PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators:

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company treats customer complaints with utmost importance and believe that it needs to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily.

   The Company ensures to keep the customer informed loop throughout the entire process of complaint resolution and focus on resolving retail customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. These timelines are relevant to our décor category's customer/applicator/trade expectations. The Company also maintains multiple points of communication with the customer, that is through SMS/Email/WhatsApp, to keep the customer informed of all actions taken on the complaint.

   Unique situations give rise to unique solutions. During the pandemic, the Company accepted the challenge of managing an unprecedented set of circumstances and explored the possibility of managing customer complaints remotely. This was done via digital conversations through audio/video.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a Percentage to total turnover
Environmental and Social Parameters relevant to the product	100
Safe and Responsible Usage	100
Recycling and/or safe disposal	100

3. **Number of consumer complaints in respect of the data privacy, advertising, cyber security, restrictive trade practices.**

   The Company has not received any consumer complaints with respect to data privacy, advertising, cyber security, restrictive trade practices, and unfair trade practices during the financial year 2021-22 and 2020-21. A complaint filed by the Company's competitor in financial year 2019-20 is pending with the Competition Commission of India. For further details on the same, please refer Note No. 38 of Standalone Financial Statements.

4. **Details of instances of product recalls on account of safety issues:**

   There have been no instances of product recall (voluntary or forced) on account of safety issues during the financial year 2021-22.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a policy on cyber security and risk related to data privacy, which is available on the Company's website at https://www.asianpaints.com/TermsandConditions.html.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Not Applicable

Leadership Indicators:

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The platforms used for the information are Website, Integrated Annual Report, Social Media platforms and Media advertisement/publications.

   Information relating to all the products and services provided by the Company are available on the Company's website at https://www.asianpaints.com/ProductInformationSheets.html .

2. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

   The Company places customer delight at centre of all its business endeavours and has taken several initiatives in this regard including setting up a Customer Centricity Department which carries out consumer survey/consumer satisfaction trends regularly. The Company also conducts annual customer experience surveys for all our products and services and measures the percentage of customers who would promote the products and services to other customers through the Net Promoter Score ("NPS") method. The NPS method of customer feedback covers most of the customer interaction points, including retail experiences, direct to home painting and colour consultancy service.

3. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact:** The Company has not had any known incident data breaches during the financial year 2021-22.

   b. **Percentage of data breaches involving personally incidents information of customer:** Nil

Independent Auditor's Report

To the Members of Asian Paints Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Standalone Financial Statements of Asian Paints Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

The Key Audit Matter	How was the matter addressed in our audit
Revenue recognition (Refer note 1.3 (f) and 22A of the Standalone Financial Statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.

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

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the relevant books of accounts.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

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

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

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

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

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

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

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in Note 30 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930
UDIN: 22046930AIRNOZ1411

Place: Mumbai
Date: May 10, 2022

Annexure "A" to The Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Asian Paints Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the Standalone 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930
UDIN: 22046930AIRNOZ1411

Place: Mumbai
Date: May 10, 2022

Annexure "B" to The Independent Auditor's Report

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

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

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

(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

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

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

(ii) (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements filed by the Company with the bank are in agreement with the audited books of account of the Company of the respective quarters.

(iii) (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses iii (a), (d), (e), (f) under clause (iii) of the Order are not applicable.

(b) The investments made, during the year are, prima facie, not prejudicial to the Company's interest.

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

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

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

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

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

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

Annexure "B" to The Independent Auditor's Report (Contd.)

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (₹ in crores)	Amount Unpaid (₹ in crores)
Income Tax	IT Matters under dispute	CIT (A)	A.Y. 2018-19	77.69	64.11
		CIT (A)	A.Y. 2017-18	77.18	37.96
		CIT (A)	A.Y. 2016-17	67.40	51.23
		Tribunal / CIT (A)	A.Y. 2015-16	13.92	6.05
		Tribunal / CIT (A)	A.Y. 2014-15	9.72	-
		Tribunal / CIT (A)	A.Y. 2013-14	2.61	-
		Tribunal / CIT (A)	A.Y. 2012-13	2.92	-
		Assessing Officer	A.Y. 2006-07	0.82	-
		High Court	A.Y. 2007-08	0.09	0.09
		Assessing Officer	A.Y. 2009-10	0.11	0.11
		Tribunal	A.Y. 2010-11	0.13	0.13
		CIT (A)	A.Y. 2011-12	0.40	0.32
		Tribunal	A.Y. 2011-12	0.31	0.31
			Total	**253.30**	**160.31**
Sales tax	Assessment Dues	Assessing Authority	F.Y. 1997-98 F.Y. 2000-01 F.Y. 2002-03 F.Y. 2004-05 to F.Y. 2017-18	68.93	67.97
		First Appellate level	F.Y. 1997-98 to F.Y. 1998-99 F.Y. 2000-01 to F.Y. 2017-18	79.24	71.08
		Second Appellate level	F.Y. 2003-04 to F.Y. 2004-05 F.Y. 2013-14 F.Y. 2017-18	0.05	0.01
		Tribunal	F.Y. 1991-92 F.Y. 1993-94 F.Y. 1996-97 to F.Y. 2003-04 F.Y. 2005-06 to F.Y. 2013-14 F.Y. 2016-17	16.13	10.05
		High court	F.Y. 1993-94 F.Y. 2000-01 to F.Y. 2005-06 F.Y. 2007-08	1.79	0.92
			Total	**166.14**	**150.03**
Central Excise Act, 1944 Finance Act, 1994 and Customs Act 1962	Assessment dues	Adjudicating Authority	F.Y. 2020-21	1.32	-
		First Appellate	F.Y. 1986-87 F.Y. 1996-97 F.Y. 2005-06 to F.Y. 2011-12 F.Y. 2013-14 to F.Y. 2016-17 F.Y. 2018-19 to F.Y. 2020-21	7.65	7.10
		Tribunal	F.Y. 2005-06 to F.Y. 2016-17 F.Y. 2018-19 FY 2020-21	6.81	5.11
Employee Provident Fund Act	PF contribution	High court	FY 2006-07 to FY 2007-08 FY 2017-18	0.39	0.39
		Commission	FY 2017-18	1.18	1.18
Minimum Wages Act	Wage Payments	High Court	FY 2002-03	2.73	2.59
Municipal Corporation Act	Property Tax	Panchayat	FY 2019-20 to 2021-22	0.34	0.34
		High Court	FY 2008-09	0.21	0.16
		Municipal Corporation	FY 2013-14	0.33	-
	Octroi	Municipal Corporation	FY 1991-92 to 1997-98	0.89	-
			FY 2012-13 to FY 2013-14	0.68	-
Employee State Insurance Act	ESI Contributions	High Court	FY 2002-03 to FY 2007-08	0.02	0.02

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

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

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

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

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

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

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

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

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2022.

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

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

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

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

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930
UDIN: 22046930AIRNOZ1411

Place: Mumbai
Date: May 10, 2022

Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-Current assets			
Property, Plant and Equipment	2A	3,689.63	3,971.80
Right of Use Asset	2B	786.20	714.79
Capital work-in-progress	3	225.47	118.56
Goodwill	4A	35.36	35.36
Other Intangible Assets	4B	42.75	41.52
Investments in Subsidiaries and Associates	5	1,095.56	1,015.57
Financial Assets			
Investments	5	550.69	984.95
Other Financial Assets	6	470.61	579.23
Income Tax Assets (Net)	7	144.58	132.84
Other Non-current assets	8	119.56	39.44
		7,160.41	7,634.06
Current assets			
Inventories	9	5,277.61	3,124.61
Financial Assets			
Investments	5	2,164.34	3,178.81
Trade Receivables	10	2,915.77	1,809.75
Cash and Cash Equivalents	11A	276.04	113.27
Other Balances with Banks	11B	32.53	21.64
Other Financial Assets	6	1,645.41	1,252.27
Other Current Assets	8	436.22	446.41
		12,747.92	9,946.76
Total Assets		19,908.33	17,580.82
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	95.92	95.92
Other Equity	13	13,253.17	11,993.27
		13,349.09	12,089.19
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	16.16	14.31
Lease Liabilities	15	518.80	468.73
Other Financial Liabilities	16	1.14	1.09
Provisions	17	168.29	163.51
Deferred Tax Liabilities (Net)	18C	205.30	265.19
Other Non-current Liabilities	19	2.11	3.41
		911.80	916.24
Current Liabilities			
Financial Liabilities			
Borrowings	14	-	7.89
Lease Liabilities	15	179.22	157.22
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	56.04	53.55
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	3,441.25	2,760.75
Other Financial Liabilities	16	1,524.78	1,276.65
Other Current liabilities	19	307.22	173.73
Provisions	17	38.08	57.91
Income Tax Liabilities (Net)	21	100.85	87.69
		5,647.44	4,575.39
Total Equity and Liabilities		19,908.33	17,580.82
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Financial Statements	2-48		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Amit Syngle
Managing Director & CEO
DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Notes	Year 2021-22	Year 2020-21
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	22A	24,935.57	18,252.46
Revenue from Sale of Services	22A	66.52	27.60
Other Operating Revenue	22A	186.42	236.80
Other Income	23	451.89	366.02
Total Income (I)		25,640.40	18,882.88
EXPENSES			
Cost of Materials Consumed	24A	13,838.90	8,524.17
Purchases of Stock-in-Trade	24B	2,978.69	1,649.06
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	24C	(1,208.63)	(90.70)
Employee Benefits Expense	25	1,310.14	1,128.66
Other Expenses	26	3,681.62	2,812.89
Total Expenses (II)		20,600.72	14,024.08
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		5,039.68	4,858.80
Finance Costs	27	70.25	71.66
Depreciation and Amortisation Expense	28	721.56	697.47
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		4,247.87	4,089.67
Exceptional Items	43	53.73	-
PROFIT BEFORE TAX		4,194.14	4,089.67
Tax Expense	18		
(1) Current Tax		1,107.29	1,052.72
(2) Short tax provision for earlier years		3.16	6.46
(3) Deferred Tax		(51.02)	(21.31)
Total Tax Expense		1,059.43	1,037.87
PROFIT AFTER TAX		3,134.71	3,051.80
OTHER COMPREHENSIVE INCOME (OCI)			
A Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of the defined benefit plans		4.39	(5.32)
(ii) Income tax (expense)/benefit on remeasurement of defined benefit plans		(1.11)	1.34
(b) (i) Net fair value (loss)/gain on investments in equity instruments through OCI		(82.31)	57.26
(ii) Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI		9.59	(4.88)
B Items that will be reclassified to Profit or Loss			
(i) Net fair value (loss)/gain on investments in debt instruments through OCI		(3.26)	2.41
(ii) Income tax benefit/(expense) on net fair value gain on investments in debt instruments through OCI		0.39	(0.28)
Total Other Comprehensive Income (A+B)		(72.31)	50.53
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,062.40	3,102.33
Earnings per equity share (Face value of ₹ 1 each)	40		
(1) Basic (in ₹)		32.68	31.82
(2) Diluted (in ₹)		32.68	31.82
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Financial Statements	2-48		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

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Chairman
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Managing Director & CEO
DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Statement of Changes in Equity

for the year ended 31st March, 2022

A) EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the reporting year	**95.92**	95.92
Changes in Equity Share capital to prior period errors	**-**	-
Restated balance at the beginning of the current reporting period	**95.92**	95.92
Changes in Equity Share capital during the year	**-**	-
Balance at the end of the reporting year	**95.92**	95.92

B) OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income (OCI)		Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans	Share based payment reserve	Treasury shares	Trust reserve	Debt instruments through OCI	Equity instruments through OCI	
Balance as at 1st April, 2020 (A)	**44.38**	**0.50**	**4,166.74**	**4,994.52***	**(21.08)**	**-**	**-**	**-**	**2.48**	**168.63**	**9,356.17**
Additions during the year :											
Profit for the year	-	-	-	3,051.80	-	-	-	-	-	-	3,051.80
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	(3.98)	-	-	-	-	-	(3.98)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	52.38	52.38
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	2.13	-	2.13
Total Comprehensive Income for the year 2020-21 (B)	**-**	**-**	**-**	**3,051.80**	**(3.98)**	**-**	**-**	**-**	**2.13**	**52.38**	**3,102.33**
Reductions during the year :											
Dividends (Refer note 30)	-	-	-	(465.23)	-	-	-	-	-	-	(465.23)
Total (C)		**-**	**-**	**(465.23)**				**-**	**-**	**-**	**(465.23)**
Balance as at 31st March, 2021 (D) = (A+B+C)	**44.38**	**0.50**	**4,166.74**	**7,581.09**	**(25.06)**	**-**	**-**	**-**	**4.61**	**221.01**	**11,993.27**
Additions during the year :											
Profit for the year	-	-	-	3,134.71	-	-	-	-	-	-	3,134.71
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	3.28	-	-	-	-	-	3.28
Net fair value (loss) on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	(72.72)	(72.72)
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	(2.87)	-	(2.87)
Total Comprehensive Income for the year 2021-22 (E)	**-**	**-**	**-**	**3,134.71**	**3.28**	**-**	**-**	**-**	**(2.87)**	**(72.72)**	**3,062.40**
Reductions during the year :											
Dividends (Refer note 30)	-	-	-	(1,740.95)	-	-	-	-	-	-	(1,740.95)
Share based payment expense	-	-	-	-	-	13.40	-	-	-	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	0.05	-	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(75.00)	-	-	-	(75.00)
Total (F)	**-**	**-**	**-**	**(1,740.95)**	**-**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**(1,802.50)**
Balance as at 31st March, 2022 (D+E+F)	**44.38**	**0.50**	**4,166.74**	**8,974.85**	**(21.78)**	**13.40**	**(75.00)**	**0.05**	**1.74**	**148.29**	**13,253.17**

*Refer note 39(a) on Amalgamation and Acquisitions

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)
See accompanying notes to the Financial Statements (Refer note 2-48)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930
Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Amit Syngle
Managing Director & CEO
DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854
Mumbai
10th May, 2022

R J Jeyamurugan
CFO & Company Secretary

Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22		Year 2020-21	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	4,194.14		4,089.67	
Adjustments for:				
Depreciation and amortisation expense	721.56		697.47	
Interest income	(71.92)		(40.90)	
Dividend income	(27.35)		(16.45)	
Finance costs	70.25		71.66	
Allowance for doubtful debts and advances	36.40		27.90	
Bad debts written off	-		0.56	
Deferred income arising from government grant	(1.76)		(2.28)	
Net unrealised foreign exchange loss/ (gain)	4.82		(16.73)	
Gain on sale of property, plant and equipment (net)	(40.36)		(18.37)	
Net gain on modification/ termination of leases	(3.53)		(1.72)	
Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	(76.09)		(92.28)	
Share based payment expense (net)	8.52		-	
Provision for expected credit loss (Refer note 43)	53.73		-	
Operating Profit before working capital changes	**4,868.41**		**4,698.53**	
Adjustments for :				
(Increase) in trade receivables	(1,141.62)		(724.39)	
(Increase) in financial assets	(158.99)		(242.74)	
(Increase) in inventories	(2,153.00)		(297.14)	
(Increase) in other assets	(11.81)		(234.99)	
Increase in trade payables	593.44		960.72	
Increase in other financial liabilities	232.16		190.10	
Increase in other liabilities and provisions	140.75		123.47	
Cash generated from Operating activities	**2,369.34**		**4,473.56**	
Income tax paid (net of refund)	(1,109.03)		(1,014.98)	
Net Cash generated from Operating activities		**1,260.31**		**3,458.58**
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, plant and equipment and other intangible assets	(402.91)		(211.32)	
Sale of Property, plant and equipment (including advances)	27.29		25.56	
Payment for acquiring right of use assets	(12.14)		(7.14)	
Investment in subsidiary	(79.99)		-	
Purchase of non-current investments - others	-		(0.50)	
Sale of non-current investments	146.46		272.32	
Purchase of term deposits	(1,048.19)		(897.11)	
Proceeds from maturity of term deposits	897.11		458.01	
Sale / (Purchase) of current investments (net)	61.03		(139.34)	
Interest received	56.20		46.91	
Dividend received from subsidiary	-		8.64	
Dividend received from others	15.16		7.81	
Net Cash used in Investing activities		**(339.98)**		**(436.16)**

Cash Flow Statement (Contd.)
for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22		Year 2020-21	
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of non-current borrowings	(7.89)		(5.90)	
Proceeds from non-current borrowings	-		1.96	
Acceptances (net)	86.12		115.17	
Repayment of lease liabilities	(183.24)		(158.71)	
Finance costs paid	(68.41)		(69.36)	
Purchase of Treasury Shares by ESOP Trust (net)	(74.95)		-	
Dividend paid	(1,740.95)		(466.06)	
Net Cash used in Financing activities		(1,989.32)		(582.90)
(D) NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		(1,068.99)		2,439.52
Add: Cash and cash equivalents as at 1st April		3,133.58		694.06
Cash and cash equivalents as at 31st March		2,064.59		3,133.58

Notes:

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

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(b) Cash and Cash Equivalents comprise of		
Cash on hand	0.03	0.02
Balances with Banks:		
- Current Accounts	220.94	81.62
- Cash Credit Account	8.34	12.27
Cheques, draft on hand	46.73	19.36
Cash and cash equivalents (Refer note 11A)	276.04	113.27
Add: Investment in liquid mutual funds [Refer note 5(D)(ii)]	1,788.55	3,020.31
Cash and cash equivalents in Cash Flow Statement	2,064.59	3,133.58

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)
See accompanying notes to the Financial Statements (Refer note 2-48)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
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Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

Mumbai
10th May, 2022

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

Notes to the Financial Statements
for the year ended 31st March, 2022

COMPANY BACKGROUND

Asian Paints Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Company is located at 6A, Shantinagar, Santacruz East, Mumbai, India.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings and providing related services.

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant Accounting Policies:

1.1. Basis of preparation of Financial Statements

These Financial Statements are the separate Financial Statements of the Company (also called Standalone Financial Statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Financial Statements.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs; following Balance Sheet line items in the previous year have been regrouped:

a. Security deposits - earlier disclosed under the head of 'Loans' are shown under 'Other Financial Assets'

b. Current portion of long-term borrowings - earlier disclosed under the head of 'Other Financial Liabilities' is shown under 'Borrowings'

Other new disclosures are given together with related notes.

1.2. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/ settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.3. Summary of Significant accounting policies

a) Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

b) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, 'Business Combinations'.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Company's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Company.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

c) Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The Company had elected to consider the carrying value of all its property, plant and equipment appearing in the Financial Statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April, 2015.

Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Straight-Line Method based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful life of items of property, plant and equipment is mentioned below:

	Years
Factory Buildings	30
Buildings (other than factory buildings)	60
Plant and Equipment (including continuous process plants)	10-20
Scientific research equipment	8
Furniture and Fixtures	8
Office Equipment and Vehicles	5
Information Technology Hardware	4

Freehold land is not depreciated. Leasehold improvements are amortized over the period of the lease.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- The useful lives of certain plant and equipment are estimated in the range of 10-20 years. These lives are different from those indicated in Schedule II.
- Scientific research equipment are depreciated over the estimated useful life of 8 years, which is higher than the life prescribed in Schedule II.
- Vehicles are depreciated over the estimated useful life of 5 years, which is lower than the life prescribed in Schedule II.
- Information Technology hardware are depreciated over the estimated useful life of 4 years, which is higher than the life prescribed in Schedule II.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

d) Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The Company had elected to consider the carrying value of all its intangible assets appearing in the Financial Statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April, 2015.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets is mentioned below:

	Years
Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research)	4
Acquired Trademark	5

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

f) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Company.

Advance from customers is recognized under other liabilities and released to revenue on satisfaction of performance obligation.

g) Government grants and subsidies

Recognition and Measurement:

The Company is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is a reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognized.

Presentation:

Income from the above grants and subsidies are presented under Revenue from Operations.

h) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company (Refer note 29 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income and impairment losses and its reversals in the Statement of Profit and Loss.

On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss.

Further, the Company, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 29 for further details). The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiary and associate companies (Refer note 29 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables and lease receivables

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method (Refer note 29 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

j) Derivative financial instruments and hedge accounting

The Company enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Company formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Company's risk management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

Recognition and measurement of fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Statement of Profit and Loss.

