of ICICI Prudential Liquid- Direct Growth			1,81,668
	TOTAL	4,50,96,376	1,81,668
12 Trade Receivables		As at 31.3.2020	As at 31.3.2019
Unsecured, considered good		39,57,23,913	39,41,31,793
Considered Doubtful		2,26,01,255	1,88,05,616
		41,83,25,168	41,29,37,409
Less: Allowances for Expected Credit Loss		2,26,01,255	1,88,05,616
	TOTAL	39,57,23,913	39,41,31,793

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



ICA Pidilite Pvt.Ltd
13 Cash and Cash Equivalents

	As at 31.3.2020	As at 31.3.2019
Cash on Hand	43,210	50,395
Balances with banks		
In Fixed Deposits	2,75,19,140	-
In Current Account	2,80,39,358	1,15,17,063
TOTAL	<u>5,56,01,708</u>	<u>1,15,67,458</u>
Cash and cash equivalents as above	5,56,01,708	1,15,67,458
Cash Credit with ICICI Bank as per notes no.20	-	(4,42,04,615)
Balance as per cash flow statement	<u>5,56,01,708</u>	<u>(3,26,37,157)</u>

14 Loans

	As at 31.3.2020	As at 31.3.2019
Unsecured		
Loans to Staff	48,38,576	23,48,375
Considered Doubtful	5,03,099	-
	53,41,675	23,48,375
Less: Allowances for Expected Credit Loss	5,03,099	-
TOTAL	<u>48,38,576</u>	<u>23,48,375</u>

15 Other Current Assets(Non Financial)

	As at 31.3.2020	As at 31.3.2019
Unsecured, considered good		
Prepaid Expenses	31,12,527	26,79,140
Balances with Government Authorities	2,98,56,476	9,27,11,128
Advance to Suppliers/others	1,75,41,842	73,07,861
TOTAL	<u>5,05,10,845</u>	<u>10,26,98,129</u>



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

16 Equity Share Capital

	As at 31.3.2020	As at 31.3.2019
Authorised Capital :		
90,00,000 Equity Shares of Rs.10 each (90,00,000 Equity shares @ Rs.10 Each)	9,00,00,000	9,00,00,000
TOTAL	9,00,00,000	9,00,00,000
Issued, Subscribed and Paid up Capital :		
73,05,600 Equity Shares of Rs10 each, fully paid-up (73,05,600/ Equity shares of Rs 10 each,fully paid up)	7,30,56,000	7,30,56,000
TOTAL	7,30,56,000	7,30,56,000

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

	As at 31.3.2020		As at 31st March 2019	
	Number of Shares	Rs.	Number of Shares	Rs.
Equity Shares				
Shares outstanding at the beginning of the year	73,05,600	7,30,56,000	57,83,600	5,78,36,000
Shares issued during the year	-	-	15,22,000	1,52,20,000
Shares outstanding at the end of the year	73,05,600	7,30,56,000	73,05,600	7,30,56,000

b. Terms/Rights attached to Equity Shares

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

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

	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidlilite Industries Ltd	35,94,964	49.21%	35,94,964	49.21%
Industria Chimica Adritica Spa	32,87,520	45.00%	32,87,520	45.00%

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

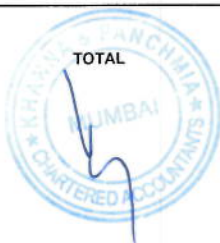
e. The Company does not have any stock option plans. The parent company M/s.Pidlilite Industries Ltd (PIL) however provide ESOP to certain Employees of the company.
Refer Note.No.30

17 Other Equity

	As at 31.3.2020	As at 31.3.2019
Securities Premium Account		
Balance as per last financial statements	2,48,65,92,000	1,96,91,12,000
Add : Premium on Shares issued during the year	-	51,74,80,000
Closing Balance	2,48,65,92,000	2,48,65,92,000
Retained Earnings		
Balance as per last financial statements	(13,19,94,113)	(4,42,94,739)
Add: Profit / (Loss) for the year	1,39,33,498	(8,76,99,373)
Closing Balance	(11,80,60,615)	(13,19,94,113)
TOTAL	2,36,85,31,385	2,35,45,97,887

18 Lease Liabilities

	As at 31.3.2020	As at 31.3.2019
Non Current Borrowings	1,21,38,832	-
TOTAL	1,21,38,832	-