Derecognition:

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument adjusted to the hedged item, is recognized in the Statement of Profit and Loss.

k) Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

l) Investment in subsidiary and associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 1.3(e) above.

m) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

n) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. 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 under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized 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 under Income Tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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 the benefits of part or all of such deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

o) Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

p) Measurement of EBITDA

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period. The Company measures EBITDA based on profit/(loss) from continuing operations.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

r) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. Defined benefit plans:

i) Provident fund scheme:

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme:

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

iii) Pension Scheme:

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

iv) Post-Retirement Medical benefit plan:

The Company operates a defined post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and Loss (including actuarial gain and loss).

s) Employee Share based Payments:

The Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expenses on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

The Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries. The said recovery is netted off from the Employee benefits expense.

t) Treasury shares:

The Company has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognized at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognized the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

u) Lease accounting

Assets taken on lease:

The Company mainly has lease arrangements for land and building for offices, warehouse spaces and retail stores and vehicles.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other Expenses" in the Statement of Profit or Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

v) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilised for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

w) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

y) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

z) Non-current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

aa) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.

bb) Exceptional items:

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the Statement of Profit and Loss account.

1.4. Key accounting estimates and judgements

The preparation of the Company's Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer note 18).

b) Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

c) Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash-generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash-generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

e) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 37, 'Employee benefits'.

f) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 37(3).

g) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

h) Right-of-use assets and lease liability

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value
	As at 01.04.2021	Additions during the year	Deductions / Adjustments	**As at 31.03.2022**	As at 01.04.2021	Additions during the year	Deductions / Adjustments	**As at 31.03.2022**	**As at 31.03.2022**
Freehold Land*	341.19	4.71	0.04	**345.86**	-	-	-	**-**	**345.86**
Buildings	1,360.71	12.29	1.57	**1,371.43**	222.34	55.66	1.19	**276.81**	**1,094.62**
Plant and Equipment	3,867.73	165.49	5.25	**4,027.97**	1,565.95	390.03	3.97	**1,952.01**	**2,075.96**
Scientific Research :									
Buildings	71.28	-	-	**71.28**	12.30	2.74	-	**15.04**	**56.24**
Equipment	71.39	1.90	0.32	**72.97**	40.41	7.39	0.32	**47.48**	**25.49**
Leasehold Improvements	0.27	0.04	-	**0.31**	0.05	0.03	-	**0.08**	**0.23**
Furniture and Fixtures	72.25	13.74	1.07	**84.92**	41.05	8.75	0.96	**48.84**	**36.08**
Vehicles	3.04	-	0.03	**3.01**	1.64	0.49	-	**2.13**	**0.88**
Office Equipment	70.87	8.53	3.31	**76.09**	46.47	9.52	3.23	**52.76**	**23.33**
Leasehold improvements	8.92	-	-	**8.92**	8.31	0.61	-	**8.92**	**-**
Information Technology Hardware	174.91	12.99	1.58	**186.32**	132.24	24.72	1.58	**155.38**	**30.94**
Total	**6,042.56**	**219.69**	**13.17**	**6,249.08**	**2,070.76**	**499.94**	**11.25**	**2,559.45**	**3,689.63**

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value
	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
Freehold Land*	340.99	0.20	-	341.19	-	-	-	-	341.19
Buildings	1,353.74	9.48	2.51	1,360.71	160.67	62.83	1.16	222.34	1,138.37
Plant and Equipment	3,742.43	128.55	3.25	3,867.73	1,191.10	377.46	2.61	1,565.95	2,301.78
Scientific Research :									
Buildings	71.28	-	-	71.28	9.56	2.74	-	12.30	58.98
Equipment	69.93	1.60	0.14	71.39	32.28	8.27	0.14	40.41	30.98
Leasehold Improvements	0.27	-	-	0.27	0.02	0.03	-	0.05	0.22
Furniture and Fixtures	66.99	5.45	0.19	72.25	32.62	8.59	0.16	41.05	31.20
Vehicles	2.96	0.08	-	3.04	1.10	0.54	-	1.64	1.40
Office Equipment	67.62	5.82	2.57	70.87	38.44	10.49	2.46	46.47	24.40
Leasehold improvements	8.92	-	-	8.92	6.86	1.45	-	8.31	0.61
Information Technology Hardware	169.66	11.11	5.86	174.91	112.68	25.37	5.81	132.24	42.67
Total	**5,894.79**	**162.29**	**14.52**	**6,042.56**	**1,585.33**	**497.77**	**12.34**	**2,070.76**	**3,971.80**

Title deeds of all immovable properties are in the name of the Company. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

*Refer note 39(a) on Amalgamation and Acquisitions

NOTE 2B : RIGHT OF USE ASSETS

(₹ in Crores)

Movement in net carrying amount	2021-22				2020-21			
	Leasehold Land	Building	Vehicles	Total	Leasehold Land	Building	Vehicles	Total
Net Carrying Amount								
Balance at 1st April	146.56	566.87	1.36	714.79	148.35	576.04	2.24	726.63
Additions	-	304.28	0.28	304.56	-	184.75	0.41	185.16
Depreciation	1.79	197.07	0.72	199.58	1.79	173.24	0.86	175.89
Deletions	-	33.45	0.12	33.57	-	20.68	0.43	21.11
Balance at 31st March	**144.77**	**640.63**	**0.80**	**786.20**	**146.56**	**566.87**	**1.36**	**714.79**

All lease agreements are duly executed in favour of the Company.

NOTE 3: CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-In-Progress ageing schedule

(₹ in Crores)

CWIP	Amount in Capital work-in-progress for a period of				As at 31.03.2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	214.57	4.98	2.97	2.95	225.47

(₹ in Crores)

CWIP	Amount in Capital work-in-progress for a period of				As at 31.03.2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	73.87	15.29	24.64	4.76	118.56

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March, 2022 and 31st March, 2021.

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED SEPARATELY)

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.2021	Additions during the year	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Additions during the year	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022
A. GOODWILL									
Goodwill (Refer note below)	35.36	-	-	35.36	-	-	-	-	35.36
Total (A)	**35.36**	**-**	**-**	**35.36**	**-**	**-**	**-**	**-**	**35.36**
B. OTHER INTANGIBLE ASSETS									
Trademark	1.39	5.00	-	6.39	0.96	1.09	-	2.05	4.34
Computer Software	194.00	18.27	-	212.27	152.92	20.94	-	173.86	38.41
Scientific Research :									
Computer Software	0.17	-	-	0.17	0.16	4.35	-	0.17	-
Total (B)	**195.56**	**23.27**	**-**	**218.83**	**154.04**	**22.04**	**-**	**176.08**	**42.75**
Total (A+B)	**230.92**	**23.27**	**-**	**254.19**	**154.04**	**22.04**	**-**	**176.08**	**78.11**

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
A. GOODWILL									
Goodwill (Refer note below)	35.36	-	-	35.36	-	-	-	-	35.36
Total (A)	**35.36**	**-**	**-**	**35.36**	**-**	**-**	**-**	**-**	**35.36**
B. OTHER INTANGIBLE ASSETS									
Trademark	0.94	0.45	-	1.39	0.94	0.02	-	0.96	0.43
Computer Software	179.47	14.61	0.08	194.00	129.21	23.78	0.07	152.92	41.08
Scientific Research :									
Computer Software	0.16	0.01	-	0.17	0.15	0.01	-	0.16	0.01
Total (B)	**180.57**	**15.07**	**0.08**	**195.56**	**130.30**	**23.81**	**0.07**	**154.04**	**41.52**
Total (A+B)	**215.93**	**15.07**	**0.08**	**230.92**	**130.30**	**23.81**	**0.07**	**154.04**	**76.88**

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 32 (b).

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED SEPARATELY) (CONTD.)

Note:

Allocation of Goodwill to cash generating units

Goodwill is allocated to the following cash generating unit ("CGU") for impairment testing purpose-

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Bath Fittings Business	35.36	35.36

The recoverable amount of this CGU for impairment testing is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five-year period (Previous year - five year), as the Company believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

As at 31st March, 2022 and 31st March, 2021, goodwill in respect of Bath Fittings Business was not impaired.

Key Assumptions used for value in use calculations are as follows:

	As at 31.03.2022	As at 31.03.2021
Compounded average net sales growth rate for five-year period (Previous year - five year)	29%	25%
Growth rate used for extrapolation of cash flow projections beyond the five- year period (Previous year- five year)	4%	4%
Discount rate	12.25%	12.25%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital.

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports.

NOTE 5 : INVESTMENTS

(₹ in Crores)

	Nos.#	Face value (₹)	Non-Current As at 31.03.2022	Non-Current As at 31.03.2021	Current As at 31.03.2022	Current As at 31.03.2021
A. Investments in Equity Instruments						
(a) Unquoted equity shares						
(i) Subsidiaries (measured at cost, Refer note 1.3(i))						
(a) Asian Paints Industrial Coatings Limited	3,04,50,000	10	30.45	30.45	-	-
(b) Asian Paints International Private Limited	42,78,75,387		706.44	706.44	-	-
(c) Asian Paints (Nepal) Private Limited	32,54,310	NPR 10	0.12	0.12	-	-
(d) Maxbhumi Developers Limited	4,19,000	10	15.55	15.55	-	-
Less: Impairment loss			(3.50)	(3.50)	-	-
			12.05	12.05	-	-
(e) Sleek International Private Limited (85,827 shares acquired during the year for cash)	2,90,100 (2,04,273)	10	329.60	249.61		
Less: Impairment loss			(95.00)	(95.00)	-	-
			234.60	154.61	-	-
(f) Asian Paints PPG Private Limited	52,43,961	10	30.47	30.47	-	-
			1,014.13	934.14	-	-
(ii) Associate (measured at cost, Refer note 1.3(i))						
PPG Asian Paints Private Limited	2,85,18,112	10	81.43	81.43	-	-
			81.43	81.43	-	-
Investments in subsidiaries and associate (i + ii)			1,095.56	1,015.57	-	-
(iii) Other equity shares measured at FVTPL			1.07	1.07	-	-
Total Unquoted equity shares			1,096.63	1,016.64	-	-
(b) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	383.75	461.65	-	-
Housing Development Finance Corporation Limited	4,65,000	2	111.15	116.16	-	-
Apcotex Industries Limited	34,180	2	1.23	0.61	-	-
Total Quoted equity shares			496.13	578.42	-	-
Total Investments in Equity Instruments other than Investments in subsidiaries and associate (a(iii) + b)		A	497.20	579.49	-	-
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	-	-
*'[₹ 39,500/- (As at 31st March, 2021 - ₹ 39,500)]						
C. Investments in Quoted Debentures or Bonds measured at FVTOCI			53.49	81.35	25.31	28.33
Total Investments in Debentures or Bonds - Quoted		C	53.49	81.35	25.31	28.33
D. Investments in Quoted Mutual Funds measured at FVTPL						
(i) Investments in Fixed Maturity Plans			-	324.11	350.48	130.17
(ii) Investments in Liquid Mutual Funds			-	-	1,788.55	3,020.31
Total Investments in Mutual Funds - Quoted		D	-	324.11	2,139.03	3,150.48
Total Investments (A+B+C+D)			550.69	984.95	2,164.34	3,178.81
Aggregate amount of quoted investments - At cost			90.75	375.70	2,041.09	3,119.32
Aggregate amount of quoted investments - At market value			549.62	983.88	2,164.34	3,178.81
Aggregate amount of unquoted investments			1,096.63	1,016.64	-	-
Aggregate amount of impairment in value of investments			98.50	98.50	-	-

Amount in bracket relates to FY 2020-21

NOTE 6 : OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Security deposits - Unsecured & considered good	55.14	57.06	12.61	14.77
Royalty receivable from subsidiary and associate companies (Refer note 41)	-	-	84.47	62.98
Less: Allowance for doubtful debts and advances	-	-	(4.13)	(4.13)
			80.34	58.85
Due from subsidiary companies (Refer note 41)	-	-	35.78	21.04
Less: Allowance for doubtful debts and advances	-	-	(2.96)	(2.75)
	-	-	32.82	18.29
Dividend receivable from subsidiary (Refer note 41)	-	-	12.19	-
Due from associate companies (Refer note 41)	-	-	0.68	0.79
Subsidy receivable from state governments	407.32	521.56	232.19	18.08
Less: Allowance for expected credit loss (Refer note 43)	(41.61)	-	(12.12)	-
	365.71	521.56	220.07	18.08
Term deposits held as margin money against bank guarantee and other commitments	0.09	0.07	-	-
Term deposits with more than 12 months of original maturity	48.19	-	1,030.07	913.85
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	2.72	3.99
Quantity discount receivable	-	-	235.65	221.14
Forward exchange contract (net)	-	-	-	0.88
Retention monies receivable from Customers	1.48	0.54	0.01	1.63
Other receivables	-	-	18.25	-
Total	**470.61**	**579.23**	**1,645.41**	**1,252.27**

NOTE 7 : INCOME TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Advance payment of Income tax (net)	144.58	132.84	-	-
Total	**144.58**	**132.84**	**-**	**-**

NOTE 8 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Capital advances	72.04	13.91	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	47.52	25.53	152.31	93.31
ii) Balances with government authorities	-	-	276.66	342.47
iii) Advances to employees	-	-	1.12	3.08
iv) Duty credit entitlement	-	-	0.21	1.05
	47.52	25.53	430.30	439.91
(c) Other receivables	-	-	4.58	6.50
(d) Contract assets	-	-	1.34	-
Total	**119.56**	**39.44**	**436.22**	**446.41**

NOTE 9 : INVENTORIES (At lower of cost and net realisable value)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	1,390.86	812.62
Raw materials-in-transit	553.31	225.46
	1,944.17	1,038.08
(b) Packing materials	85.21	68.86
(c) Work-in-progress	177.42	120.57
(d) Finished goods	2,261.57	1,406.75
Finished goods-in-transit	-	0.71
	2,261.57	1,407.46
(e) Stock-in-trade (acquired for trading)	613.14	318.98
Stock-in-trade (acquired for trading) in-transit	44.63	41.12
	657.77	360.10
(f) Stores, spares and consumables	151.47	129.00
Stores, spares and consumables-in-transit	-	0.54
	151.47	129.54
Total	**5,277.61**	**3,124.61**

The cost of inventories recognised as an expense during the year is disclosed in Note 24.

The cost of inventories recognised as an expense (net of reversals) includes ₹ 42.75 crores (Previous year ₹ 14.58 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

NOTE 10 : TRADE RECEIVABLES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Trade receivables - Unsecured*		
(a) Considered good	2,915.77	1809.75
(b) Considered doubtful	94.38	58.19
	3,010.15	1,867.94
Less: Allowance for doubtful debts	(94.38)	(58.19)
Total	**2,915.77**	**1,809.75**

*Trade Receivables includes dues from subsidiary and associate companies (Refer note 41).

Trade Receivables ageing schedule

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2022
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Unsecured								
(a) Undisputed, considered good	0.26	2,737.74	148.22	29.55	-	-	-	2,915.77
(b) Undisputed, considered doubtful	-	0.17	0.99	5.46	16.53	12.14	12.28	47.57
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.90	6.92	9.50	11.63	8.12	9.74	46.81
	0.26	2,738.81	156.13	44.51	28.16	20.26	22.02	3,010.15
Less : Allowance for doubtful debts								94.38
Total								**2,915.77**

NOTE 10 : TRADE RECEIVABLES (CONTD.)

Trade Receivables ageing schedule (Contd.)

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2021
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Unsecured								
(a) Undisputed, considered good	8.14	1,654.01	135.21	12.39	-	-	-	1,809.75
(b) Undisputed, considered doubtful	-	0.85	0.63	2.36	24.59	11.01	10.58	50.02
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.06	0.91	0.03	3.89	0.89	2.39	8.17
	8.14	**1,654.92**	**136.75**	**14.78**	**28.48**	**11.90**	**12.97**	**1,867.94**
Less : Allowance for doubtful debts								58.19
Total								**1,809.75**

NOTE 11 : CASH AND BANK BALANCES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(A) Cash and Cash Equivalents		
(i) Balances with Banks		
(a) Current Accounts	220.94	81.62
(b) Cash Credit Account #	8.34	12.27
(ii) Cheques, drafts on hand	46.73	19.36
(iii) Cash on hand	0.03	0.02
Total	**276.04**	**113.27**
(B) Other Balances with Banks		
(i) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	23.47	21.64
(ii) Earmarked balances for CSR (Refer note 44)	9.06	-
Total	**32.53**	**21.64**

Secured by hypothecation of inventories, trade receivables and other current assets carrying interest rate @ 7.05% p.a (as at 31st March, 2021 the rate was 7.05% p.a.). Quarterly statements of current assets filed by the Company with Bank are in agreement with the books of accounts. The Company has not used borrowings for purpose other than specified purpose of the borrowing.

* The Company can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

NOTE 12 : EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Authorised		
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	**100.00**
Issued, Subscribed and Paid up capital		
95,91,97,790 Equity Shares of ₹ 1 each fully paid	95.92	95.92
	95.92	**95.92**

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the reporting year	95,91,97,790	95.92	95,91,97,790	95.92
Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	95,91,97,790	95.92	95,91,97,790	95.92
Changes in Equity Share capital during the year	-	-	-	-
Balance at the end of the reporting year	**95,91,97,790**	**95.92**	**95,91,97,790**	**95.92**

b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Details of Shareholders holding more than 5% equity shares in the Company @

Name of the Shareholders	As at 31.03.2022		As at 31.03.2021	
	No of Equity Shares	Percentage holding	No of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:				
1. Smiti Holding and Trading Company Private Limited	5,53,39,068	5.77%	5,53,39,068	5.77%
2. Sattva Holding and Trading Private Limited	5,47,89,183	5.71%	5,63,88,682	5.88%

@ As per the records of the Company, including its register of members.