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

19 Provisions

	As at 31.3.2020	As at 31.3.2019
Provision for Employee Benefits (Refer Note 39)		
Gratuity	81,16,107	49,89,531
Compensated absences	31,21,375	27,17,002
TOTAL	1,12,37,482	77,06,533

20 Borrowings

	As at 31.3.2020	As at 31.3.2019
Cash Credit with ICICI Bank (Against Hypothecation of Stock & Book Debts)	-	4,42,04,615
TOTAL	-	4,42,04,615

21 Trade Payables

	As at 31.3.2020	As at 31.3.2019
Total Outstanding dues to Micro Enterprises & Small Enterprises (Refer Note 40)	7,53,50,245	5,41,67,317
Total Outstanding dues to creditors other than Micro Enterprises & Small Enterprises	10,65,92,389	26,80,41,946
TOTAL	18,19,42,634	32,22,09,263

22 Lease Liabilities

	As at 31.3.2020	As at 31.3.2019
Current Borrowings	2,55,33,459	-
TOTAL	2,55,33,459	-

23 Other Current Financials Liabilities

	As at 31.3.2020	As at 31.3.2019
Earnouts Payable	-	7,81,05,333
Liabilities for Expenses	16,92,06,871	12,89,09,762
Employee related liabilities	29,67,090	3,27,774
Payables on purchase of fixed assets	51,11,626	2,84,37,980
Other Current Liabilities	-	2,75,514
TOTAL	17,72,85,587	23,60,56,362

24 Other Current Non Financial Liabilities

	As at 31.3.2020	As at 31.3.2019
Advance from customers	10,52,713	8,36,563
Statutory Remittances*	48,12,039	77,79,413
TOTAL	58,64,753	86,15,976

* includes TDS & GST

25 Current Provisions

	As at 31.3.2020	As at 31.3.2019
Provision for Employee Benefits (Refer Note 39)		
Gratuity	4,92,848	2,69,376
Compensated absences	6,27,728	5,05,765
TOTAL	11,20,576	7,75,141



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

25 Revenue From Operations

		(Amount in Rs.)	
		For the year ended 31.3.2020	For the year ended 31.3.2019
Revenue From Operations (Gross)			
Sale of Products			
Finished Goods		1,59,79,72,580	90,44,45,903
Traded Goods		25,44,17,111	77,54,45,534
	TOTAL (A)	1,85,23,89,691	1,67,98,91,437
Other Operating Revenue			
Scrap Sales		21,04,679	34,40,907
	TOTAL (B)	21,04,679	34,40,907
Revenue from operations (Gross) (A+B)			
	TOTAL	1,85,44,94,370	1,68,33,32,344

26 Other Income

		(Amount in Rs.)	
		For the year ended 31.3.2020	For the year ended 31.3.2019
Interest on:			
Bank Deposit		1,97,022	-
Net Gain on Sale of :			
Current Investments		3,95,832	1,66,46,019
Other Non-Operating Income:			
Sales of Power Generated		42,756	-
Commission Received		6,94,549	31,62,722
Net gain/(loss) arising on financial assets / Liabilities designated as at FVTPL		9,810	-
Miscellaneous Income		16,73,234	5,00,78,741
	TOTAL	30,13,203	6,98,87,482

27 Cost of Materials Consumed

		(Amount in Rs.)	
		For the year ended 31.3.2020	For the year ended 31.3.2019
Inventory at the beginning of the year		18,00,41,604	8,25,45,073
Add : Purchases *		80,40,93,527	77,83,20,786
		98,41,35,131	86,08,65,859
Less : Inventory at the end of the year *		9,20,55,018	18,00,41,604
	TOTAL	89,20,80,112	68,08,24,255

* Includes Goods in transit

Details of Materials Consumed

		For the year ended 31.3.2020	For the year ended 31.3.2019
Chemicals		89,20,80,112	68,08,24,255
	TOTAL	89,20,80,112	68,08,24,255



28 Details of Purchase of Stock in Trade

(Amount in Rs.)

		For the year ended 31.3.2020	For the year ended 31.3.2019
Chemicals & others		18,92,97,409	61,04,31,961
	TOTAL	18,92,97,409	61,04,31,961

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

(Amount in Rs.)