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, at their meetings held on 21st October, 2021 declared an interim dividend of ₹ 3.65 (Rupees three and paise sixty-five only) per equity share of the face value of ₹ 1 each. The Board of Directors at its meeting held on 10th May, 2022 have recommended a payment of final dividend of ₹ 15.50 (Rupees fifteen and paise fifty only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2022. If approved, the total dividend (interim and final dividend) for the financial year 2021-22 will be ₹ 19.15 (Rupees nineteen and paise fifteen only) per equity share of the face value of ₹ 1 each (₹ 17.85 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

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

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Smiti Holding And Trading Company Private Limited	5,53,39,068	5.77%	5,53,39,068	5.77%	0.00%
Sattva Holding And Trading Private Limited	5,47,89,183	5.71%	5,63,88,682	5.88%	-2.84%
Geetanjali Trading And Investments Private Limited	4,57,06,140	4.77%	4,57,06,140	4.77%	0.00%
Elcid Investments Limited	2,83,13,860	2.95%	2,83,13,860	2.95%	0.00%

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Gujarat Organics Ltd.	**2,31,50,730**	**2.41%**	2,31,50,730	2.41%	0.00%
Sudhanava Investments And Trading Company Private Limited	**1,90,01,760**	**1.98%**	1,90,01,760	1.98%	0.00%
Rupen Investment & Industries Private Limited	**1,88,49,825**	**1.97%**	1,88,49,825	1.97%	0.00%
Satyadharma Investments And Trading Company Private Ltd.	**1,83,34,280**	**1.91%**	1,83,34,280	1.91%	0.00%
Castle Investment & Industries Private Limited	**1,54,57,470**	**1.61%**	1,54,57,470	1.61%	0.00%
Lyon Investment & Industries Private Limited	**1,43,42,060**	**1.50%**	1,43,42,060	1.50%	0.00%
Nehal Abhay Vakil	**1,28,05,610**	**1.34%**	23,71,280	0.25%	440.03%
Dipika Amar Vakil	**1,27,86,340**	**1.33%**	20,26,130	0.21%	531.07%
Jaldhar Investments And Trading Company Private Limited	**1,24,28,250**	**1.30%**	1,24,28,250	1.30%	0.00%
Abhay Arvind Vakil	**1,24,18,060**	**1.29%**	2,32,88,200	2.43%	-46.68%
Tru Trading And Investments Pvt Limited	**1,21,76,500**	**1.27%**	1,21,76,500	1.27%	0.00%
Nehal Trading And Investments Private Limited	**1,11,02,530**	**1.16%**	1,11,02,530	1.16%	0.00%
Asteroids Trading And Investments Private Limited	**1,08,18,530**	**1.13%**	1,08,18,530	1.13%	0.00%
Jalaj Trading & Investment Company Private Limited	**1,07,76,697**	**1.12%**	1,07,76,697	1.12%	0.00%
Unnati Trading And Investments Private Limited	**1,04,72,600**	**1.09%**	1,04,72,600	1.09%	0.00%
Doli Trading And Investments Private Limited	**93,63,440**	**0.98%**	93,63,440	0.98%	0.00%
Centaurus Trading And Investments Pvt Ltd	**74,08,940**	**0.77%**	74,08,940	0.77%	0.00%
Suptaswar Investments And Trading Company Limited	**65,58,310**	**0.68%**	65,58,310	0.68%	0.00%
Lambodar Investments And Trading Company Limited	**60,15,130**	**0.63%**	60,15,130	0.63%	0.00%
Murahar Investments And Trading Company Limited	**57,43,670**	**0.60%**	57,43,670	0.60%	0.00%
Hiren Holdings Private Limited	**41,52,310**	**0.43%**	41,52,310	0.43%	0.00%
Satyen Ashwin Gandhi	**37,25,940**	**0.39%**	37,25,940	0.39%	0.00%
Hiren Ashwin Gandhi	**37,06,265**	**0.39%**	37,06,265	0.39%	0.00%
Malav A Dani	**33,05,510**	**0.34%**	33,05,510	0.34%	0.00%
Hasit A Dani	**31,50,800**	**0.33%**	31,50,800	0.33%	0.00%
Vivek Abhay Vakil	**31,26,760**	**0.33%**	31,26,760	0.33%	0.00%
Varun Amar Vakil Karta for Vakil HUF	**31,03,290**	**0.32%**	31,03,290	0.32%	0.00%

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Vishal Shailesh Choksi	**29,51,220**	**0.31%**	29,51,220	0.31%	0.00%
Bhairavi Abhay Vakil	**26,82,810**	**0.28%**	22,47,000	0.23%	19.40%
Shailesh Chimanlal Choksi	**25,91,210**	**0.27%**	25,91,210	0.27%	0.00%
Amrita Amar Vakil	**25,66,680**	**0.27%**	2566,680	0.27%	0.00%
Manish Mahendra Choksi	**23,81,040**	**0.25%**	23,81,040	0.25%	0.00%
Varun Amar Vakil	**22,30,590**	**0.23%**	22,30,590	0.23%	0.00%
Prafullika Shailesh Choksi	**21,42,560**	**0.22%**	21,42,560	0.22%	0.00%
Varun Amar Vakil Karta for Amar Arvind Vakil HUF	**21,12,190**	**0.22%**	21,12,190	0.22%	0.00%
Elf Trading And Chemical Manufacturing Private Limited (formerly known as Elf Trading and Chemical Manufacturing Limited)	**21,08,160**	**0.22%**	21,08,160	0.22%	0.00%
Vivek Abhay Vakil Karta for Abhay Arvind Vakil HUF	**20,76,820**	**0.22%**	20,76,820	0.22%	0.00%
Jigish Shailesh Choksi	**19,95,180**	**0.21%**	19,95180	0.21%	0.00%
Rupal Anant Bhat	**19,23,770**	**0.20%**	19,23,770	0.20%	0.00%
Shailesh Chimanlal Choksi Karta for Shailesh Chimanlal Choksi HUF	**17,49,690**	**0.18%**	17,49,690	0.18%	0.00%
Mahendra Chimanlal Choksi	**16,56,380**	**0.17%**	16,56,380	0.17%	0.00%
Jalaj A Dani	**16,00,200**	**0.17%**	16,00,200	0.17%	0.00%
Asha Subhash Gujarathi	**14,23,400**	**0.15%**	14,23,400	0.15%	0.00%
Ashwin Suryakant Dani	**11,24,870**	**0.12%**	11,24,870	0.12%	0.00%
Rita Mahendra Choksi	**9,80,000**	**0.10%**	9,80,000	0.10%	0.00%
Rayirth Holding And Trading Company Private Limited	**9,65,910**	**0.10%**	9,65,910	0.10%	0.00%
Rupen Ashwin Choksi	**9,28,607**	**0.10%**	9,28,607	0.10%	0.00%
Ashish Ashwin Choksi	**8,80,840**	**0.09%**	8,80,840	0.09%	0.00%
Ashwin Suryakant Dani Karta for Ashwin Suryakant Dani HUF	**8,45,000**	**0.09%**	8,45,000	0.09%	0.00%
Urvashi Ashwin Choksi	**8,38,110**	**0.09%**	8,38,110	0.09%	0.00%
ACC AP TRUST	**7,85,700**	**0.08%**	7,85,700	0.08%	0.00%
Rhea Manish Choksi	**7,02,000**	**0.07%**	7,02,000	0.07%	0.00%
Mahendra Chimanlal Choksi Karta for Mahendra Chimanlal Choksi HUF	**5,39,800**	**0.06%**	5,39,800	0.06%	0.00%
Ina Ashwin Dani	**5,15,920**	**0.05%**	5,15,920	0.05%	0.00%
Ami Manish Choksi	**4,72,200**	**0.05%**	4,72,200	0.05%	0.00%
Vita Jalaj Dani	**4,35,260**	**0.05%**	4,35,260	0.05%	0.00%
Ishwara Hasit Dani	**4,10,710**	**0.04%**	41,0,710	0.04%	0.00%

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Richa Manish Choksi	1,80,450	0.02%	1,80,450	0.02%	0.00%
Mudit Jalaj Dani	1,59,800	0.02%	1,59,800	0.02%	0.00%
Amar Arvind Vakil	1,58,770	0.02%	1,09,18,980	1.14%	-98.55%
Smiti Jalaj Dani	1,39,110	0.01%	1,39,110	0.01%	0.00%
Binita Ashish Choksi	1,31,700	0.01%	1,31,700	0.01%	0.00%
Anay Rupen Choksi	1,30,500	0.01%	1,30,500	0.01%	0.00%
Aashay Ashish Choksi	1,25,380	0.01%	1,25,380	0.01%	0.00%
Vikatmev Containers Ltd	1,11,600	0.01%	1,11,600	0.01%	0.00%
Nysha Rupen Choksi	1,02,750	0.01%	1,02,750	0.01%	0.00%
Druhi Ashish Choksi	1,00,000	0.01%	1,00,000	0.01%	0.00%
Ashwin Ramanlal Gandhi	91,860	0.01%	91,860	0.01%	0.00%
Meghna Satyen Gandhi	75,000	0.01%	75,000	0.01%	0.00%
Vaibhavi Hiren Gandhi	75,000	0.01%	75,000	0.01%	0.00%
Shubhlakshmi Hasit Dani	59,529	0.01%	59,500	0.01%	0.05%
Hasit Ashwin Dani Karta for Hasit Ashwin Dani HUF	48,000	0.01%	48,000	0.01%	0.00%
Chandanben Chhotalal Shah	20,000	0.00%	20,000	0.00%	0.00%
Dani Finlease Private Limited (formerly known as Dani Finlease Limited)	10,930	0.00%	10,930	0.00%	0.00%
Manish Mahendra Choksi Karta for Manish Mahendra Choksi HUF	7,500	0.00%	7,500	0.00%	0.00%
Ashish Ashwin Choksi Karta for Ashish Ashwin Choksi HUF	5,620	0.00%	5,620	0.00%	0.00%
Ragini Varun Vakil	5,000	0.00%	5,000	0.00%	0.00%
Total	**50,47,85,184**		**50,63,84,654**		

e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

Treasury shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	-	-	-	-
Add: Purchased during the year	223,240	75.00	-	-
Less: Exercised/Sold during the year	-	-	-	-
At the end of the year	223,240	75.00	-	-

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Company from secondary market. The shares purchased by the ESOP Trust are disclosed as Treasury Shares (Refer note 37(3)).

NOTE 13 : OTHER EQUITY

(₹ in Crores)

	Reserves and Surplus								Items of Other Comprehensive Income (OCI)		
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	Share based payment reserve	Treasury shares	Trust reserve	Debt instruments through OCI	Equity instruments through OCI	Total
Balance as at 1st April, 2020 (A)	**44.38**	**0.50**	**4,166.74**	**4,994.52***	**(21.08)**	**-**	**-**	**-**	**2.48**	**168.63**	**9,356.17**
Additions during the year:											
Profit for the year	-	-	-	3,051.80	-	-	-	-	-	-	3,051.80
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	(3.98)	-	-	-	-	-	(3.98)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	52.38	52.38
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	2.13	-	2.13
Total Comprehensive Income for the year 2020-21 (B)	**-**	**-**	**-**	**3,051.80**	**(3.98)**	**-**	**-**	**-**	**2.13**	**52.38**	**3,102.33**
Reductions during the year:											
Dividends (Refer note 30)	-	-	-	(465.23)	-	-	-	-	-	-	(465.23)
Total (C)	**-**	**-**	**-**	**(465.23)**	**-**	**-**	**-**	**-**	**-**	**-**	**(465.23)**
Balance as at 31st March, 2021 (D) = (A+B+C)	**44.38**	**0.50**	**4,166.74**	**7,581.09**	**(25.06)**	**-**	**-**	**-**	**4.61**	**221.01**	**11,993.27**
Additions during the year:											
Profit for the year	-	-	-	3,134.71	-	-	-	-	-	-	3,134.71
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	3.28	-	-	-	-	-	3.28
Net fair value (loss) on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	(72.72)	(72.72)
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	(2.87)	-	(2.87)
Total Comprehensive Income for the year 2021-22 (E)	**-**	**-**	**-**	**3,134.71**	**3.28**	**-**	**-**	**-**	**(2.87)**	**(72.72)**	**3,062.40**
Reductions during the year:											
Dividends (Refer note 30)	-	-	-	(1,740.95)	-	-	-	-	-	-	(1,740.95)
Share based payment expense	-	-	-	-	-	13.40	-	-	-	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	0.05	-	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(75.00)	-	-	-	(75.00)
Total (F)	**-**	**-**	**-**	**(1,740.95)**	**-**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**(1,802.50)**
Balance as at 31st March, 2022 (D+E+F)	**44.38**	**0.50**	**4,166.74**	**8,974.85**	**(21.78)**	**13.40**	**(75.00)**	**0.05**	**1.74**	**148.29**	**13,253.17**

*Refer note 39(a) on Amalgamation and Acquisitions

NOTE 13 : OTHER EQUITY (CONTD.)

Description of nature and purpose of each reserve

General Reserve - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Capital Reserve -

a. Capital reserve of ₹ 5000/- was created on merger of 'Pentasia Chemicals Ltd' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

b. Capital Reserve of ₹ 44.38 crores was created on merger of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal.

Capital Redemption Reserve - This reserve was created for redemption of preference shares in the financial year 1989-90. The preference shares were redeemed in the financial year 1990-91.

Remeasurement of defined benefit plans -This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognized in other comprehensive income.

Share based payment reserve - This represents the fair value of the stock options granted by the Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

Treasury shares - This represents cost incurred by the Company to purchase its own equity shares from secondary market through the Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

Debt instruments through other comprehensive income -This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and impairment losses on such instruments.

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Trust Reserve - This represents net income of the ESOP trust.

NOTE 14 : BORROWINGS*

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Secured				
Deferred payment liabilities :				
Loan from State of Haryana #	16.16	14.31	-	7.89
Total	**16.16**	**14.31**	**-**	**7.89**

Notes:

The Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. The Company has received total interest free loan of ₹ 37.02 crores (Previous year - ₹ 37.02 crore) for the period from April 2010 to March 2015. Loan received post transition to Ind AS (w.e.f 01.04.2015) are recognised at fair value using prevailing market interest rate for equivalent loan. The difference between the gross proceeds and fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (Refer note 19).

This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2016 and 31st March, 2017, the Company had made the necessary application to the Haryana Government for the issue of eligibility certificate. As on 31st March, 2022, the Company has repaid loan of ₹ 17.20 crores (Previous year - ₹ 9.31 crores).

* Default in terms of repayment of principal and interest - NIL.

NOTE 15 : LEASE LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Lease liabilities	518.80	468.73	179.22	157.22
Total	**518.80**	**468.73**	**179.22**	**157.22**

The maturity analysis of lease liabilities is disclosed in Note 29(C)(3).

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Investor Education and Protection Fund #				
Unpaid/Unclaimed dividend	-	-	23.47	21.64
(b) Others (Refer note 35)				
Retention monies relating to capital expenditure	1.14	1.09	22.41	19.08
Payable towards capital expenditure	-	-	36.64	34.92
Payable towards services received	-	-	585.46	421.29
Payable towards stores, spares and consumables	-	-	13.43	15.69
Payable to employees [including ₹ 6.66 crores due to Managing Director (as at 31st March, 2021 ₹ 4.58 crores)]	-	-	206.97	195.56
Payable towards other expenses [including ₹4.72 crores due to Non-Executive Directors (as at 31st March, 2021 ₹ 4.70 crores)]	-	-	635.48	568.47
Forward exchange contract (net)	-	-	0.92	-
	1.14	**1.09**	**1,501.31**	**1,255.01**
Total	**1.14**	**1.09**	**1,524.78**	**1,276.65**

 # Investor Education and Protection Fund ('IEPF')- As at 31st March, 2022 and 31st March, 2021, there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

NOTE 17 : PROVISIONS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Provision for Employee Benefits (Refer note 37)				
Provision for Compensated absences	165.91	156.23	21.96	19.22
Provision for Gratuity	-	-	1.46	21.98
Provision for Pension	1.18	1.29	0.27	0.34
Provision for Post retirement medical and other benefits	1.20	5.99	1.46	1.65
	168.29	**163.51**	**25.15**	**43.19**
(b) Others (Refer note 33)				
Provision for Excise	-	-	1.50	2.24
Provision for Central Sales Tax / VAT	-	-	11.43	12.48
	-	**-**	12.93	**14.72**
Total	**168.29**	**163.51**	**38.08**	**57.91**

NOTE 18 : INCOME TAXES

(₹ in Crores)

	Year 2021-22	Year 2020-21
A. THE MAJOR COMPONENTS OF INCOME TAX EXPENSE FOR THE YEAR ARE AS UNDER :		
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax:		
In respect of current year	1,107.29	1,052.72
In respect of short tax provision for earlier years	3.16	6.46
Deferred tax:		
In respect of current year	(51.02)	(21.31)
Income tax expense recognised in the Statement of Profit and Loss	**1,059.43**	**1,037.87**
(ii) Income tax expense recognised in OCI		
Deferred tax:		
Income tax (expense) /benefit on remeasurement of defined benefit plans	(1.11)	1.34
Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI	9.59	(4.88)
Income tax benefit/(expense) on net fair value gain on investments in debt instruments through OCI	0.39	(0.28)
Income tax benefit / (expense) recognised in OCI	**8.87**	**(3.82)**
B. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT FOR THE YEAR IS AS UNDER :		
Profit before tax	**4,194.14**	**4,089.67**
Income tax expense calculated at 25.168%	1,055.58	1,029.29
Tax effect on non-deductible expenses	20.81	19.80
Effect of Income which is taxed at special rates	(10.35)	(7.51)
Effect of Income which is exempted from tax	(5.14)	(5.46)
Others	(4.64)	(4.71)
Total	**1,056.26**	**1,031.41**
Short tax provision for earlier years	3.16	6.46
Tax expense as per Statement of Profit and Loss	**1,059.43**	**1,037.87**

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law.

C. THE MAJOR COMPONENTS OF DEFERRED TAX (LIABILITIES)/ASSETS ARISING ON ACCOUNT OF TIMING DIFFERENCES ARE AS FOLLOWS:

As at 31st March, 2022

(₹ in Crores)

	Balance Sheet 01.04.2021	Profit and loss 2021-22	OCI 2021-22	Balance Sheet 31.03.2022
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(297.03)	28.38	-	(268.65)
Provision for expense allowed for tax purpose on payment basis (Net)	35.82	(1.21)	-	34.61
Provision for Expected credit losses and fair valuation of subsidy receivable from state governments	-	21.35	-	21.35
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.90)	-	0.39	(0.51)
Remeasurement of the defined benefit plans through OCI	8.48	-	(1.11)	7.37
Difference in carrying value and tax base of investments measured at FVTPL	(22.47)	1.37	-	(21.10)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(13.59)	-	9.59	(4.00)
Difference in Right-of-use asset and lease liabilities	24.50	1.13	-	25.63
Deferred tax (expense)/benefit		**51.02**	**8.87**	
Net Deferred tax liabilities	**(265.19)**			**(205.30)**

NOTE 18 : INCOME TAXES (CONTD.)

C. THE MAJOR COMPONENTS OF DEFERRED TAX (LIABILITIES)/ASSETS ARISING ON ACCOUNT OF TIMING DIFFERENCES ARE AS FOLLOWS: (CONTD.)

As at 31st March, 2021

(₹ in Crores)

	Balance Sheet 01.04.2020	Profit and loss 2020-21	OCI 2020-21	Balance Sheet 31.03.2021
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(316.33)	19.30	-	(297.03)
Provision for expense allowed for tax purpose on payment basis (Net)	30.64	5.18	-	35.82
Allowance for doubtful debts and advances	0.27	(0.27)	-	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act,1961 over 5 years)	0.43	(0.43)	-	-
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.62)	-	(0.28)	(0.90)
Remeasurement of the defined benefit plans through OCI	7.14	-	1.34	8.48
Difference in carrying value and tax base of investments measured at FVTPL	(17.19)	(5.28)	-	(22.47)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(8.71)	-	(4.88)	(13.59)
Difference in Right-of-use asset and lease liabilities	21.69	2.81	-	24.50
Deferred tax (expense)/benefit		**21.31**	**(3.82)**	
Net Deferred tax liabilities	**(282.68)**			**(265.19)**

The Company does not have any unused tax losses under the Income Tax Act, 1961, for which no deferred tax asset has been recognised in the Balance Sheet.

NOTE 19 : OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Revenue received in advance				
Advance received from customers	-	-	49.87	16.00
(b) Others				
Statutory dues payable	-	-	255.48	140.39
Deferred income arising from government grant (Refer note 14)	2.11	3.41	1.30	1.76
Others (Deferred revenue arising from sale of services, etc.)	-	-	0.57	0.58
Other advance	-	-	-	15.00
	2.11	**3.41**	**257.35**	**157.73**
Total	**2.11**	**3.41**	**307.22**	**173.73**

NOTE 20 : TRADE PAYABLES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Trade Payables (including Acceptances)*		
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME) (Refer note 35)	56.04	53.55
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,441.25	2,760.75
Total	**3,497.29**	**2,814.30**

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 317.78 crores (Previous year - ₹ 231.66 crores).

Trade payable ageing schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2022
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	52.61	3.43	-	-	-	56.04
Other than MSME	3,101.00	338.53	0.60	0.38	0.74	3,441.25
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Other than MSME	-	-	-	-	-	-
Total	**3,153.61**	**341.96**	**0.60**	**0.38**	**0.74**	**3,497.29**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2021
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	49.52	4.03	-	-	-	53.55
Other than MSME	2,609.12	150.26	0.63	0.45	0.29	2,760.75
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Other than MSME	-	-	-	-	-	-
Total	**2,658.64**	**154.29**	**0.63**	**0.45**	**0.29**	**2,814.30**

NOTE 21 : INCOME TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax (net)	100.85	87.69
Total	**100.85**	**87.69**

NOTE 22A : REVENUE FROM OPERATIONS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Revenue from sale of products	24,935.57	18,252.46
Revenue from sale of services	66.52	27.60
Other operating revenue *	186.42	236.80
Total	**25,188.51**	**18,516.86**

* The Company's manufacturing facilities at Maharashtra and Andhra Pradesh are eligible to receive incentive in form of refund of SGST, refund of stamp duty and refund of/ exemption from payment of electricity duty as per the Industrial Promotion Schemes of the respective State Governments and Memorandum of Understanding signed with the respective State Governments. During the year, ₹ 119.41crores (Previous year - ₹ 182.44 crores) is accrued under the head "Other operating revenue" (Refer note 43).

NOTE 22B : REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES		
Revenue from sale of products		
Paints, décor and related products	24,582.94	18,009.26
Bath Fittings and related products	352.63	243.20
Revenue from sale of services		
Painting, décor and related services	66.52	27.60
Other operating revenues		
Processing and service income	35.00	33.53
Scrap sales	32.01	20.83
Other Income (Refer note 23(c)(ii))		
Royalty received from subsidiary and associate companies	73.07	62.07
Total	**25,142.17**	**18,396.49**
B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY		
Home market	24,929.20	18,277.74
Exports	212.97	118.75
Total	**25,142.17**	**18,396.49**

NOTE 22C: RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Gross Revenue	29,661.72	21,520.03
Less: Discounts	4,519.55	3,123.54
Net Revenue recognised from Contracts with Customers	**25,142.17**	**18,396.49**

The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 45 days. There is no significant financing component in any transaction with the customers.

The Company provides agreed upon performance warranty for selected range of products and services. The amount of liability towards such warranty is immaterial.

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration and sale of service contracts are measured as per output method.

The Company has recognized revenue of ₹ 14.61 crores (31st March 2021: ₹ 4.90 crores) from the amounts included under advance received from customers at the beginning of the year.

NOTE 23 : OTHER INCOME

(₹ in Crores)

	Year 2021-22	Year 2020-21
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	7.65	7.96
Other financial assets carried at amortised cost	64.27	32.94
	71.92	**40.90**
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI*	15.16	7.81
Dividends from subsidiary companies (Refer note 41)	12.19	8.64
	27.35	**16.45**
(c) Other non-operating income		
(i) Insurance claims received	2.24	8.65
(ii) Royalty received from subsidiary and associate companies	73.07	62.07
(iii) Net gain arising on financial assets measured at FVTPL#	76.09	92.28
(iv) Others	114.11	107.15
	265.51	**270.15**
(d) Other gains and losses		
Net foreign exchange gain	43.22	18.43
Net gain on sale of property, plant and equipment	40.36	18.37
Net gain on modification/ termination of leases	3.53	1.72
	87.11	**38.52**
Total	**451.89**	**366.02**

* Relates to investments held at the end of reporting period

Includes gain on sale of financial assets measured at FVTPL for ₹ 27.23 crores (Previous year - ₹ 1.89 crores).

NOTE 24 (A) : COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2021-22	Year 2020-21
Raw Materials Consumed		
Opening Stock (including goods-in-transit)	1,038.08	864.26
Add : Purchases	12,595.76	7,208.71
	13,633.84	**8,072.97**
Less: Closing Stock (including goods-in-transit)	1,944.17	1,038.08
	11,689.67	**7,034.89**
Packing Materials Consumed		
Opening Stock	68.86	46.89
Add : Purchases	2,165.58	1,511.25
	2,234.44	**1,558.14**
Less : Closing Stock	85.21	68.86
	2,149.23	**1,489.28**
Total Cost Of Materials Consumed	**13,838.90**	**8,524.17**

(₹ in Crores)

	Year 2021-22	Year 2020-21
NOTE 24 (B) : PURCHASES OF STOCK-IN-TRADE	**2,978.69**	**1,649.06**
NOTE 24 (C) : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS		
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	1,407.46	1,345.36
Work-in-Progress	120.57	81.67
Stock-in-trade- acquired for trading (including goods-in-transit)	360.10	370.40
Total	**1,888.13**	**1,797.43**
Stock at the end of the year		
Finished Goods (including goods-in-transit)	2,261.57	1,407.46
Work-in-Progress	177.42	120.57
Stock-in-trade- acquired for trading (including goods-in-transit)	657.77	360.10
Total	**3,096.76**	**1,888.13**
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	**(1,208.63)**	**(90.70)**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Salaries and wages	1,143.82	988.40
Contribution to provident and other funds (Refer note 37)	62.32	60.13
Staff welfare expenses	95.48	80.13
Share based payment expenses (Refer note 37(3))	8.52	-
Total	**1,310.14**	**1,128.66**

NOTE 26 : OTHER EXPENSES

(₹ in Crores)

	Year 2021-22	Year 2020-21
Consumption of stores, spares and consumables	68.21	52.28
Power and fuel	104.66	74.71
Processing charges*	151.60	122.76
Repairs and maintenance:		
Buildings	20.63	17.50
Machinery	46.75	40.11
Other assets	48.10	33.17
	115.48	**90.78**
Rates and taxes	12.79	12.00
Corporate social responsibility expenses (Refer note 44)	70.77	62.98
Commission to Non Executive Directors	4.72	4.70
Directors' sitting fees	1.83	0.80
Auditor's Remuneration (Refer note 34)	1.83	1.68
Freight and handling charges	1,688.78	1,222.27
Advertisement expenses	804.64	691.85
Bad debts written off	-	0.56
Allowance for doubtful debts and advances (net)	36.40	27.90
Insurance	23.24	21.65
Travelling expenses	72.46	36.98
Miscellaneous expenses^	524.21	388.99
Total	**3,681.62**	**2,812.89**

^Includes expense relating to leases of low value assets amounting to ₹31.26 crores (Previous year - ₹ 24.96 crores).

*Represents variable lease payments.

NOTE 27 : FINANCE COSTS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	0.03	0.03
(b) Interest on bill discounting	17.67	10.67
(c) Interest on loan from State of Haryana	1.85	2.32
(d) Interest on lease liabilities	49.40	49.47
(e) Other interest expense	1.30	0.84
Total interest expense for financial liabilities carried at amortised cost	**70.25**	**63.33**
Interest on income tax	-	8.33
Total	**70.25**	**71.66**

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Depreciation of Property, Plant and Equipment (Refer note 2A)	499.94	497.77
Depreciation of Right-Of-Use assets (Refer note 2B)	199.58	175.89
Amortisation of Other Intangible assets (Refer note 4(B))	22.04	23.81
Total	**721.56**	**697.47**

NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

Financial assets/ financial liabilities	Refer Note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	5D	-	324.11	2,139.03	3,150.48
Investments in unquoted equity shares	5(A)(a)(iii)	1.07	1.07	-	-
Forward exchange contract (net)	6	-	-	-	0.88
		1.07	**325.18**	**2,139.03**	**3,151.36**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares #	5(A)(b)	496.13	578.42	-	-
Investments in quoted debentures or bonds	5C	53.49	81.35	25.31	28.33
		549.62	**659.77**	**25.31**	**28.33**
Financial assets measured at amortised cost					
Investments in unquoted government securities	5(B)	*	*	-	-
Security deposits	6	55.14	57.06	12.61	14.77
Royalty receivable from subsidiary and associate companies	6	-	-	80.34	58.85
Due from subsidiary companies	6	-	-	32.82	18.29
Due from associate companies	6	-	-	0.68	0.79
Dividend receivable from subsidiary	6	-	-	12.19	-
Subsidy receivable from state government	6	365.71	521.56	220.07	18.08
Term deposits held as margin money against bank guarantee and other commitments	6	0.09	0.07	-	-

NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crores)

Financial assets/ financial liabilities	Refer Note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Term deposits with more than 12 months original maturity	6	48.19	-	1,030.07	913.85
Interest accrued on investments in debentures or bonds measured at FVTOCI	6	-	-	2.72	3.99
Quantity discount receivable	6	-	-	235.65	221.14
Retention monies receivable from Customers	6	1.48	0.54	0.01	1.63
Trade Receivables	10	-	-	2,915.77	1,809.75
Cash and Cash Equivalents	11A	-	-	276.04	113.27
Other Bank Balances	11B	-	-	32.53	21.64
Other Receivables	6	-		18.25	-
		470.61	**579.23**	**4,869.75**	**3,196.05**
Financial liabilities measured at fair value through profit or loss					
Forward exchange contract (net)	16	-	-	0.92	-
		-	**-**	**0.92**	**-**
Financial liabilities measured at amortised cost					
Loan from State of Haryana	14	16.16	14.31	-	7.89
Lease Liabilities	15	518.80	468.73	179.22	157.22
Unpaid/Unclaimed dividend	16	-	-	23.47	21.64
Retention monies relating to capital expenditure	16	1.14	1.09	22.41	19.08
Payable towards capital expenditure	16	-	-	36.64	34.92
Payable towards services received	16	-	-	585.46	421.29
Payable towards stores, spares and consumables	16	-	-	13.43	15.69
Payable to employees	16	-	-	206.97	195.56
Payable towards other expenses	16	-	-	635.48	568.47
Trade payables (including Acceptances)	20	-	-	3,497.29	2,814.30
		536.10	**484.13**	**5,200.37**	**4,256.06**

Investments in these equity instruments are not held for trading. Upon the application of Ind AS 109 - Financial Instruments, the Company has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains and losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company.

* ₹ 39,500/-

NOTE 29(B) : FAIR VALUE MEASUREMENTS

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at 31st March, 2022 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer note 5(A)(b))	496.13	496.13	-	-
Investments in quoted debentures or bonds (Refer note 5C)	78.80	78.80	-	-

NOTE 29(B) : FAIR VALUE MEASUREMENTS (CONTD.)

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities: (Contd.)

As at 31st March, 2022 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	2,139.03	2,139.03	-	-
Investments in unquoted equity shares (Refer note 5(A)(a)(iii))	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 16)	0.92	0.92	-	-

As at 31st March, 2021 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2021	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer note 5(A)(b))	578.42	578.42	-	-
Investments in quoted debentures or bonds (Refer note 5C)	109.68	109.68	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	3,474.59	3,474.59	-	-
Investments in unquoted equity shares (Refer note 5(A)(a)(iii))	1.07	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 6)	0.88	0.88	-	-

(ii) Financial Instrument measured at Amortised Cost

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

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID-19. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analyses have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity of less than one month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Company's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 days. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

(₹ in Crores)

Currency	Liabilities		Assets	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	965.85	645.61	180.19	129.25
EUR	126.47	80.81	13.45	4.27
SGD	-	0.40	0.11	0.11
GBP	7.06	5.03	0.06	0.07
SEK	0.05	0.04	-	-
JPY	0.46	0.49	-	-
Others	1.45	2.43	1.50	0.68
Total	**1,101.34**	**734.81**	**195.31**	**134.38**

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of Note 36(a) and the details of unhedged exposures are given as part of Note 36(b).

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2021-22	Year 2020-21	Year 2021-22	Year 2020-21
+5%	(23.98)	(11.24)	(23.98)	(11.24)
-5%	23.98	11.24	23.98	11.24

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2022, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 496.13 crores (Previous year - ₹ 578.42 crores). The details of such investments in equity instruments are given in Note 5(A)(b).

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

c) Other Price Risk (Contd.)

The Company is also exposed to price risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March, 2022, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 78.80 crores (Previous year - ₹ 109.68 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5C.

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March, 2022, Other Comprehensive Income for the year ended 31st March, 2022 would increase by ₹ 43.85 crores (Previous year - ₹ 51.11 crores) and decrease by ₹ 46.74crores (Previous year - ₹ 51.11 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2022. 10% represents management's assessment of reasonably possible change in equity prices.

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks and other receivables. The Company's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures) 6, 10 and 11B.

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

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

The average credit period ranges from 30 to 45 days on sales of products. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is given below.

(₹ in Crores)

Net Outstanding > 365 days	% Collection to gross outstanding in current year	Credit loss allowance
Yes	< 25%	Yes, to the extent of lifetime expected credit losses outstanding as at reporting date.
Yes	> 25%	Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year.

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	31.03.2022	31.03.2021
Balance at the beginning of the year	58.19	35.90
Loss allowance measured at lifetime expected credit losses	36.19	22.29
Balance at the end of the year	**94.38**	**58.19**

In accordance with Ind AS 109 – Financial Instruments, the Company has re-assessed expected timing of cashflow towards subsidy receivable from the State Governments and has accordingly provided for time value of money. Consequently, an amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years. The Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

3) Liquidity Risk

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

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

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
At 31st March, 2022					
Borrowings (Refer note 14)	-	19.82	-	**19.82**	16.16
Trade Payables (Refer note 20)	3,497.29	-	-	**3,497.29**	3,497.29
Lease Liabilities (Refer note 15)	223.52	508.43	96.17	**828.12**	698.02
Other financial liabilities (Refer note 16)	1,524.78	1.14	-	**1,525.92**	1,525.92
At 31st March, 2021					
Borrowings (Refer note 14)	7.89	19.82	-	**27.71**	22.20
Trade Payables (Refer note 20)	2,814.30	-	-	**2,814.30**	2,814.30
Lease Liabilities (Refer note 15)	198.27	456.23	90.45	**744.95**	625.95
Other financial liabilities (Refer note 16)	1,276.65	1.09	-	**1,277.74**	1,277.74

NOTE 29(D) : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at 31st March, 2022 and 31st March, 2021, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

NOTE 30 : DIVIDEND

(₹ in Crores)

	Year 2021-22	Year 2020-21
Dividend on equity shares paid during the year		
Final dividend for the FY 2020-21 [₹ 14.50 (Previous year - ₹ 1.50) per equity share of ₹ 1 each]	1,390.84	143.88
Interim dividend for the FY 2021-22 [₹ 3.65 (Previous year - ₹ 3.35) per equity share of ₹ 1 each]	350.11	321.35
Total	**1,740.95**	**465.23**

Proposed Dividend:

The Board of Directors at its meeting held on 10th May, 2022 have recommended payment of final dividend of ₹ 15.50 (Rupees fifteen and Paise fifty only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2022. The same amounts to ₹ 1,486.76 crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

NOTE 31 : KEY FINANCIAL RATIOS

Sr. No.	Ratios	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
1	Current ratio	Current Assets	Current Liabilities	2.26	2.17	3.83%
2	Debt-equity ratio*	Total Debt (Borrowings)	Total Equity	0.00	0.00	-35.24%
3	Debt service coverage ratio	Earning available for debt service #	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	133.38	133.55	-0.13%
4	Return on Equity	Profits after tax	Average Total Equity	24.65%	28.33%	-13.02%
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.72	3.39	9.67%
6	Trade receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	10.58	12.53	-15.52%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade payables	5.62	4.53	24.00%
8	Net capital turnover ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	3.55	3.45	2.90 %
9	Net profit ratio	Profit after tax	Revenue from Operations	12.44%	16.48%	-24.49%
10	Return on capital employed	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	33.50%	38.07%	-12.01%
11	Return on investment	Income during the year	Time weighted average of investment			
a	Return on Mutual Funds			3.79%	4.41%	-13.93%
b	Return on Fixed Deposits			5.28%	6.04%	-12.57%
c	Return on Bonds@			3.88%	10.06%	-61.46%
d	Return on quoted equity investment^			-11.72%	12.42%	-193.35%

* Increase in networth has led to improved debt equity ratio

@ Increase in market yield coupled with higher value of bonds nearing maturity

^ Impact of market dynamics

Earning available for Debt Service: Profit after tax + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities)- Net gain on sale of property, plant and equipment - Net gain on modification/ termination of leases.

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal	416.68	298.77
ii. Others	62.52	57.17

b. Commitments

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
1. Estimated amount of contracts remaining to be executed on capital account and not provided for		
i. Towards Property, Plant and Equipment	626.12	87.05
ii. Towards Intangible Assets	15.27	14.45
	641.39	101.50
2. Letters of Credit and Bank guarantees issued by bankers towards procurement of goods and services and outstanding as at year end	104.84	58.92

NOTE 33 : MOVEMENT IN OTHER PROVISIONS

Pursuant to the Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to movement in provisions is as follows:

(₹ in Crores)

	Provision for Excise*		Provision for Sales tax **	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening Balance	2.24	2.24	12.48	14.41
Additions/Adjustments	-	-	0.25	1.09
Utilizations	-	-	-	-
Reversals	(0.74)	-	(1.30)	(3.02)
Closing Balance	1.50	2.24	11.43	12.48

These provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty and Sales tax). The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

* Excise provisions made towards matters disputed at various appellate levels.

** Sales tax provisions made towards non receipt of C Forms and other matters disputed at various appellate levels.

NOTE 34 : AUDITOR'S REMUNERATION (EXCLUDING GST)

(₹ in Crores)

	Year 2021-2022	Year 2020-2021
Statutory audit fee	1.47	1.23
Taxation Matters	0.14	0.13
Certification fees and other services	0.19	0.30
For reimbursement of expenses	0.03	0.02
Total	**1.83**	**1.68**

NOTE 35 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are provided to the extent the Company has received intimation from the "Suppliers" regarding their status thereunder.

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount due to micro and small enterprise	110.76*	78.52*
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Includes ₹ 54.72 crores (Previous year - ₹ 24.97 crores) payable towards other financial liabilities.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE 36 : DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS

(a) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge its foreign currency exposures relating to underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign Currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2022	**24.00**	**18.85**	**144.05**
Forward contract to buy USD - As at 31.03.2021	37.00	29.44	215.24

(b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2022 are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	**108.42**	58.86	**23.77**	17.68
EUR	**15.06**	9.42	**1.60**	0.50
SGD	**-**	0.07	**0.02**	0.02
GBP	**0.71**	0.50	**0.01**	0.01
SEK	**0.06**	0.05	**-**	-
JPY	**7.35**	7.35	**-**	-
Others	**0.97**	1.77	**0.51**	0.13

Currency	Payable (₹ in Crores)		Receivable (₹ in Crores)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	**821.80**	430.37	**180.19**	129.25
EUR	**126.47**	80.81	**13.45**	4.27
SGD	**-**	0.40	**0.11**	0.11
GBP	**7.06**	5.03	**0.06**	0.07
SEK	**0.05**	0.04	**-**	-
JPY	**0.46**	0.49	**-**	-
Others	**1.45**	2.43	**1.50**	0.68
	957.29	**519.57**	**195.31**	**134.38**

NOTE 37 : EMPLOYEE BENEFITS

1) Post-employment benefits :

The Company has the following post-employment benefit plans:

a) Defined benefit gratuity plan (Funded)

The Company has defined benefit gratuity plan for its employees, which requires contribution to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Company aims to

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

a) Defined benefit gratuity plan (Funded) (Contd.)

keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

Every two years an Asset-Liability-Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, take appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch. There has been no change in the process used by the Company to manage its risks from prior periods.

As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Fair value of the Company's own transferable financial instruments held as plan assets: **NIL**

b) Defined benefit pension plan (Unfunded)

The Company operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the board of directors.

c) Defined benefit post-retirement medical benefit plan (Unfunded)

The Company operates a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of such long term debt instrument is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
Interest Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa
Longevity Risk	The present value of the defined benefit 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 liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31st March, 2022 by M/s Transvalue Consultants.

The following tables summarise the components of defined benefit expense recognised in the Statement of Profit and Loss/OCI and the funded status and amounts recognised in the Balance Sheet for the respective plans:

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(i)	**Opening defined benefit obligation**	**221.08**	191.14	**1.63**	1.58	**1.99**	1.79
(ii)	Current service cost	**19.67**	13.94	**0.24**	0.20	**-**	0.07
(iii)	Interest cost	**15.23**	12.72	**0.11**	0.09	**0.06**	0.12
(iv)	Past Service Cost	**0.92**	9.23	**-**	-	**-**	-
(v)	(Gain) on Curtailments/Settlements	**-**	-	**-**	-	**(1.14)**	-
(vi)	**Sub-total included in Statement of Profit and Loss(ii+iii+iv+v)**	**35.82**	**35.89**	**0.35**	**0.29**	**(1.08)**	**0.19**
(vii)	Actuarial loss from changes in financial assumptions	**(7.88)**	(1.09)	**(0.04)**	(0.01)	**(0.02)**	(0.05)
(viii)	Actuarial gain from changes in demographic assumptions	**-**	-	**-**	-	**0.04**	-
(ix)	Experience adjustment	**3.05**	**13.23**	**(0.15)**	0.13	**(0.01)**	0.11

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(x)	**Sub-total included in Other Comprehensive Income(vii+viii+ix)**	**(4.83)**	**12.14**	**(0.19)**	**0.12**	**0.01**	**0.06**
(xi)	Inter-Company Transfer	(0.45)	(0.01)	-	-	-	-
(xii)	Benefits paid	(21.53)	(18.08)	(0.34)	(0.36)	(0.08)	(0.05)
(xiii)	**Closing defined benefit obligation(i+vi+x+xi+xii)**	**230.09**	**221.08**	**1.45**	**1.63**	**0.84**	**1.99**
(xiv)	**Opening fair value of plan assets**	**199.10**	**180.77**	**-**	**-**	**-**	**-**
(xv)	Expected return on plan assets	13.68	12.06	-	-	-	-
(xvi)	**Sub-total included in Statement of Profit and Loss(xv)**	**13.68**	**12.06**	**-**	**-**	**-**	**-**
(xvii)	Actuarial Gains/(Loss)	(0.62)	7.00	-	-	-	-
(xviii)	**Sub-total included in Other Comprehensive Income(xvii)**	**(0.62)**	**7.00**	**-**	**-**	**-**	**-**
(xix)	Contributions by employer	38.00	17.35	-	-	-	-
(xx)	Benefits paid	(21.53)	(18.08)	-	-	-	-
(xxi)	**Closing fair value of plan assets(xiv+xvi+xviii+xix+xx)**	**228.63**	**199.10**	**-**	**-**	**-**	**-**
(xxii)	**Net Liability (xiii-xxi)**	**1.46**	**21.98**	**1.45**	**1.63**	**0.84**	**1.99**
	Expense recognised in:						
(xxiii)	**Statement of Profit and Loss (vi-xvi)**	**22.14**	**23.83**	**0.35**	**0.29**	**(1.08)**	**0.19**
(xxiv)	**Statement of Other Comprehensive Income(x-xvii)**	**(4.21)**	5.14	**(0.19)**	0.12	**0.01**	0.06

The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ in Crores)

	Gratuity (Funded Plan) As at 31.03.2022	Gratuity (Funded Plan) As at 31.03.2021
Government of India securities (Central and State)	116.32	105.27
High quality corporate bonds (including Public Sector Bonds)	88.12	79.73
Equity shares, Equity mutual funds and ETF	17.31	9.39
Cash (including liquid mutual funds)	0.37	0.40
Others	6.51	4.31

The principal assumptions used in determining gratuity, pension and post-retirement medical benefit obligations for the Company's plans are shown below:

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Discount Rate	7.27%	6.87%	7.27%	6.87%	7.27%	6.87%
Salary Escalation Rate	All Grades- 9% for first 2 years 8% thereafter	All Grades- 10% for first year 9% for second year 8% thereafter	-	-	-	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Defined Benefit Obligation – Discount Rate + 100 basis points	(18.24)	(16.86)	(0.08)	(0.09)	(0.06)	(0.23)
Defined Benefit Obligation – Discount Rate - 100 basis points	20.09	18.38	0.09	0.10	0.07	0.24
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	19.33	17.74	-	-	-	-
Defined Benefit Obligation – Salary Escalation Rate - 100 basis points	(18.10)	(16.98)	-	-	-	-

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.46 years (Previous year -10.48 years).