		For the year ended 31.3.2020	For the year ended 31.3.2019
Inventories at end of the year			
Stock-in-Trade		6,60,10,370	8,70,93,190
Finished Goods		11,63,11,589	7,61,33,395
	(A)	18,23,21,959	16,32,26,586
Inventories at beginning of the year			
Stock-in-Trade		8,70,93,190	7,50,64,084
Finished Goods		7,61,33,395	1,75,50,872
	(B)	16,32,26,586	9,26,14,956
	(B)-(A)	(1,90,95,373)	(7,06,11,630)
	TOTAL	(1,90,95,373)	(7,06,11,630)

30 Employee Benefits Expense

(Amount in Rs.)

		For the year ended 31.3.2020	For the year ended 31.3.2019
Salaries and Wages		22,67,04,451	19,20,18,490
Contribution to Provident and Other Funds		95,10,966	68,21,588
Gratuity		19,51,681	16,22,191
ESOP*		11,23,537	18,72,528
Staff Welfare Expenses		53,63,978	35,71,226
	TOTAL	24,46,54,613	20,59,06,023

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



31 Finance Costs

(Amount in Rs.)

	For the year ended 31.3.2020	For the year ended 31.3.2019
Interest expense on:		
Interest on Earn-Outs	-	1,59,75,753
Interest on lease liabilities	27,84,868	-
Others	23,28,401	30,36,551
TOTAL	51,13,269	1,90,12,304

32 Depreciation and Amortization Expense

(Amount in Rs.)

	For the year ended 31.3.2020	For the year ended 31.3.2019
Depreciation on Tangible Assets (Refer Note 3)	4,93,64,135	2,43,71,137
Amortization of Intangible Assets (Refer Note 5)	16,53,18,600	14,23,46,082
Depreciation on right of use assets (Refer note 3a)	1,41,74,272	-
TOTAL	22,88,57,008	16,67,17,219

33 Other Expenses

(Amount in Rs.)

	For the year ended 31.3.2020	For the year ended 31.3.2019
Clearing, Forwarding and Octroi Duty	3,55,00,227	2,93,89,292
Rent	71,83,526	2,08,12,637
Rates and Taxes	67,288	2,500
Insurance	40,73,002	17,70,138
License fees	1,58,600	5,03,347
Repairs & Maintenance	58,81,573	27,79,217
Advertisement and Publicity	10,98,99,049	6,59,46,243
Legal, Professional and Consultancy fees	78,87,796	70,39,605
Communication Expenses	74,74,437	62,87,003
Printing and Stationery	17,63,199	23,93,492
Travelling and Conveyance Expenses	3,62,49,257	3,15,19,296
Bad Debts	2,29,442	-
Provision for Doubtful Debts	37,95,639	30,30,252
Processing and Packing Charges	3,92,11,870	4,35,55,065
Brokerage & Commission	1,51,446	15,71,249
Payments to Auditor	10,62,500	6,50,000
Net gain/(loss) arising on financial assets/Liabilities designated as at FVTPL	-	1,31,67,302
Net loss on foreign currency transactions and translation	42,53,894	19,47,090
Miscellaneous expenses	1,36,43,523	1,58,20,775
Contract Expenses	1,76,20,274	68,26,050
TOTAL	29,61,06,541	25,50,10,553

34 Other Comprehensive Income

(Amount in Rs.)

	For the year ended 31.3.2020	For the year ended 31.3.2019
Actuarial (Gains)/losses	18,49,374	9,42,168
Tax effect on Other Comprehensive Income	(4,80,837)	(2,44,964)
	13,68,537	6,97,204



ICA PIDILITE PRIVATE LIMITED

Notes forming part of financial statements.