The Company expects to make a contribution of ₹ 19.66 crores (Previous year - ₹ 41.65 crores) to the defined benefit plans during the next financial years.

d) Provident Fund

The Provident Fund assets and liabilities are managed by 'Asian Paints Office Provident Fund' and 'Asian Paints Factory Employees Provident Fund' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31st March, 2022.

The Company contributed ₹ 19.41 crores (Previous Year - ₹ 15.35 crores) towards Asian Paints Office Provident Fund during the year ended 31st March, 2022. The Company contributed ₹ 11.56 crores (Previous Year - ₹ 9.65 crores) towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2022.

The details of the Asian Paints Office Provident Fund and plan assets position are given below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of benefit obligation at period end	405.73	370.84
Plan assets at period end, at fair value, restricted to	405.73	370.84
Asset recognized in Balance Sheet	-	-

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

d) Provident Fund (Contd.)

The details of the Asian Paints Factory Employees Provident Fund and plan assets position are given below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of benefit obligation at period end	303.28	290.18
Plan assets at period end, at fair value, restricted to	303.28	290.18
Asset recognized in Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Discounting Rate	7.27%	6.87%
Expected Guaranteed interest rate	8.10%*	8.50%

*Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2021-22 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.30% for FY 2021-22.

2) Other Long term employee benefits:

Annual Leave and Sick Leave assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2022 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 12.42 crores. (Previous Year- increased by ₹27.90 crores)

(a) Financial Assumptions

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount Rate	7.27%	6.87%
Salary increases allowing for Price inflation	All Grades- 9% for first 2 years 8% thereafter	All Grades- 10% for first year 9% for second year 8% thereafter

(b) Demographic Assumptions

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%	Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%
Leave Availment Ratio	5%	5%

3) Employee share based payment plans

During the year ended 31st March, 2022, the Company implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Company's 75th AGM held on 29th June, 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Company as on 12th May, 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Company during the tenure of the Plan, subject to compliance with Applicable Law.

The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

3) Employee share based payment plans (Contd.)

the next 3 years. The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Company as defined under 2021 Plan.

Further, the 2021 Plan replaced the existing Deferred Incentive Scheme (which provided for deferred cash pay-outs based on performance of the employees and satisfaction of vesting conditions). Pursuant to launch of 2021 Plan, the eligible employees were given option to convert existing deferred incentive benefit for FY 2020-21 into ESOPs. Accordingly, stock options were granted to those employees opting for ESOPs.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the statement of changes in equity.

a) Details of stock options granted:

Particulars	Grant 1	Grant 2	Grant 3
Grant Date	16th August, 2021	16th August, 2021	10th February, 2022
Vesting Date	31st March 2024	31st March 2025	31st March 2025
Fair Value at Grant Date (₹)	1,685.13	1,752.87	1,884.83
Exercise Price (₹)*	1,518.70	1,518.70	1,632.53
Options outstanding at the beginning of the year	**-**	**-**	**-**
Options granted during the year	110,514	116,022	4,425
Options exercised during the year	-	-	-
Options forfeited during the year	-	-	-
Options lapsed during the year	2,160	2,718	-
Balance as at year end	**108,354**	**113,304**	**4,425**
Exercisable at period end	-	-	-
Weighted Average remaining contractual life (years)	3	4	4

*Also represents weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options.

b) Fair Value of Stock Options granted:

Fair Value of Stock Options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield		Exercise price
Assumptions:	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price	Market price at the time of grant of the option (Rs)	50% of Reference Share Price
Grant 1- 16th August 2021	5.07%	3.12 years	34.67%	0.60%	2,987.55	1,518.70
Grant 2 - 16th August 2021	5.50%	4.12 years	32.17%	0.60%	2,987.55	1,518.70
Grant 3 - 10th February, 2022	5.57%	3.63 years	33.93%	0.55%	3,228.35	1,632.53

During the year, the Company has recognized an expense of Rs. 8.52 crores (31st March, 21 - Nil). This is net of reversal of provision of deferred incentive scheme of Rs 2.45 crores and recoveries from subsidiaries of Rs 2.42 crores.

NOTE 38 :

A competitor of the Company had filed a complaint with the Competition Commission of India (CCI) alleging the Company to be hindering its entry in the decorative paints market by virtue of unfair use of the Company's position of dominance in the market. On 14th January 2020, the CCI passed a prima facie Order under the provisions of the Competition Act, 2002 directing the Director General (DG) to conduct an investigation into the matter. The Company had received notices seeking certain information and the Company has provided the same from time to time. The Commission is yet to pass a final order in this regard.

NOTE 39 : AMALGAMATION AND ACQUISITIONS

a) Amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company

On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved Scheme of amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ("Reno"), wholly owned subsidiary of the Company, with the Company. Pursuant to the necessary filings with the Registrars of Companies, Mumbai, the scheme has become effective from 17th September, 2021 with the appointed date of 1st April, 2019. Accordingly, the comparative period has been restated for the accounting impact of amalgamation, as if the amalgamation had occurred from the beginning of the comparative period in accordance with the Scheme.

(₹ in Crores)

Particulars	As at 1st April, 2020
Property, Plant and Equipment	160.86
Capital work-in-progress	7.70
Income Tax Asset (Net)	0.01
Cash and Cash Equivalents	0.13
Other financial assets - Current	0.02
Other financial liabilities - Current	(0.52)
Other liabilities - Current	(0.05)
Total Net Assets	**168.15**
Net Equity	**1.20**
Amounts pertaining to Reno appearing in the Financial Statements of the Company	
Investment in Reno	(161.42)
Loan to Reno	(7.93)

The impact of the amalgamation on the Financial Statements for the current year and previous year is not material. The accounting treatment is in accordance with the approved Scheme and Indian accounting standards.

b) Acquisition of Weatherseal Fenestration Private Limited:

On 1st April, 2022, the Company entered into the Shareholders Agreement and Share Subscription Agreement with the promoters of Weatherseal Fenestration Private Limited (hereinafter referred to as "Weatherseal Fenestration") for, inter alia, infusion of ₹ 19 crores (approx.) for 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to customary closing adjustments and conditions precedent. On fulfillment of such conditions, the acquisition of Weatherseal Fenestration shall be considered as completed and it will become a subsidiary of the Company. Further, in accordance with the Shareholders Agreement and the Share Subscription Agreement, the Company has agreed to acquire further stake of 23.9% in Weatherseal Fenestration from its promoter shareholders, in a staggered manner, over the next 3 years period. There is no impact of the above business acquisitions on the financial statements of the Company.

c) Acquisition of Obgenix Software Private Limited:

On 1st April, 2022, the Company entered into a Share Purchase Agreement and other definitive documents with the shareholders of Obgenix Software Private Limited (popularly known by the brand name of 'White Teak') for the acquisition of 100% of its equity share capital in a staggered manner over the period of next 3 years, subject to certain conditions. The Company has acquired 49% of its equity share capital for a consideration of ₹ 180 crores (approx.) along with an earn out upto a maximum of ₹ 114 crores, payable after a year, subject to achievement of mutually agreed financial milestones. The remaining 51% of the equity share capital would be acquired in a staggered manner. White Teak has become an associate of the Company from the date of acquisition. There is no impact of the above business acquisitions on the financial statements of the Company.

NOTE 40 : EARNINGS PER SHARE

Particulars	Year 2021-2022	Year 2020-2021
a) Basic earnings per share in rupees (face value – ₹1 per share) (In ₹)	32.68	31.82
b) Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	32.68	31.82
c) Profit after tax as per Statement of Profit and Loss (₹ in crores)	3,134.71	3,051.80
Number of equity shares outstanding during the year used for computing basic earnings per share	9,59,197,790	95,91,97,790
Less: Weighted average shares held by ESOP trust as treasury shares	1,20,488	-
d) Weighted average number of equity shares outstanding during the year used for computing basic earnings per share	95,90,77,302	95,91,97,790
Add: Options granted to employees#	23,717	-
e) Weighted average number of equity shares outstanding during the year used for computing diluted earnings per share	95,91,01,018	95,91,97,790

41 stock options are excluded from calculating weighted average number of outstanding equity shares for the purpose of diluted EPS for 31st March, 2022 (Previous year - Nil) as these are anti-dilutive.

NOTE 41 : RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

a) Associates:

PPG Asian Paints Private Limited.

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited*

* The Company intends to cease its operations.

b) Subsidiaries : (where control exists)

Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
Asian Paints (Nepal) Private Limited	Nepal	52.71	52.71
Asian Paints Industrial Coatings Limited	India	100.00	100.00
Asian Paints International Private Limited (APIPL)	Singapore	100.00	100.00
Maxbhumi Developers Limited	India	100.00	100.00
Sleek International Private Limited	India	100.00	100.00
Asian Paints PPG Private Limited	India	50.00	50.00

Indirect Subsidiaries:

i) Subsidiaries of Asian Paints International Private Limited, Singapore

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00
PT Asian Paints Indonesia	Indonesia	100.00	100.00
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00
Asian Paints (Tonga) Limited **	Kingdom of Tonga	-	-
Asian Paints (South Pacific) Limited	Fiji Islands	54.07	54.07
Asian Paints (S.I.) Limited	Solomon Islands	75.00	75.00
Asian Paints (Bangladesh) Limited	Bangladesh	89.78	89.78
Asian Paints (Middle East) SPC ***	Sultanate of Oman	100.00	49.00

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

b) Subsidiaries : (where control exists) (Contd.)

i) Subsidiaries of Asian Paints International Private Limited, Singapore (Contd.)

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
SCIB Chemicals S.A.E. #	Egypt	61.31	60.00
Samoa Paints Limited	Samoa	80.00	80.00
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00	60.00
Causeway Paints Lanka (Pvt) Ltd ##	Sri Lanka	99.98	100.00
A P International Doha Trading W.L.L ^	Qatar	100.00	-

** Asian Paints (Tonga) Limited has ceased its business operations w.e.f. 10th December, 2020 and liquidated all its assets & liabilities. The name of the Company was struck off from the registrar on 29th January, 2021.

*** On 7th April 2021, APIPL entered into a Share Purchase Agreement for purchase of stake of non-controlling interest (51%) in Asian Paints Middle East SPC (earlier known as Asian Paints (Middle East) LLC), Oman, subsidiary of APIPL (by virtue of management control). The said transaction was concluded on 14th April, 2021.

On 31st May 2021, APIPL completed a buyout of 1.31% stake from certain minority shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

On 1st April 2021, the Registrar General of Companies in Sri Lanka approved the scheme of Amalgamation of Asian Paints (Lanka) Limited with Causeway Paints Lanka (Pvt) Ltd.

^ Subsidiary w.e.f 29th July, 2021.

ii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00

iii) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
Berger Paints Emirates LLC	U.A.E.	100.00	100.00

iv) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00

c) Key Managerial Personnel:

Name	Designation
Shri. Amit Syngle	Managing Director & CEO
Shri. R J Jeyamurugan	CFO & Company Secretary

Non-Executive Directors	
Late Shri. Abhay Vakil (upto 2nd November, 2021)	Shri. M.K. Sharma (upto 31st March, 2022)
Ms. Amrita Vakil	Ms. Nehal Vakil (w.e.f. 1st March, 2022)
Shri. Ashwin Dani	Mrs. Pallavi Shroff
Shri. Deepak Satwalekar (Chairman)	Shri. R Seshasayee
Shri. Jigish Choksi	Dr. S. Sivaram (upto 30th September, 2021)
Shri. Malav Dani	Shri. Suresh Narayanan
Shri. Manish Choksi (Vice Chairman)	Mrs. Vibha Paul Rishi
Shri. Milind Sarwate (w.e.f. 21st October, 2021)	

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Disclosure On Related Party Transactions as Required by Ind AS 24 - Related Party Disclosures is given below: (Contd.)

d) Close family members of Key Managerial Personnel who are under the employment of the Company:

Shri. Varun Vakil

e) Entities where Directors/Close family members of Directors have control/significant influence:

Addverb Technologies Pvt. Ltd.	Hitech Specialities Solutions Ltd.	Resins and Plastics Ltd.
Ankleshwar Industrial Development Society	Jalaj Trading And Investment Company Pvt. Ltd.	Ricinash Renewable Materials Pvt. Ltd. ##
Ashwin Suryakant Dani (HUF)	Jaldhar Investments And Trading Company Pvt. Ltd	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd	Lambodar Investments And Trading Company Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Satyadharma Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Shardul Amarchand Mangaldas & Co.
Dani Finlease Pvt. Ltd. @	Navbharat Packaging Industries Pvt. Ltd. *	Stack Pack Ltd. ^
Doli Trading and Investments Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
ELF Trading And Chemicals Mfg. Pvt. Ltd. ^^	Parekh Plast India Ltd. **	Suptaswar Investments And Trading Company Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Piramal Swasthya Management and Research Institute	Tru Trading And Investments Pvt. Ltd.
Gujarat Organics Ltd.	Pragati Chemicals Ltd. #	Unnati Trading And Investments Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Pratham Education Foundation	Vikatmev Containers Ltd.
Hitech Corporation Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	

* change in name w.e.f. 22nd December, 2021 (formerly known as Navbharat Packaging Industries Ltd.).

** till 31st December, 2020

merged with Resins and Plastics Ltd from 1st August, 2020

formerly known as Ricinash Oil Mill Ltd. (till 25th August, 2021) & Ricinash Renewable Materials Ltd (till 7th March, 2022).

^ w.e.f. 20th January, 2021

^^ change in name w.e.f. 22nd December, 2021 (formerly known as ELF Trading And Chemicals Mfg. Ltd.).

@ change in name w.e.f. 7th February, 2022 (formerly known as Dani Finlease Ltd.).

f) Other entities where significant influence exist :

i) Post employment-benefit plan entity:

Asian Paints (India)Limited Employees' Gratuity Fund

ii) Other :

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

Terms and conditions of transactions with related parties:

1. The Company has been entering into transactions with related parties for its business purposes. Related party vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of:

   (a) Supplying products primarily to the Company,

   (b) Advanced and innovative technology,

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Terms and conditions of transactions with related parties: (Contd.)

(c) Customization of products to suit the Company's specific requirements, and

(d) Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits– notably on working capital.

2 . The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

3. During the year ended 31st March, 2022, the Company has recorded an amount of ₹ 0.21 crores from Asian Paints (Bangladesh) Ltd (Previous year - ₹ 0.17 crores) and NIL from Kadisco Paints and Adhesive Industry Share Company (Previous Year - ₹ 5.44 crores) as provision for doubtful receivables in Statement of Profit and Loss. As at 31st March, 2022, the provision for doubtful receivables is ₹ 1.65 crores for Asian Paints (Bangladesh) Ltd (Previous year - ₹ 1.44 crores) and ₹ 5.44 crores for Kadisco Paints and Adhesive Industry Share Company (Previous year – ₹ 5.44 crores).

During the year ended 31st March, 2022, the Company has not written off any amount against doubtful receivables (Previous year - NIL).

The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Company.

Compensation of key management personnel of the Company:

(₹ in Crores)

	Year 2021-22	Year 2020-21
Short-term employee benefits	23.38	18.50
Post-employment benefits	0.12	0.14
Total compensation paid to key management personnel	**23.50**	**18.64**

Details of transactions with and balances outstanding of associate companies:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22 Transaction value	Year 2021-22 Outstanding amount	Year 2020-21 Transaction value	Year 2020-21 Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	4.71	0.71	6.07	1.96
	Sale of Assets	-	-	-	-
	Purchase of Goods	0.26	0.21	0.03	#
	Purchase of Assets	0.42	-	-	-
	Processing Income	11.20	(0.35)	12.98	(0.15)
	Royalty Income	3.25	0.50	3.17	0.40
	Other Non Operating Income	7.38	0.93	8.76	0.71
	Processing charges	0.41	0.01	0.15	0.14
	Reimbursement of Expenses - received	0.19	0.08	0.27	0.23
	Reimbursement of Expenses - paid	-	-	0.34	-
Revocoat India Private Limited	Other Non Operating Income	0.19	0.02	0.18	#

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of subsidiary companies:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22 Transaction value	Year 2021-22 Outstanding amount	Year 2020-21 Transaction value	Year 2020-21 Outstanding amount
Asian Paints PPG Private Limited	Revenue from Sale of Products	9.03	4.11	5.22	1.68
	Purchase of Goods	87.22	16.91	26.47	9.69
	Processing Income	28.18	10.11	24.67	2.68
	Royalty Income	14.48	8.58	9.51	3.48
	Reimbursement of Expenses - received	1.96	1.47	1.77	0.57
	Other Non Operating Income	7.26	3.16	7.12	1.65
	Other Services - paid	0.05	0.04	0.03	0.03
	Reimbursement of Expenses - paid	0.88	-	0.24	-
Sleek International Private Limited	Revenue from Sale of Products	2.05	0.75	0.95	0.19
	Purchase of Goods	7.23	0.01	1.57	0.55
	Purchase of Assets	0.51	0.07	-	-
	Royalty Income	1.14	0.33	0.57	0.15
	Reimbursement of Expenses - received	12.70	5.25	11.74	3.86
	Other Non Operating Income	7.17	2.92	6.01	1.80
	Other Services - paid	1.81	0.30	0.64	0.11
	Reimbursement of Expenses - paid	0.33	0.11	0.02	0.02
	Trade Advances	-	-	-	0.08
	Equity Investment	79.99	-	-	-
Asian Paints Industrial Coatings Limited	Sale of Assets	-	-	#	-
	Other Non Operating Income	0.03	0.03	0.03	0.05
	Reimbursement of Expenses - received	0.04	0.04	-	-
	Reimbursement of Expenses - paid	-	-	-	-
Maxbhumi Developers Limited	Reimbursement of Expenses - received	#	-	-	-
Asian Paints (Bangladesh) Limited	Other non operating income	0.14	#	0.33	0.14
	Reimbursement of Expenses - paid	0.21	0.49	0.27	0.30
	Reimbursement of Expenses - received	0.22	0.07	0.23	0.09
	Revenue from sale of products	10.83	2.02	6.75	2.43
	Royalty Income	12.69	22.36	9.51	19.28
Asian Paints (Lanka) Limited	Other non operating income	-	-	#	-
	Reimbursement of Expenses - paid	-	-	-	0.02
	Reimbursement of Expenses - received	-	-	0.23	0.13
	Revenue from sale of products	-	-	3.51	0.68
	Royalty Income	-	-	2.59	2.61
Asian Paints (Middle East) SPC	Other non operating income	0.11	0.01	-	-
	Reimbursement of Expenses - paid	-	-	0.26	0.26
	Reimbursement of Expenses - received	0.11	0.05	0.21	0.06
	Revenue from sale of products	2.24	0.51	1.80	1.31
	Royalty Income	4.85	4.85	4.46	4.46

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of subsidiary companies: (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22 Transaction value	Year 2021-22 Outstanding amount	Year 2020-21 Transaction value	Year 2020-21 Outstanding amount
Asian Paints (Nepal) Private Limited	Other non operating income	0.20	0.24	0.57	0.69
	Reimbursement of Expenses - paid	0.32	0.29	0.01	0.01
	Reimbursement of Expenses - received	0.82	0.85	0.43	0.47
	Revenue from sale of products	33.26	8.35	13.53	5.09
	Royalty Income	8.41	6.70	6.19	10.39
	Dividend received	12.19	12.19	8.64	-
Asian Paints (S.I.) Limited	Royalty Income	0.32	0.07	0.35	0.09
Asian Paints (South Pacific) Limited	Other non operating income	#	0.01	-	-
	Reimbursement of Expenses - received	0.07	0.06	0.07	0.01
	Revenue from sale of products	#	-	0.05	0.05
	Royalty Income	2.35	0.66	2.08	0.63
Asian Paints (Tonga) Limited	Royalty Income	-	-	0.02	#
Asian Paints (Vanuatu) Limited	Royalty Income	0.15	0.03	0.15	0.04
Asian Paints International Private Limited	Other non operating income	3.09	1.24	6.03	4.37
	Other Services - paid	1.54	0.71	1.24	0.52
	Reimbursement of Expenses - paid	0.08	0.07	0.21	0.21
	Reimbursement of Expenses - received	5.23	4.22	1.13	0.31
	Royalty Income	7.99	7.95	7.06	7.07
	Sitting Fees Received (from subsidiaries for nominee directors)	0.63	0.63	0.61	0.61
Berger Paints Bahrain W.L.L.	Other non operating income	0.01	0.01	-	-
	Reimbursement of Expenses - received	0.10	0.03	0.05	0.01
	Revenue from sale of products	0.45	0.13	0.59	0.35
Berger Paints Emirates LLC	Other Services - paid	1.01	0.50	0.99	0.32
	Reimbursement of Expenses - paid	0.04	0.07	0.17	0.04
	Reimbursement of Expenses - received	1.00	0.72	0.50	0.15
	Revenue from sale of products	3.18	1.35	2.43	1.21
	Purchase of Assets	0.12	0.12	-	-
Causeway Paints Lanka (Pvt) Ltd	Other non operating income	0.16	0.17	0.04	0.02
	Other Services - paid	0.46	0.13	0.51	0.32
	Reimbursement of Expenses - paid	0.32	0.32	0.13	0.13
	Reimbursement of Expenses - received	0.79	0.82	0.38	0.23
	Revenue from sale of products	20.99	19.26	1.17	0.74
	Royalty Income	5.30	8.46	1.86	1.92
Kadisco Paint and Adhesive Industry Share Company	Reimbursement of Expenses - paid	0.16	0.16	-	-
	Reimbursement of Expenses - received	-	-	0.15	-
	Royalty Income	-	-	1.38	-

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of subsidiary companies: (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22 Transaction value	Year 2021-22 Outstanding amount	Year 2020-21 Transaction value	Year 2020-21 Outstanding amount
PT Asian Paints Indonesia	Other non operating income	0.50	0.14	0.26	0.10
	Reimbursement of Expenses - paid	0.20	0.01	0.15	0.03
	Reimbursement of Expenses - received	0.64	0.35	0.47	0.19
	Revenue from sale of products	1.26	0.24	1.11	0.27
	Royalty Income	2.12	2.12	1.38	1.38
Samoa Paints Limited	Royalty Income	0.20	0.05	0.16	0.05
SCIB Chemical S.A.E.	Other non operating income	0.02	0.02	#	-
	Reimbursement of Expenses - paid	0.13	0.13	#	#
	Reimbursement of Expenses - received	0.31	0.20	0.22	0.09
	Revenue from sale of products	-	-	0.02	#
	Royalty Income	12.37	17.68	13.08	6.91

The Company has issued letters of awareness to banks/ financial institutions with respect to loans taken by certain international subsidiary companies. There has been no guarantee given or provided to any related party.

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22 Transaction value	Year 2021-22 Outstanding amount	Year 2020-21 Transaction value	Year 2020-21 Outstanding amount
Shri. Amit Syngle	Remuneration ^	13.75	6.66	10.42	4.58
	Dividend paid	#	-	#	-
Shri. R J Jeyamurugan	Remuneration ^^	3.06	-	2.58	-
Late Shri. Abhay Vakil	Retiral benefits	0.05	-	0.07	-
	Remuneration	0.42	0.34	0.41	0.34
	Dividend paid	51.40	-	13.81	-
Ms. Amrita Vakil	Remuneration	0.46	0.34	0.40	0.34
	Dividend paid	4.66	-	1.24	-
Shri. Ashwin Dani	Retiral benefits	0.07	-	0.07	-
	Remuneration	0.46	0.36	0.46	0.42
	Dividend paid	3.58	-	0.96	-
Shri. Deepak Satwalekar	Remuneration	0.57	0.40	0.43	0.34
Shri. Jigish Choksi	Remuneration	0.44	0.34	0.38	0.34
	Dividend paid	3.62	-	0.97	-
Shri. Malav Dani	Remuneration	0.50	0.36	0.41	0.36
	Dividend paid	6.00	-	1.60	-
Shri. Manish Choksi	Revenue from sale of products	-	-	#	-
	Remuneration	0.55	0.38	0.45	0.38
	Dividend paid	4.34	-	1.16	-
Shri. Milind Sarwate	Remuneration	0.23	0.14	-	-
	Dividend paid	#	-	-	-
Shri. M.K. Sharma	Remuneration	0.61	0.40	0.49	0.40
Ms. Nehal Vakil	Remuneration	0.07	0.03	-	-
	Dividend paid	4.42	-	-	-
Mrs. Pallavi Shroff	Remuneration	0.45	0.34	0.38	0.34
Shri. R Seshasayee	Remuneration	0.58	0.38	0.45	0.36
	Dividend paid	#	-	#	-

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel : (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Dr. S. Sivaram	Remuneration	0.21	0.18	0.41	0.36
Shri. Suresh Narayanan	Remuneration	0.54	0.38	0.45	0.38
Mrs. Vibha Paul Rishi	Remuneration	0.48	0.35	0.40	0.34
Shri. Varun Vakil (Close Family Members of KMP)	Remuneration	0.82	-	0.64	-
	Dividend paid	4.05	-	1.08	-
Others*	Dividend paid	101.79	-	28.53	-

^ Remuneration does not include Performance based incentive, Deferred incentive of ₹ 1.13 crores paid in 2021-22 (₹ 1.80 crores paid in 2020-21) for previous years and ₹ 3.59 crores worth of stock options for current year (Previous year ₹ 2.47 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

^^ Remuneration does not include Deferred incentive of ₹ 0.25 crores paid in 2021-22 (₹ 0.15 crores paid in 2020-21) for previous years and ₹ 0.48 crores worth of stock options for current year (Previous year - ₹ 0.48 crores in lieu of eligible deferred incentive) which will be subject to vesting conditions in accordance with the 2021 plan.

* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Addverb Technologies Pvt Ltd.	Other Services - paid	0.38	0.07	0.75	0.39
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	-	-	0.27	-
	Other Services - paid	0.04	(0.01)	-	-
Hitech Corporation Ltd.	Purchase of goods	513.62	2.21	380.21	1.96
Hitech Specialities Solutions Ltd.	Purchase of goods	21.76	1.80	0.19	-
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	8.06	0.39	6.09	0.57
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	2.58	0.11	0.34	0.15
Parekh Plast India Ltd.	Purchase of goods	-	-	69.37	-
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	2.46	-	2.30	-
Pragati Chemicals Ltd.	Purchase of goods	-	-	0.01	-
Pratham Education Foundation	Corporate Social Responsibility Expenses	-	-	0.03	-
Resins and Plastics Ltd.	Purchase of goods	6.21	0.74	7.46	0.35
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	20.01	#	15.15	0.58
Shardul Amarchand Mangaldas & Co.	Other Services - paid	2.34	0.76	1.21	0.70
Stack Pack Ltd.	Purchase of goods	8.91	1.40	0.40	0.34
Vikatmev Containers Ltd.	Purchase of goods	22.14	1.53	15.60	2.23
	Dividend paid	0.20	-	-	-

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors: (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Sattva Holding and Trading Private Limited	Dividend paid	102.35	-	27.35	-
Smiti Holding And Trading Company Private Limited	Dividend paid	100.44	-	26.61	-
Others *	Dividend paid	532.26	-	142.28	-

* Dividend paid to Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Details of transactions with and balances outstanding of Other Entities where significant influence exist:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (India) Limited Employees' Gratuity Fund	Contributions during the year (includes Employees' share and contribution)	38.00	-	17.35	-
Asian Paints Office Provident Fund	Contributions during the year (includes Employees' share and contribution)	50.66	4.14	41.66	3.57
Asian Paints Factory Employees' Provident Fund	Contributions during the year (includes Employees' share and contribution)	34.84	2.88	30.33	2.78
Asian Paints Management Cadres Superannuation Scheme	Contributions during the year (includes Employees' share and contribution)	0.03	-	0.06	-

The Company pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.
Represents amounts less than ₹ 50,000/-.
All the amounts reported in Note 41 are inclusive of GST wherever applicable.

NOTE 42 : SEGMENT REPORTING

Basis of Segmentation:

Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

Reportable Segment	Products/Services
Paints	Manufacturing and/or trading of paints, décor products and related services
Home Improvement	Manufacturing and/or trading of bath fitting products and related services

The measurement principles of segments are consistent with those used in Significant Accounting Policies. There are no inter segment transfer.

NOTE 42 : SEGMENT REPORTING (CONTD.)

(₹ in Crores)

	Year 2021-22			Year 2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
A. SEGMENT REVENUE	**24,828.17**	**360.34**	**25,188.51**	18,269.74	247.12	18,516.86
B. SEGMENT RESULT	**4,360.80**	**3.81**	**4,364.61**	4,270.60	(6.54)	4,264.06
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	**663.11**	**3.32**	**666.43**	634.56	3.16	637.72
Interest Income	**3.17**	**-**	**3.17**	1.07	0.22	1.29
Finance costs	**68.28**	**0.57**	**68.85**	61.10	0.68	61.78
Dividend Income	**-**	**-**	**-**	8.64	-	8.64
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	**4,360.80**	**3.81**	**4,364.61**	4,270.60	(6.54)	4,264.06
Add/(Less):						
Interest Income			**68.75**			39.91
Depreciation and amortisation			**(55.13)**			(59.75)
Net foreign exchange gain			**43.22**			18.43
Dividend received			**27.35**			7.81
Net gain arising on financial assets recognised at FVTPL			**76.09**			92.28
Finance costs			**(1.40)**			(9.88)
Income taxes			**(1,059.43)**			(1,037.87)
Other Un-allocable Expenses net of Un-allocable Income			**(329.35)**			(262.89)
PROFIT AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			**3,134.71**			**3,051.80**

(₹ in Crores)

	As at 31.03.2022			As at 31.03.2021		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
E. OTHER INFORMATION						
Segment assets	**13,722.87**	**312.17**	**14,035.04**	10,577.45	203.89	10,781.34
Un-allocable assets			**5,873.29**			6,799.48
Total assets			**19,908.33**			**17,580.82**
Segment liabilities	**5,972.95**	**95.08**	**6,068.03**	4,877.76	68.71	4,946.47
Un-allocable liabilities			**491.21**			545.16
Total liabilities			**6,559.24**			**5,491.63**
Capital expenditure	**232.76**	**9.28**	**242.04**	159.31	0.99	160.29
Un-allocable capital expenditure			**116.33**			19.78
Total			**358.37**			**180.08**

NOTE 42 : SEGMENT REPORTING (CONTD.)

(₹ in Crores)

	Year 2021-22	Year 2020-21
F. REVENUE FROM OPERATIONS		
India	**25,032.30**	18,448.37
Outside India	**156.21**	68.49
Total Revenue	**25,188.51**	**18,516.86**

(₹ in Crores)

G. RECONCILIATION BETWEEN SEGMENT REVENUE AND REVENUE FROM CONTRACT WITH CUSTOMERS	Year 2021-22			Year 2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
Revenue from sale of products	**24,582.94**	**352.63**	**24,935.57**	18,009.27	243.20	18,252.47
Revenue from sale of services	**66.16**	**0.36**	**66.52**	27.60	-	27.60
Other operating revenues	**59.66**	**7.35**	**67.01**	50.44	3.92	54.36
Add : Items not included in disaggregated revenue						
Subsidy from state government	**119.41**	**-**	**119.41**	182.44	-	182.44
Total Segment Revenue	**24,828.17**	**360.34**	**25,188.51**	**18,269.74**	**247.12**	**18,516.86**
Add : Items not included in segment revenue						
Royalty received from subsidiary and associate companies	**73.07**	**-**	**73.07**	62.07	-	62.07
Less : Items not included in disaggregated revenue						
Subsidy from state government	**119.41**	**-**	**119.41**	182.44	-	182.44
Revenue from contract with customers (Note 22B)	**24,781.83**	**360.34**	**25,142.17**	**18,149.37**	**247.12**	**18,396.49**

All non-current assets of the Company are located in India.

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

NOTE 43 :

The Company has re-assessed expected timing of receipt of cashflow towards subsidy receivable from the State Governments, in accordance with Ind AS 109 – Financial Instruments and has accordingly provided for time value of money in the financial statements. Consequently:

(a) An amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years.

b) Subsidy income under 'Other operating revenue' is lower by ₹ 31.10 crores.

The Company is confident about the ultimate realisation of the dues from the State Governments.

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Crores)

A. Gross amount required to be spent by the Company during the year 2021-22 - ₹ 70.77 crores (2020-21 - ₹ 62.95 crores)

B. Amount spent during the year on:

	2021-22			2020-21		
	In cash*	Yet to be paid in cash	Total	In cash*	Yet to be paid in cash	Total
i Construction/Acquisition of any assets	**-**	**-**	**-**	-	-	-
ii Purposes other than (i) above	**61.30**	**9.71**	**71.01**	42.48	20.50	62.98
	61.30	**9.71**	**71.01**	**42.48**	**20.50**	**62.98**
C. Related party transactions in relation to Corporate Social Responsibility:			**2.46**			**2.60**

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES (CONTD.)

(₹ in Crores)

D. Provision movement during the year:	2021-22	2020-21
Opening provision	0.39	1.35
Addition during the year	0.03	0.39
Utilised during the year	(0.39)	(1.35)
Closing provision	0.03	0.39

E. Amount earmarked for ongoing project:

(₹ in Crores)

	2021-22			2020-21		
	With Company	In Separate CSR Unspent A/c	Total	With Company	In Separate CSR Unspent A/c	Total
Opening balance	14.78	-	14.78	-	-	-
Amount required to be spent during the year	-	-	-	14.78	-	14.78
Transfer to Separate CSR Unspent A/c	(14.78)	14.78	-	-	-	-
Amount spent during the year	-	(5.72)	(5.72)	-	-	-
Closing balance	-	9.06	9.06	14.78	-	14.78

* Represents actual outflow during the year

There is no unspent amount at the end of the year to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

F. Details of excess amount spent

(₹ in Crores)

	Opening Balance	Amount required to be spent during the year	Amount spent during the year**	Closing balance
Details of excess amount spent	0.03	70.77	71.01	0.27

G. **Nature of CSR activities undertaken by the Company**

The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of :

(i) creating employability & enhancing the dignity of the painter/ carpenter/ plumber community

(ii) focus on water conservation, replenishment and recharge

(iii) enabling access to quality primary health care services

(iv) Disaster relief measures.

NOTE 45A : ITEMS INCLUDED IN FINANCIAL ACTIVITIES

(₹ in Crores)

	As at 31.03.2021	Cash Flows	Other Changes	Non-cash changes: Net additions	Non-cash changes: Fair value changes	Non-cash changes: Current/ Non-current classification	As at 31.03.2022
Borrowings- Non current (Refer note 14)	14.31	-	-	-	1.85	-	16.16
Other Liabilities (Refer note 19)	5.17	-	-	-	(1.76)	-	3.41
Borrowings - Current (Refer note 14)	7.89	(7.89)	-	-	-	-	-
Lease Liabilities (Refer note 15)	625.95	(183.24)	-	255.31	-	-	698.02

(₹ in Crores)

	As at 31.03.2020	Cash Flows	Other Changes	Non-cash changes: Net additions	Non-cash changes: Fair value changes	Non-cash changes: Current/ Non-current classification	As at 31.03.2021
Borrowings- Non current (Refer note 14)	18.50	1.96	-	-	1.75	(7.89)	14.31
Other Liabilities (Refer note 19)	6.89	-	-	-	(1.72)	-	5.17
Borrowings - Current (Refer note 14)	5.90	(5.90)	-	-	-	7.89	7.89
Lease Liabilities (Refer note 15)	638.65	(158.71)	-	146.01	-	-	625.95

NOTE 45B :

Total cash flows for leases including variable lease payments is ₹ 383.32 crores (Previous year - ₹ 326.07 crores) which includes finance cost on lease liability of ₹ 49.40 crores (Previous year - ₹ 49.47 crores).

NOTE 46: RELATIONSHIP WITH STRUCK OFF COMPANIES

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

(₹ in Crores)

Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2022	As at 31.03.2021
Tirupati Suppliers Pvt Ltd	Receivables	0.40	0.40
Citi Square Modular Industries Pvt Ltd	Receivables	0.09	0.09
K.A.S. Housing Pvt Ltd	Receivables	0.01	0.01
Milestone Market Research And Event Management Pvt Ltd	Payables	-	(0.03)
Maxin Hydro Dynamic India Pvt Ltd	Payables	-	0.00*
Khatushyam Engineers Pvt Ltd	Payables	(0.01)	(0.03)
Gomistri Services Pvt Ltd	Payables	0.00*	0.00*
S E Security Services Pvt Ltd	Payables	-	(0.09)
Safna Consultancy Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Siddha Papers Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Fairtrade Securities Ltd	Unclaimed Dividend	0.00*	0.00*
Unicon Fincap Pvt Ltd	Unclaimed Dividend	0.00*	-
Fairgrowth Investments Ltd	Unclaimed Dividend	0.00*	0.00*
Fairgrowth Financial Services Ltd	Unclaimed Dividend	0.00*	0.00*
Empyrean Consultant Pvt Ltd	Unclaimed Dividend	0.00*	-
Salil Archana Invests Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Chinmaya Estates Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Sunhari Trading And Commerce Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Palkhi Investment And Trading Company Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Alliance Invest And Finance Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Pax Holdings Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Smita Commercial Investment Ltd	Unclaimed Dividend	0.00*	0.00*
Optimist Finvest And Trading Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Kinnari Investments Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Mulraj Holdings & Finance Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
BOI Finance Ltd	Unclaimed Dividend	0.00*	0.00*

* Amounts are below ₹ 1 Lakh

Below struck off companies are equity shareholders of the Company as on the Balance Sheet date

Name of Struck off Company	Nature of transactions with struck-off Company
Shanti Credit And Holdings Pvt Ltd	Shares held by struck off company
Safna Consultancy Pvt Ltd	Shares held by struck off company
Siddha Papers Pvt Ltd	Shares held by struck off company
Fairtrade Securities Ltd	Shares held by struck off company
Unicon Fincap Private Ltd	Shares held by struck off company
Fairgrowth Investments Ltd	Shares held by struck off company
Fairgrowth Financial Services Ltd	Shares held by struck off company
Empyrean Consultant Pvt Ltd	Shares held by struck off company
Aloke Speciality Machines And Components Pvt Ltd	Shares held by struck off company

None of the above mentioned struck off companies are related party of the Company.

NOTE 47(A): ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

(i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) **Utilisation of borrowed funds and share premium**

I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vi) The Company has not traded or invested in crypto currency or virtual currency during the year.

(vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

NOTE 47(B) : DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

There are no loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties as at 31st March, 2022 and 31st March, 2021 (Refer note 39(a))

NOTE 47(C) : DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in Note 5(A)(a)(i) and 5(A)(a)(ii).

(ii) There are no guarantees issued or loans given by the Company as at 31st March, 2022 and 31st March, 2021 (Refer note 39(a)).