35 Contingent Liabilities and Commitments

		(Amount in Rs.)	
		As at	As at
		31st March, 2020	31st March, 2019
A) Contingent liabilities not provided for:			
1	Guarantees given by Banks in favor of Customs Authorities For clearing goods under provisional assessment.	6,19,37,000	5,99,25,000
2	Claims against the Company not acknowledge as Debts comprise:		-
	a. Custom Duty claim disputed by the Company related to classification.	8,33,21,202	8,33,21,202
	b. Custom Duty claim disputed by the Company related to Valuation	5,09,18,435	5,09,18,435
	c. Additional fine and penalty imposed on company, director and CEO	11,02,25,631	-
B) Commitments:			
(a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of property, plant and equipment and not provided for	20,07,058	1,81,64,832
(b)	Other Commitments - Non Cancellable Operating Leases (Refer Note 42)	NIL	NIL

36 Segment information

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

37 Earnings Per Share (EPS)

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

		(Amount in Rs.)	
		As at	As at
		31st March 2020	31st March 2019
Basic and Diluted:			
Total Operations for the year / period			
	Profit for the year	1,53,02,035	(8,70,02,169)
	Weighted average number of equity shares for calculating basic and diluted EPS	73,05,600	71,13,786
	Par value per share	10	10
	Earning per share (Basic and Diluted)	2.09	(12.23)



ICA PIDILITE PRIVATE LIMITED

Notes forming part of financial statements.

38 Related Party Transactions

List of Related Parties

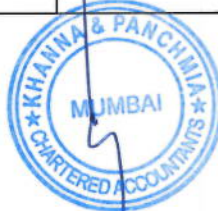
- (i) **Holding Company**
Pidilite Industries Ltd
- (ii) **Company having significant influence**
Industria Chimica Adritica Spa (ICA)
- (iii) **Key Management Personnel**

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

Director
Director
Director

Transactions with Related Parties are as follows :

	Nature of Transaction	2019-20			2018-19		
		Remuneration to Directors	Pidilite Industries Ltd	ICA	Remuneration to Directors	Pidilite Industries Ltd	ICA
a	Sales /Works Contract Income (Excluding Taxes)	NIL	48,67,86,737	6,94,549	NIL	37,15,86,789	31,62,722
b	Purchase of Brand & Technology Rights	NIL	-	NIL	NIL	33,41,30,000	NIL
c	Purchases and Other Services	NIL	36,91,996	14,50,01,996	NIL	1,49,15,897	69,32,62,115
	Purchase of Materials/SAP AMC	NIL	8,76,690	39,463	NIL	12,90,659	2,46,499
	Services/Reimbursement ESOP	NIL	11,23,536	NIL	NIL	18,72,528	NIL
d	Outstanding Balances :						
	- Debtors including advances	NIL	5,19,43,391	NIL	NIL	6,68,51,149	NIL
	- Creditors	NIL	(39,89,247)	(2,11,92,419)	NIL	(46,56,331)	(16,70,75,456)
	- Net Receivable/(Payable)	NIL	4,79,54,144	(2,11,92,419)	NIL	6,21,94,818	(16,70,75,456)
e	Equity issued	NIL	-	-	NIL	76,10,000	68,49,000
f	Security Premium	NIL	-	-	NIL	25,87,40,000	23,28,66,000



39 Employee Benefits

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Actuarial gains and losses in respect of defined benefit plans are recognised in the Financial statements through other comprehensive income.

Interest risk

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

Longevity risk

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

Salary risk

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

Defined benefit plans – as per actuarial valuation

(Amount in Rs.)

Particulars	31st March 2020	31st March 2019
Change in the present value of defined benefit obligation		
1 Present value of defined benefit obligation at the beginning of the year	52,58,907	31,99,292
3 Current service cost	15,67,365	13,98,225
4 Interest cost/income	3,84,316	2,23,966
5 Remeasurements (gains)/ losses included in OCI		
Actuarial (gains)/ losses arising from changes in demographic assumption	- 2,067	-
Actuarial (gains)/ losses arising from changes in financial assumption	8,20,508	(1,96,660)
Actuarial (gains)/ losses arising from changes in experience adjustment	10,30,933	11,38,828
6 Past Service cost	-	-
7 Benefits paid	(4,51,007)	(5,04,744)
8 Present value of defined benefit obligation at the end of the year	86,08,955	52,58,907

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

	31st March 2020	31st March 2019
1 Present value of defined benefit obligation as at 31st March	86,08,955	52,58,907
2 Fair value of plan assets as at 31st March	-	-
3 Surplus/(Deficit)	86,08,955	52,58,907
4 Current portion of the above	4,92,848	2,69,376
5 Non current portion of the above	81,16,107	49,89,531

Actuarial assumptions

	31st March 2020	31st March 2019
1 Discount rate	6.69%	7.5%
2 Attrition rate	Up to Service 5 years – 13.66%, Between Service 5 years to 10 years 7.68%, thereafter 4.56%	Up to Service 5 years – 13.66%, Between Service 5 years to 10 years 7.68%, thereafter 4.56%
3 Salary Escalation	First 2 Years 8.5%, thereafter 6.5%	First 2 Years 8.5%, thereafter 6.5%

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

	2020	2019
1 Current service cost	15,67,365	13,98,225
2 Interest cost on benefit obligation (Net)	3,84,316	2,23,966
3 Total expenses included in employee benefits expense	19,51,681	16,22,191

Recognised in other comprehensive income for the year

	2020	2019
1 Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
2 Actuarial (gains)/ losses arising from changes in financial assumption	8,20,508	(1,96,660)
3 Actuarial (gains)/ losses arising from changes in experience adjustment	10,30,933	11,38,828
4 Return on plan asset	-	-
5 Recognised in other comprehensive income	18,51,441	9,42,168

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

The Company's contribution to Provident Fund and Employees State Insurance Scheme aggregating Rs.95,10,966/- has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

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



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

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	7,53,50,245	5,41,67,317
(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	3,12,821	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
TOTAL	7,56,63,066	5,41,67,317

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

41 Details of Payments to Auditor

	For the year ended 31st March, 2020	For the year ended 31st March, 2018
Audit fees	5,00,000	5,00,000
Tax Audit	1,20,000	1,20,000
Other Services:		
(Transfer Pricing Audit Fees)	30,000	30,000
(Limited Review)	2,25,000	-
Others	1,87,500	-
	10,62,500	6,50,000

42 Operating Lease

b) General description of the leasing arrangement:

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

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

Non cancellable operating lease commitments.

(Amount in Rs.)

Future minimum lease payments	For the year ended 31st March, 2020	For the year ended 31st March, 2019
not later than one year	2,01,25,003	-
later than one year and not later than five years	2,12,36,856	-
later than five years	-	-



43 Financial Instrument

1 Capital Management

The Company does not have any debt as on 31st March 2020

2 Categories of financial Instruments

	31st March 2020	31st March 2019
Financial assets		
Measured at Fair Value through Profit or Loss		
Forward foreign exchange contracts	-	2,54,36,430
Measured at amortised cost		
Cash and bank balances	5,56,01,708	1,15,67,458
Other financial assets	72,00,35,842	73,99,30,025
Financial liabilities		
Measured at Fair Value through Profit or Loss	-	7,81,05,333
Measured at amortised cost	18,31,50,339	16,65,67,005

3 Financial risk management objectives

Liquidity risk management

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

Credit risk management

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

4 Market risk

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

5 Foreign currency sensitivity analysis

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

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

Particulars	FC value in Foreign Currency		FC value in INR	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Amounts payable in foreign currency on account of the following:				
EUR	2,55,109	21,57,949	2,11,86,690	16,70,75,456
USD	67,474	14,200	56,03,669	9,82,232

The Company is mainly exposed to the EUR.

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

	EUR/USD Impact	
	31st March 2020	31st March 2019
Impact on profit or loss for the year (ii)	5,35,807	33,41,509

(i) This is mainly attributable to the exposure to outstanding Euro receivables and payables at the end of the reporting period.

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



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

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

Financial assets / financial liabilities	Fair value as at		Fair value	valuation technique(s) and key input(s)
	31/03/2020	31/03/2019		
Investment in Mutual Funds	Various listed funds fair value of Rs. 4.51 Crores	Various listed funds fair value of Rs. 1.82 lakhs	Level 1	Quoted bid prices in active market

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

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

Particulars	31st March 2020		31st March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets carried at Amortised Cost				
Inventories	27,43,76,977	27,43,76,977	34,32,68,190	34,32,68,190
Trade Receivables	39,57,23,913	39,57,23,913	39,41,31,793	39,41,31,793
Cash and cash equivalents	5,56,01,708	5,56,01,708	1,15,67,458	1,15,67,458
Loans	48,38,576	48,38,576	23,48,375	23,48,375
Others Current Assets(incl. Advance to Suppliers)	-	-	-	-
Others (Non current Assets)	1,34,79,773	1,34,79,773	1,20,73,376	1,20,73,376
Total	74,40,20,947	74,40,20,947	76,33,89,191	76,33,89,191
Financial liabilities				
Financial liabilities held at amortised cost				
Trade Payables	-	-	32,22,09,263	32,22,09,263
Other Financial Liabilities	17,72,85,587	17,72,85,587	23,60,56,362	23,60,56,362
Other Current Liabilities (Statutory Remittance)	58,64,753	58,64,753	86,15,976	86,15,976
Provisions	11,20,576	11,20,576	7,75,141	7,75,141
Total	18,42,70,915	18,42,70,915	56,76,56,742	56,76,56,742