NOTE 48 :

The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 10th May, 2022.

Independent Auditor's Report

To the Members of Asian Paints Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of Asian Paints Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matter	How was the matter addressed in our audit
Revenue recognition – the Parent (Refer note 1.3(f) and 23A of the Consolidated Financial Statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.
Impairment of goodwill in Consolidated Financial Statements (Refer note 1.3 (e) and Note 4A of the Consolidated Financial Statements)	
The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 242.86 crore Goodwill is tested annually for impairment. The Parent and the relevant subsidiaries have estimated the recoverable amount of the Cash Generating Unit (CGU) to which the goodwill is allocable based on Value in Use (ViU) The determination of recoverable amount of goodwill based on value in use involves significant estimates and judgement in determining the assumptions such as Revenue growth, operating margins, and in determining the valuation assumptions relating to discount rates applied to estimated future cash flows and long term growth rate. These assumptions are sensitive to reasonable possible changes including economic uncertainties and therefore considered as a key audit matter.	Our audit procedures to the extent the goodwill is recognised in the Standalone Financial Statements of the Parent included as follows, We tested the design, implementation and operating effectiveness of controls over Goodwill impairment review, including those over forecast of future cash flows and the selection of the discount rate and long-term growth rate. We evaluated management's ability to accurately forecast future cash-flows by comparing actual results to management's historical forecasts. We evaluated the reasonableness of future forecast by comparing the forecast to historical financial performance, internal communication to management and Board of Directors. With the assistance of fair value specialists, we evaluated the reasonableness of discount rate and long term growth rate.

The Key Audit Matter	How was the matter addressed in our audit
The key assumptions applied in the impairment reviews are described in note 4A of the Consolidated Financial Statements.	We also assessed the sensitivity of the recoverable amount to the changes in the key assumptions used. To the extent, goodwill relates to the subsidiaries, component auditor has tested the ViU calculations / for compliance with generally accepted methodologies, evaluated reasonableness of management's estimates of key assumptions (discount rates, growth rates and operating margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analyses to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We reviewed the work performed by the component auditors and sought information and explanations from the component auditors, as considered, necessary.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises Board's Report and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

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

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

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

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

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

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements/consolidated financial information of 19 subsidiaries, whose financial statements/consolidated financial information reflect total assets of ₹ 3,965.22 crore as at 31st March, 2022, total revenues of ₹ 2,928.87 crore and net cash inflow amounting to ₹ 33.77 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 31.57 crore for the year ended 31st March, 2022, as considered in the Consolidated Financial Statements, in respect of 3 associates, whose Consolidated Financial Statements have not been audited by us. These financial statements/Consolidated Financial Statements/consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiary and associate companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

   ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

   iv. a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material mis-statement.

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

   The interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

   As stated in Note 31 to the Financial Statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No 046930
UDIN: 22046930AIRNQS3487

Place: Mumbai
Date: May 10, 2022

Annexure "A" to The Independent Auditor's Report

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Asian Paints Limited ("the Company" or "the Parent") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies, which are companies incorporated in India.

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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No 046930
UDIN: 22046930AIRNQS3487

Place: Mumbai
Date: May 10, 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2A	4,184.46	4,476.35
Right of Use Assets	2B	905.75	845.55
Capital work-in-progress	3	426.43	182.98
Goodwill	4A	242.86	302.63
Other Intangible Assets	4B	185.99	233.99
Investments in Associates	5	515.47	483.90
Financial Assets			
Investments	5	551.36	985.78
Trade Receivables	6	2.40	2.89
Other Financial Assets	7	486.05	594.06
Deferred Tax Assets (Net)	21C	26.02	14.28
Income Tax Assets (Net)	9	172.46	152.23
Other Non-Current Assets	10	132.87	68.38
		7,832.12	8,343.02
Current Assets			
Inventories	11	6,152.98	3,798.60
Financial Assets			
Investments	5	2,180.70	3,267.12
Trade Receivables	6	3,871.44	2,602.17
Cash and Cash Equivalents	8A	621.72	346.39
Other Balances with Banks	8B	242.61	264.36
Other Financial Assets	7	1,533.50	1,197.24
Other Current Assets	10	541.25	537.23
Assets classified as Held for Sale	12	8.13	13.49
		15,152.33	12,026.60
Total Assets		22,984.45	20,369.62
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	95.92	95.92
Other Equity	14	13,715.64	12,710.37
Equity attributable to owners of the Company		13,811.56	12,806.29
Non-Controlling Interests	14	387.53	422.86
		14,199.09	13,229.15
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	44.54	14.53
Lease Liabilities	16	598.37	561.36
Other Financial Liabilities	17	2.18	3.38
Provisions	18	218.32	215.21
Deferred Tax Liabilities (Net)	21C	348.85	415.59
Other Non-Current Liabilities	19	2.11	4.54
		1,214.37	1,214.61

Consolidated Balance Sheet (Contd.)

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
Current Liabilities			
Financial Liabilities			
Borrowings	15	731.12	334.05
Lease Liabilities	16	212.85	183.18
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	83.58	91.53
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	20	4,080.72	3,287.19
Other Financial Liabilities	17	1,886.81	1,594.67
Other Current Liabilities	19	376.09	229.58
Provisions	18	69.70	84.43
Income Tax Liabilities (Net)	22	130.12	121.23
		7,570.99	5,925.86
Total Equity And Liabilities		22,984.45	20,369.62
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Consolidated Financial Statements	2-46		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Amit Syngle
Managing Director & CEO
DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

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Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Notes	Year 2021-22	Year 2020-21
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	23A	28,830.02	21,440.24
Revenue from Sale of Services	23A	93.46	44.96
Other Operating Revenue	23A	177.80	227.59
Other Income	24	380.01	303.05
Total Income (I)		**29,481.29**	**22,015.84**
EXPENSES			
Cost of Materials Consumed	25A	16,254.59	10,317.09
Purchases of Stock-in-Trade	25B	3,371.13	1,872.59
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25C	(1,324.97)	(92.45)
Employee Benefits Expense	26	1,786.67	1,540.75
Other Expenses	27	4,210.25	3,219.21
Total Expenses (II)		**24,297.67**	**16,857.19**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**5,183.62**	**5,158.65**
Finance Costs	28	95.41	91.63
Depreciation and Amortisation Expense	29	816.36	791.27
PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATE AND EXCEPTIONAL ITEMS		**4,271.85**	**4,275.75**
Share of profit in Associate	34	31.57	28.60
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**4,303.42**	**4,304.35**
Exceptional items	39	115.70	-
PROFIT BEFORE TAX		**4,187.72**	**4,304.35**
Tax Expense	21		
(1) Current Tax		1,161.53	1,114.02
(2) Short tax provision for earlier years		2.82	7.74
(3) Deferred Tax		(61.44)	(24.16)
Total tax expense		**1,102.91**	**1,097.60**
PROFIT AFTER TAX		**3,084.81**	**3,206.75**
OTHER COMPREHENSIVE INCOME (OCI)			
(A) Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of the defined benefit plans	32	4.59	(6.24)
(ii) Income tax (expense)/benefit on remeasurement of defined benefit plans		(0.96)	1.79
(b) (i) Net fair value (loss)/gain on investments in equity instruments through OCI		(82.31)	57.26
(ii) Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI		9.59	(4.88)
(c) Share of OCI in associate		(0.05)	0.73
(B) Items that will be reclassified to Profit or Loss			
(a) (i) Net fair value (loss)/gain on investment in debt instruments through OCI		(3.26)	2.41
(ii) Income tax benefit/(expense) on net fair value gain on investment in debt instruments through OCI		0.39	(0.28)
(b) Exchange difference arising on translation of foreign operations		(153.65)	(56.47)
Total Other Comprehensive Income (A+B)		**(225.66)**	**(5.68)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,859.15**	**3,201.07**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Notes	Year 2021-22	Year 2020-21
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		3,030.57	3,139.29
- Non-controlling interest		54.24	67.46
		3,084.81	**3,206.75**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		(212.31)	4.13
- Non-controlling interest		(13.35)	(9.81)
		(225.66)	**(5.68)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		2,818.26	3,143.42
- Non-controlling interest		40.89	57.65
		2,859.15	**3,201.07**
Earnings per equity share (Face value of ₹ 1 each)	41		
(1) Basic Earnings per Share (EPS) (₹)		31.59	32.73
(2) Diluted Earnings per Share (EPS) (₹)		31.59	32.73
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Consolidated Financial Statements	2-46		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Amit Syngle
Managing Director & CEO
DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

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Consolidated Statement of Changes in Equity

for the year ended 31st March,2022

A) EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the reporting year	95.92	95.92
Changes in Equity Share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	95.92	95.92
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	95.92	95.92

B) OTHER EQUITY

(₹ in Crores)

Particulars	Attributable to owners of the Company																	Non-controlling interests	Total
	Reserves and Surplus												Items of Other Comprehensive Income(OCI)				Total attributable to owners of the Company		
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate			
Balance as at 1st April, 2020 (A)	**39.16**	**44.38**	**5.37**	**14.37**	**4,715.75**	**5,222.86**	**(18.22)**	**(17.71)**	**-**	**-**	**-**	**-**	**2.48**	**(142.09)**	**168.63**	**(0.74)**	**10,034.24**	**403.53**	**10,437.77**
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,139.29	-	-	-	-	-	-	-	-	-	-	3,139.29	67.46	3,206.75
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(46.86)	-	-	(46.86)	(9.61)	(56.47)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(4.25)	-	-	-	-	-	-	-	-	-	(4.25)	(0.20)	(4.45)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52.38	-	52.38	-	52.38
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	2.13	-	-	-	2.13	-	2.13
Share of the OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.73	0.73	-	0.73
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**3,139.29**	**(4.25)**	**-**	**-**	**-**	**-**	**-**	**2.13**	**(46.86)**	**52.38**	**0.73**	**3,143.42**	**57.65**	**3,201.07**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(465.23)	-	-	-	-	-	-	-	-	-	-	(465.23)	(38.32)	(503.55)
Equity/other changes in Associate	-	(2.91)	-	-	-	-	-	-	0.85	-	-	-	-	-	-	-	(2.06)	-	(2.06)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.43	-	(0.43)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**-**	**(2.91)**	**-**	**0.43**	**-**	**(465.66)**	**-**	**-**	**0.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(467.29)**	**(38.32)**	**(505.61)**
Balance as at 31st March, 2021 (D) = (A+B+C)	**39.16**	**41.47**	**5.37**	**14.80**	**4,715.75**	**7,896.49**	**(22.47)**	**(17.71)**	**0.85**	**-**	**-**	**-**	**4.61**	**(188.95)**	**221.01**	**(0.01)**	**12,710.37**	**422.86**	**13,133.23**
Balance as at 31st March, 2021 (D)	**39.16**	**41.47**	**5.37**	**14.80**	**4,715.75**	**7,896.49**	**(22.47)**	**(17.71)**	**0.85**	**-**	**-**	**-**	**4.61**	**(188.95)**	**221.01**	**(0.01)**	**12,710.37**	**422.86**	**13,133.23**

Consolidated Statement of Changes in Equity (Contd.)

for the year ended 31st March, 2022

Particulars	Attributable to owners of the Company																	Non-controlling interests	Total
	Reserves and Surplus												Items of Other Comprehensive Income(OCI)				Total attributable to owners of the Company		
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate			
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,030.57	-	-	-	-	-	-	-	-	-	-	3,030.57	54.24	3,084.81
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(140.53)	-	-	(140.53)	(13.12)	(153.65)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	3.86	-	-	-	-	-	-	-	-	-	3.86	(0.23)	3.63
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(72.72)	-	(72.72)	-	(72.72)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(2.87)	-	-	-	(2.87)	-	(2.87)
Share of the OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.05)	-	(0.05)
Total Comprehensive Income for the year (E)	**-**	**-**	**-**	**-**	**-**	**3,030.57**	**3.86**	**-**	**-**	**-**	**-**	**.**	**(2.87)**	**(140.53)**	**(72.72)**	**(0.05)**	**2,818.26**	**40.89**	**2,859.15**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(1,740.95)	-	-	-	-	-	-	-	-	-	-	(1,740.95)	(21.85)	(1,762.80)
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	-	(10.54)	-	-	-	-	-	-	-	-	(10.54)	(54.37)	(64.91)
Equity/other changes in Associate	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05	-	0.05
Transfer to Statutory Reserves and General Reserve	-	-	-	0.16	-	(0.16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	-	-	-	13.40	-	-	-	-	-	-	13.40	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	0.05	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)	-	(75.00)
Total (F)	**-**	**-**	**-**	**0.16**	**-**	**(1,741.11)**	**-**	**(10.54)**	**0.05**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**-**	**-**	**(1,812.99)**	**(76.22)**	**(1,889.21)**
Balance as at 31st March, 2022 (D+E+F)	**39.16**	**41.47**	**5.37**	**14.96**	**4,715.75**	**9,185.95**	**(18.61)**	**(28.25)**	**0.90**	**13.40**	**(75.00)**	**0.05**	**1.74**	**(329.48)**	**148.29**	**(0.06)**	**13,715.64**	**387.53**	**14,103.17**

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)
See accompanying notes to the Consolidated Financial Statements (Refer note 2-46)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Amit Syngle
Managing Director & CEO
DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22	Year 2020-21
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,187.72	4,304.35
Adjustments for :		
Depreciation and amortisation expense	816.36	791.27
Gain on sale of property, plant and equipment (net)	(44.36)	(18.33)
Net gain on modification/ termination of leases	(4.27)	(3.20)
Finance costs	95.41	91.63
Allowances for doubtful debts and advances	57.56	33.43
Bad debts written off	2.15	3.42
Interest income	(92.72)	(67.32)
Dividend income	(15.16)	(7.81)
Share of profit in Associate [Refer note 34]	(31.57)	(28.60)
Impairment loss on Goodwill in Causeway Lanka [Refer note 39]	13.47	-
Net gain arising on financial assets measured at fair value through Profit & Loss (FVTPL)	(76.09)	(92.28)
Share based payment expense (net)	10.94	-
Provision for expected credit loss [Refer note 39]	53.73	-
Deferred income arising from government grant	(1.76)	(2.28)
Net unrealised foreign exchange loss/(gain)	57.60	(12.31)
Effect of exchange rates on translation of operating cashflows	(71.61)	(22.44)
Operating Profit before working capital changes	**4,957.40**	**4,969.53**
Adjustments for :		
(Increase) in Inventories	(2,354.38)	(408.79)
(Increase) in trade receivables	(1,326.48)	(848.57)
Increase in trade payables	644.02	1,142.75
(Increase) in financial assets	(130.62)	(236.86)
(Increase) in other assets	(21.21)	(256.08)
Increase in other financial liabilities	237.19	250.07
Increase in other liabilities and provisions	156.26	151.02
Cash generated from Operating activities	**2,162.18**	**4,763.07**
Income Tax paid (net of refund)	(1,175.69)	(1,079.72)
Net Cash generated from Operating activities	**986.49**	**3,683.35**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment and other intangible assets	(538.24)	(281.87)
Sale of Property, plant and equipment (including advances)	39.58	27.61
Payment for acquiring right of use assets	(12.46)	(6.84)
Purchase of non-current investments	-	(0.50)
Sale of non-current investments	146.46	272.32
Sale / (Purchase) of current investments (net)	61.03	(139.34)
Net investment in term deposits (having original maturity more than three months)	(110.21)	(500.33)
Interest received	76.99	73.35
Dividend received	15.16	7.81
Net Cash used in Investing activities	**(321.69)**	**(547.79)**

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22	Year 2020-21
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non-current borrowings	39.87	2.14
Repayment of non-current borrowings	(7.89)	(14.21)
Proceeds from current borrowings (net)	292.68	37.78
Acceptances (net)	85.35	115.50
Repayment of lease liabilities	(221.40)	(202.95)
Transactions with Non Controlling Interest	(64.91)	-
Finance costs paid	(93.56)	(89.31)
Purchase of Treasury Shares by ESOP Trust (net)	(74.95)	-
Dividend paid (including dividend paid to non-controlling shareholders)	(1,762.80)	(499.35)
Net Cash used in Financing activities	**(1,807.61)**	**(650.40)**
(D) NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	**(1,142.81)**	**2,485.16**
Add: Cash and cash equivalents as at 1st April	3,421.16	928.75
Net effect of exchange gain on cash and cash equivalents	4.94	7.25
Cash and cash equivalents as at 31st March	**2,283.29**	**3,421.16**

Notes:

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

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(b) Cash and Cash Equivalents comprises of :		
Cash on hand	0.49	0.74
Balances with Banks:		
- Current Accounts	486.63	269.35
- Cash Credit Accounts	23.52	29.43
- Deposits with Bank with maturity less than 3 months	62.71	26.06
Cheques, drafts on hand	48.37	20.81
Cash and cash equivalents [Refer note 8(A)]	**621.72**	**346.39**
Investment in Government Securities [Refer note 5 (B)]	-	41.17
Investment in Liquid mutual funds [Refer note-5 (D)(b)]	1,804.55	3,067.00
Less: Loan repayable on demand - Cash Credit /Overdraft Accounts [Refer note 15]	(142.98)	(33.40)
Cash and cash equivalents in Cash Flow Statement	**2,283.29**	**3,421.16**

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)
See accompanying notes to the Consolidated Financial Statements (Refer note 2-46)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
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R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

GROUP BACKGROUND

The Consolidated Financial Statements comprise Financial statements of Asian Paints Limited ('the Parent' or 'the Company') and its subsidiaries (collectively, the Group) and includes share of profit of the associates for the year ended 31st March, 2022.

The Parent is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1913. The registered office of the Parent is located at 6A, Shantinagar, Santacruz East, Mumbai, India.

The Group is engaged in the business of manufacturing, selling and distribution of paints, coatings, products related to home décor, bath fittings, modular kitchen & accessories and providing related services.

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant Accounting Policies:

1.1. Basis of preparation of Consolidated Financial Statements

These Financial Statements are the Consolidated Financial Statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs; following Balance Sheet line items in the current and previous year have been reclassified:

a. Security deposits - earlier disclosed under the head of 'Loans' are shown under 'Other financial liabilities'

b. Current portion of long-term borrowings - earlier disclosed under the head of 'Other financial liabilities' is shown under 'borrowings'

Other new disclosures are given together with related notes.

1.2. Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/ settled in the Group's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is held primarily for the purpose of trading;

iv. the asset/liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.3. Summary of Significant accounting policies

a) Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in Other Comprehensive Income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

b) Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103, Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a Business Combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or Group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Group recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU.

Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

On disposal of a CGU to which goodwill is allocated, the goodwill associated with the disposed CGU is included in the carrying amount of the CGU when determining the gain or loss on disposal.

c) Property, plant and equipment

Measurement at recognition:

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimation of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenses related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The Group had elected to consider the carrying value of all its property, plant and equipment appearing in the Financial Statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the

Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April, 2015.

Capital Work-in-progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital Work-in-progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation:

Depreciation on each item of property, plant and equipment is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Consolidated Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Significant components of assets identified separately pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated separately over their useful life. Depreciation on tinting systems leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation.

The estimated useful life of items of property, plant and equipment is mentioned below:

	Years
Factory Buildings	30 to 60
Buildings (other than factory buildings)	30 to 61
Plant and Equipment	4 to 21
Scientific research equipment	8
Furniture and Fixtures	5 to 10
Office Equipment and Vehicles	4 to 8
Tinting system	9

Freehold land is not depreciated. Leasehold improvements are amortized over the period of lease.

The Group, based on technical assessment made by technical expert and management estimate, depreciates Property, plant and equipment (other than building and factory building) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Consolidated Statement of Profit and Loss when the item is derecognized.

d) Intangible assets

Measurement at recognition:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Consolidated Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any.

The Group had elected to consider the carrying value of all its intangible assets appearing in the Financial Statements prepared in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and used the same as deemed cost in the opening Ind AS Balance Sheet prepared on 1st April, 2015.

Amortization:

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

The estimated useful life of intangible assets is mentioned below:

	Years
Purchase cost, user license fees and consultancy fees for Computer Software (including those used for scientific research)	4
Acquired Trademark	5
Others include acquired dealers' network	20

The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

e) Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Assets that are subject to depreciation and amortization and assets representing investments in associate are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Consolidated Statement of Profit and Loss and included in depreciation and amortization expenses. Impairment losses, on assets other than goodwill, are reversed in the Consolidated Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

f) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of services:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Group uses output method for measurement of revenue from décor services / painting and related services and royalty income as it is based on milestone reached or units delivered. Input method is used for measurement of revenue from processing and other service as it is directly linked to the expense incurred by the Group.