Note 44 : Leases

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.2.69 crore and a corresponding lease liability of Rs.2.69 Crore . The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cashoutflows from financing activities on account of lease payments. Refer note 47 for contractual maturities of lease liabilities.

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019:

Particulars	In Rs.
Operating lease commitments disclosed as at 31 March 2019	2,08,12,637
Discounted using incremental borrowing rate of at 1 April 2019	1,14,15,373
Add: finance lease liabilities recognised as at 31 March 2019	-
(Less): short-term leases not recognised as a liability	-53,73,517
(Less): low-value leases not recognised as a liability	-
Lease liability recognised as at 1 April 2019	2,68,54,493
Of which are:	
Current lease liabilities	1,18,12,845
Non-current lease liabilities	1,50,41,648

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

Particulars	For the year ended March 31, 2020
Interest on lease liabilities (Refer Note 31)	27,84,868
Depreciation of Right-of-use assets (Refer Note 32)	1,41,74,272
Deferred tax (credit)	- 4,37,113
Impact on the statement of profit and loss for the period	1,65,22,027
Expenses related to short term lease incurred during the year	71,83,526

Extract of Note 42 from Standalone financials:

As at 31st March 2020	Less than 1 year	1-5 years	More than 5 Years	Total	Carrying Amount
Lease Liability (undiscounted)	2,01,25,003	2,12,36,856	-	4,13,61,859	3,76,72,291



45 Taxes

1 Deferred Tax

a 2019-20

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit and Loss	Closing balance
Fixed Assets	(10,88,06,986)	(3,37,34,560)	(14,25,41,546)
Lease Liability	-	97,94,796	97,94,796
Provision for Gratuity, Leave encashment etc	22,05,235	11,70,765	33,76,000
Business Loss	14,64,51,823	1,65,92,723	16,30,44,546
Other Current Assets	48,89,460	9,86,866	58,76,326
Investments	(692)	(2,551)	(3,243)
Total	4,47,38,840	-51,91,961	3,95,46,878

	2,44,964	4,80,837	7,25,801
Tax on OCI			
Total	4,49,83,804	-47,11,124	4,02,72,679

b 2018-19

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in Profit and Loss	Closing balance
Fixed Assets	(5,31,05,125)	(5,57,01,861)	(10,88,06,986)
Provision for Gratuity, Leave encashment etc	63,33,572	(41,28,337)	22,05,235
Business Loss	6,49,69,055	8,14,82,768	14,64,51,823
Other Current Assets	-	48,89,460	48,89,460
Investments	(5,27,350)	5,26,658	(692)
Total	1,76,70,151	2,70,68,689	4,47,38,840

2 Income Tax

a Income tax recognised in profit or loss Year

	As at 31st March 2020	As at 31st March 2019
Current tax		
In respect of the current year	-	-
In respect of prior years	-	-
Deferred tax		
In respect of the current year	51,91,961	(2,70,68,689)
	51,91,961	(2,70,68,689)
Total income tax expense recognised in the current year relating to continuing operations	51,91,961	(2,70,68,689)

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

	As at 31st March 2020	As at 31st March 2018
Profit before tax from operations	2,04,93,996	(11,40,70,859)
Income tax expense calculated	26.00%	26.00%
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of the Company being taxed at lower tax rate (minimum alternate tax) as the profits under tax laws are lower than the book profits	27,90,021	34,18,885
Others	-	-
	24,01,940	(3,04,87,574)
	51,91,961	(2,70,68,689)
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised in profit or loss (relating to continuing operations)	51,91,961	(2,70,68,689)

46 Event after reporting period

No such event is to report.

47 Corporate Social Responsibility

The company doesnot meet the applicability criteria as per Section 135 of the Companies Act, 2013.

48 Approval of financial statements

The financial statements were approved for issue by the board of directors on 3rd June 2020.