Advance from customers is recognized under other liabilities and released to revenue on satisfaction of performance obligation.

g) Government grants and subsidies

Recognition and Measurement:

The Parent is entitled to subsidies from government in respect of manufacturing units located in specified regions. Such subsidies are measured at amounts receivable from the government which are non-refundable and are recognized as income when there is a reasonable assurance that the Parent will comply with all necessary conditions attached to them. Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognized.

The Parent has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below-market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is a reasonable assurance that the parent will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period in which the related costs that are intended to be compensated by such grants are recognized.

Presentation:

Income from the above grants and subsidies are presented under Revenue from Operations.

h) Inventory

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

The Group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer note 30 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Consolidated Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income and impairment losses and its reversals in the Consolidated Statement of Profit and Loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to Consolidated Statement of Profit and Loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 30 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Consolidated Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from equity to Consolidated Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in associate (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Consolidated Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On Derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Consolidated Statement of Profit and Loss.

Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables and lease receivables

ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables and lease receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Consolidated Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Consolidated Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method (Refer note 30 for further details).

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Consolidated Statement of Profit and Loss.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Consolidated Statement of Profit and Loss.

j) Derivative financial instruments and hedge accounting

The Group enters into derivative financial contracts in the nature of forward currency contracts with external parties to hedge its foreign currency risks relating to foreign currency denominated financial liabilities measured at amortized cost. The Group formally establishes a hedge relationship between such forward currency contracts ('hedging instrument') and recognized financial liabilities ('hedged item') through a formal documentation at the inception of the hedge relationship in line with the Group's risk management objective and strategy.

The hedge relationship so designated is accounted for in accordance with the accounting principles prescribed for a fair value hedge under Ind AS 109, Financial Instruments.

Recognition and measurement of fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Consolidated Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item (recognized financial liability) is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The hedging gain or loss on the hedged item is adjusted to the carrying value of the hedged item as per the effective interest method and the corresponding effect is recognized in the Consolidated Statement of Profit and Loss.

Derecognition:

On Derecognition of the hedged item, the unamortized fair value of the hedging instrument is recognized in the Consolidated Statement of Profit and Loss.

k) Fair Value

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

l) Foreign Currency Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Consolidated Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Consolidated Statement of Profit and Loss.

Translation of Financial Statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103, Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103, Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

m) Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than Business Combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

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 the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each Subsidiary Company, as per their applicable laws and then aggregated.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent that it is probable that the respective Group Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent that it is no longer probable that the respective Group Company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

n) Provisions and Contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

o) Measurement of EBITDA

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss for the period. The Group measures EBITDA on the basis of profit/(loss) from continuing operations.

p) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Group's cash management.

q) Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits:

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Consolidated Statement of Profit and Loss in the financial year to which they relate. The Parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Parent Company operates a Superannuation scheme for eligible employees. A few Indian subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

Recognition and measurement of defined contribution plans:

The Group recognizes contribution payable to a defined contribution plan as an expense in the Consolidated Statement of Profit and Loss when the employees render services to the Group during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

II. **Defined benefit plans:**

i) Provident fund scheme:

The Parent Company operates a provident fund scheme by paying contribution into separate entities' funds administrated by the Parent Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. These entities have an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

ii) Gratuity scheme:

The Parent Company, its Indian subsidiaries and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

iii) Pension and Leaving Indemnity Scheme:

The Parent Company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions as approved by the Board of Directors.

iv) Post-Retirement Medical benefit plan:

The Parent Company and some of its foreign subsidiaries operate a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost if any and net interest on the defined benefit liability/(asset) are recognized in the Consolidated Statement of Profit and Loss. Remeasurement of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Consolidated Statement of Profit and Loss in the subsequent periods.

The Group presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Group will contribute this amount to the gratuity fund within the next twelve months.

Other Long Term Employee Benefits:

Entitlements to deferred incentives, annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group determines the liability for such benefits using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and Loss (including actuarial gain and loss).

r) **Employee Share based Payments:**

The Parent Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date using Black-Scholes model. Such fair value of the equity settled share based payments are amortized on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Parent Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

The Parent Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries. The said recovery is netted off from the Employee benefits expense.

s) **Treasury shares:**

The Parent Company has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Parent Company and the shares held by it is treated by Treasury shares. The ESOP Trust purchases Parent Company's share from secondary market for issuance to the employees on exercise the granted stock options. These shares are recognized at cost and is disclosed as separately as deduction from Other Equity as treasury shares. No gain or loss is recognized in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares. Any consideration paid or received is directly recognized in treasury shares in Other Equity.

t) **Lease accounting**

Assets taken on lease:

The Group mainly has various lease arrangements for land and building for its offices, warehouse spaces and retail stores. In addition it has vehicle and other lease agreements.

The Group assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the country, term and currency of the contract. Generally, the Group uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit or Loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets

The Group has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Assets given on lease:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

u) Research and Development

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, plant and equipment and Intangible Assets.

v) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Parent Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

x) Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

y) Non-current Assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

z) Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The Financial Statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the Consolidated Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Profit and Loss.

aa) Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Parent Company ('the Company') and its subsidiaries. Control is achieved when the Company has:

- Power over the investee,
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Company's voting rights and potential voting rights,
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Financial Statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the Financial Statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

bb) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.

cc) Exceptional items:

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Group is treated as an exceptional item in the Statement of Profit and Loss account.

1.4. Key accounting estimates and judgements

The preparation of the Group's Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also Refer note 21.

b. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

d. Impairment of Goodwill and Other Intangible Assets with Indefinite Life

Goodwill and other intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or Groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

e. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 32, 'Employee benefits'.

f. Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). The details of variables used are given in note 32(3).

g. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

h. Right of use assets and lease liability

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the ROU asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value					Depreciation/Amortisation					Net carrying value
	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022
Land^	434.45	1.75	9.16	0.05	**445.31**	-	-	-	-	**-**	**445.31**
Buildings	1,610.66	(6.37)	14.40	1.59	**1,617.10**	261.28	(1.97)	63.45	1.20	**321.56**	**1,295.54**
Plant and Equipment	4,339.84	(10.45)	212.45	10.61	**4,531.23**	1,824.36	(4.67)	444.04	7.97	**2,255.76**	**2,275.47**
Scientific Research :											
Buildings	71.39	-	-	-	**71.39**	12.32	-	2.74	-	**15.06**	**56.33**
Equipment	71.82	(0.00)	2.02	0.33	**73.51**	40.70	(0.00)	7.42	0.33	**47.79**	**25.72**
Leasehold Improvements	0.27	(0.00)	0.04	-	**0.31**	0.05	-	0.03	-	**0.08**	**0.23**
Furniture and Fixtures	99.31	(0.55)	17.36	3.26	**112.86**	57.94	(0.52)	11.62	2.51	**66.53**	**46.33**
Vehicles	29.75	(4.55)	0.27	1.65	**23.82**	21.16	(3.75)	2.16	0.76	**18.81**	**5.01**
Office Equipment	99.92	(0.98)	13.51	4.28	**108.17**	65.76	(0.58)	13.75	4.17	**74.76**	**33.41**
Leasehold improvements	9.84	0.01	0.10	0.27	**9.68**	9.14	(0.01)	0.68	0.27	**9.54**	**0.14**
Assets Given on Operating Lease: Tinting systems:	5.10	(1.62)	0.03	0.03	**3.48**	3.29	(1.17)	0.40	0.01	**2.51**	**0.97**
Total	**6,772.35**	**(22.76)**	**269.34**	**22.07**	**6,996.86**	**2,296.00**	**(12.67)**	**546.29**	**17.22**	**2,812.40**	**4,184.46**

(₹ in Crores)

	Gross carrying value					Depreciation/Amortisation					Net carrying value
	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
Land^	375.65	(1.15)	59.95	-	434.45	-	-	-	-	-	434.45
Buildings	1,602.41	(9.09)	20.05	2.71	1,610.66	200.91	(8.92)	70.50	1.21	261.28	1,349.38
Plant and Equipment	4,208.35	(20.91)	162.90	10.50	4,339.84	1,421.42	(19.42)	431.45	9.09	1,824.36	2,515.48
Scientific Research :											
Buildings	71.37	(0.04)	0.06	-	71.39	9.56	0.02	2.74	-	12.32	59.07
Equipment	70.38	(0.03)	1.61	0.14	71.82	32.54	0.01	8.29	0.14	40.70	31.12
Leasehold Improvements	0.27	-	-	-	0.27	-	-	0.05	-	0.05	0.22
Furniture and Fixtures	94.45	(2.44)	8.70	1.40	99.31	49.71	(2.26)	11.80	1.31	57.94	41.37
Vehicles	31.83	(1.05)	1.22	2.25	29.75	20.92	(1.07)	2.81	1.50	21.16	8.59
Office Equipment	98.78	(3.82)	8.48	3.52	99.92	57.74	(3.61)	14.71	3.08	65.76	34.16
Leasehold improvements	10.15	-	0.02	0.33	9.84	7.92	-	1.47	0.25	9.14	0.70
Assets Given on Operating Lease: Tinting systems	4.05	0.31	0.74	-	5.10	2.21	0.45	0.63	-	3.29	1.81
Total	**6,567.69**	**(38.22)**	**263.73**	**20.85**	**6,772.35**	**1,802.93**	**(34.80)**	**544.45**	**16.58**	**2,296.00**	**4,476.35**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 37 (b).

^ Includes leasehold land of ₹ 4.56 crores in a subsidiary which is not being amortized as the subsidiary has an option to convert it into freehold on payment of a nominal amount.

NOTE 2B : RIGHT OF USE ASSETS

(₹ in Crores)

Movement in net carrying amount	2021-22					2020-21				
	Leasehold Land	Building	Office Equipments	Vehicles	Total	Leasehold Land	Building	Office Equipments	Vehicles	Total
Net Carrying Amount										
Balance at 1st April	209.44	627.87	0.05	8.19	**845.55**	264.53	644.53	-	11.03	920.09
Additions/Adjustments	-	339.83	-	6.34	**346.17**	-	217.52	0.05	4.91	222.48
Depreciation	4.34	231.28	0.01	5.61	**241.24**	1.41	207.31	-	6.44	215.16
Deletions/Adjustments	3.40	38.42	-	0.31	**42.13**	54.49	27.63	-	0.91	83.03
Translation difference	(2.52)	(0.02)	-	(0.06)	**(2.60)**	0.81	0.76	-	(0.40)	1.17
Balance at 31st March	**199.18**	**697.98**	**0.04**	**8.55**	**905.75**	**209.44**	**627.87**	**0.05**	**8.19**	**845.55**

NOTE 3 : CAPITAL WORK IN PROGRESS

Capital Work-In-Progress (CWIP) ageing schedule

(₹ in Crores)

CWIP	Amount in CWIP for a period of				As at 31.03.2022
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
Projects in progress	358.15	56.19	9.11	2.98	**426.43**
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

CWIP	Amount in CWIP for a period of				As at 31.03.2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	128.68	24.87	24.67	4.76	182.98
Projects temporarily suspended	-	-	-	-	-

CWIP assets where completion is overdue and/or cost has exceeded its original plan

(₹ in Crores)

CWIP	To be completed in				As at 31.03.2022
	Less than 1 year	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	
Expansion in Bangladesh	178.02	-	-	-	**178.02**

(₹ in Crores)

CWIP	To be completed in				As at 31.03.2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion in Bangladesh	-	55.82	-	-	55.82

NOTE 4 : INTANGIBLE ASSETS

(₹ in Crores)

	Gross carrying value					Amortisation					Impairment					Net carrying value
	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022
4A. GOODWILL (Refer note 2 below)																
Goodwill on Consolidation	307.80	(46.15)	-	-	261.65	-	-	-	-	-	52.45	0.15	13.47	-	66.07	195.58
Goodwill acquired separately	47.28	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	47.28
TOTAL (4A)	**355.08**	**(46.15)**	**-**	**-**	**308.93**	**-**	**-**	**-**	**-**	**-**	**52.45**	**0.15**	**13.47**	**-**	**66.07**	**242.86**
4B. OTHER INTANGIBLE ASSETS (acquired separately)																
Brand (Refer note 1 below)	120.03	(24.70)	-	-	95.33	-	-	-	-	-	-	-	-	-	-	95.33
Trademark	1.39	-	5.00		6.39	0.96	(0.01)	1.09	-	2.04	-	-	-	-	-	4.35
Computer Software	213.85	(0.58)	19.82	0.20	232.89	166.07	(0.34)	23.76	0.19	189.30	-	-	-	-	-	43.59
Others	83.24	(25.34)	-	-	57.90	17.49	(6.28)	3.97	-	15.18	-	-	-	-	-	42.72
Scientific Research :																
Computer Software	0.16	0.01	-	-	0.17	0.16	0.00	0.01	-	0.17	-	-	-	-	-	-
TOTAL (4B)	**418.67**	**(50.61)**	**24.82**	**0.20**	**392.68**	**184.68**	**(6.63)**	**28.83**	**0.19**	**206.69**	**-**	**-**	**-**	**-**	**-**	**185.99**
TOTAL (4A+4B)	**773.75**	**(96.76)**	**24.82**	**0.20**	**701.61**	**184.68**	**(6.63)**	**28.83**	**0.19**	**206.69**	**52.45**	**0.15**	**13.47**	**-**	**66.07**	**428.85**

(₹ in Crores)

	Gross carrying value					Amortisation					Impairment					Net carrying value
	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
4A. GOODWILL (Refer note 2 below)																
Goodwill on Consolidation	325.16	(17.36)	-	-	307.80	-	-	-	-	-	52.45	-	-	-	52.45	255.35
Goodwill acquired separately	47.28	-	-	-	47.28	-	-	-	-	-	-	-	-	-	-	47.28
Total (4A)	**372.44**	**(17.36)**	**-**	**-**	**355.08**	**-**	**-**	**-**	**-**	**-**	**52.45**	**-**	**-**	**-**	**52.45**	**302.63**
4B. OTHER INTANGIBLE ASSETS (acquired separately)																
Brand (Refer note 1 below)	131.99	(11.96)	-	-	120.03	-	-	-	-	-	-	-	-	-	-	120.03
Trademark	0.94	-	0.45	-	1.39	0.94	-	0.02	-	0.96	-	-	-	-	-	0.43
Computer Software	198.26	0.43	15.36	0.20	213.85	138.51	0.61	27.14	0.19	166.07	-	-	-	-	-	47.78
Others	90.48	(7.24)	-	-	83.24	14.75	(1.75)	4.49	-	17.49	-	-	-	-	-	65.75
Scientific Research :																
Computer Software	0.15	-	0.01	-	0.16	0.15	-	0.01	-	0.16	-	-	-	-	-	-
Total (4B)	**421.82**	**(18.77)**	**15.82**	**0.20**	**418.67**	**154.35**	**(1.14)**	**31.66**	**0.19**	**184.68**	**-**	**-**	**-**	**-**	**-**	**233.99**
Total (4A+4B)	**794.26**	**(36.13)**	**15.82**	**0.20**	**773.75**	**154.35**	**(1.14)**	**31.66**	**0.19**	**184.68**	**52.45**	**-**	**-**	**-**	**52.45**	**536.62**

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 37 (b).

1: 'Brand' include Brands acquired pursuant to acquisition of subsidiaries. These have indefinite useful life as the registration of these brands can be renewed indefinitely and management assessed that they will continue to generate future cash flows for the Group indefinitely. Accordingly, the same is not amortised.

NOTE 4A : GOODWILL (Contd.)

2. Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Goodwill on Consolidation		
Berger Paints Emirates LLC	2.82	2.75
Kadisco Paint and Adhesive Industry S.C.	28.59	35.00
Asian Paints (Vanuatu) Limited	0.97	0.94
Asian Paints (South Pacific) Pte Limited	1.97	1.91
SCIB Chemicals, S.A.E.	12.67	12.29
Causeway Paints Lanka (Pvt) Ltd (Refer note 40C)	72.73	126.63
Asian Paints International Private Limited	75.83	75.83
Goodwill acquired separately		
Asian Paints Limited (Bath Fittings Business)	35.36	35.36
Sleek International Private Limited	11.92	11.92
Total	**242.86**	**302.63**

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five year period (Previous year: five year period), as the Group believes this is to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows.

Key Assumptions used for value in use calculations:

	As at 31.03.2022	As at 31.03.2021
Projected revenue growth rate for five-year period (Previous year - five year)	0% to 56%	3% to 51%
Growth rate used for extrapolation of cash flow projections beyond the five-year period (Previous year - five year)	2% to 10%	2% to 5%
Discount rate	8% to 29%	8% to 23%

The Group has recognised an impairment loss of ₹ 13.47 crores during the current year (reported under Paints Segment) in respect of Goodwill on consolidation recognized on acquisition of Causeway Paints Lanka (Pvt) Ltd taking into account the business performance, prevailing business conditions and revised expectations of the future considering ongoing economic crisis in Sri Lanka. The recoverable amount of the CGU is ₹ 262.27 crores, determined based on its value in use considering a discount rate of 20.3%. The same has been disclosed as an exceptional item in Note 39.

As at 31st March, 2022, changes to each of the key assumptions will lead to additional impairment as follows:

	Current assumption	Change in assumption	Additional impairment (₹ in Crores)
Discount rate	20.3%	3% increase	65.99
Revenue Growth rate	20% to 48%	5% decrease	27.39

For other CGUs, management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates- Management estimates discount rates using pre-tax rates that reflect current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on demand condition. The weighted average growth rates used are consistent with industry reports.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 5 : INVESTMENTS

(₹ in Crores)

	Nos.	Face value (₹)	Non-Current As at 31.03.2022	Non-Current As at 31.03.2021	Current As at 31.03.2022	Current As at 31.03.2021
A. Investments in Equity Instruments						
(a) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	383.75	461.65	-	-
Housing Development Finance Corporation Limited	4,65,000	2	111.15	116.16	-	-
Apcotex Industries Limited	34,180	2	1.23	0.61	-	-
Total Quoted equity shares			**496.13**	**578.42**	**-**	**-**
(b) Unquoted equity shares						
(i) Associate (accounted as per equity method, Refer note 1.3.z)						
PPG Asian Paints Private Limited (Refer note 34)	2,85,18,112	10	515.47	483.90	-	-
			515.47	483.90	-	-
(ii) Other equity shares measured at FVTPL			1.07	1.07	-	-
Total Unquoted equity shares (i+ii)			**516.54**	**484.97**	**-**	**-**
Total investments in Equity Instruments (a+b)		A	**1,012.67**	**1,063.39**	**-**	**-**
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	-	**41.17**
* [₹ 39,500/- (As at 31st March, 2021 - ₹ 39,500)]						
C. Investments in Debentures or Bonds						
a) Investments in Quoted Debentures or Bonds measured at FVTOCI			53.49	81.35	25.31	28.33
b) Investments in Unquoted Debentures or Bonds measured at amortised cost			0.67	0.83	0.36	0.45
Total Investments in Debentures or Bonds		C	**54.16**	**82.18**	**25.67**	**28.78**
D. Investments in Quoted Mutual Funds measured at FVTPL						
a) Investments in Fixed Maturity Plans			-	324.11	350.48	130.17
b) Investments in Liquid Mutual Funds			-	-	1,804.55	3,067.00
Total Investments in Mutual Funds - Quoted		D	**-**	**324.11**	**2,155.03**	**3,197.17**
Total Investments (A+B+C+D)			**1,066.83**	**1,469.68**	**2,180.70**	**3,267.12**
Total Investments in Associate			**515.47**	**483.90**	**-**	**-**
Total Investments in Other entities			**551.36**	**985.78**	**2,180.70**	**3,267.12**
Aggregate amount of quoted investments - At cost			90.75	375.70	2,056.26	3,164.44
Aggregate amount of quoted investments - At market value			549.62	983.88	2,180.34	3,225.50
Aggregate amount of unquoted investments			517.21	485.80	0.36	41.62

NOTE 6 : TRADE RECEIVABLES

(₹ in Crores)

	Non-Current As at 31.03.2022	Non-Current As at 31.03.2021	Current As at 31.03.2022	Current As at 31.03.2021
Trade receivables				
(a) Secured, considered good	-	-	54.35	76.50
(b) Unsecured, considered good*	2.40	2.89	3,817.09	2,525.67
(c) Unsecured, considered doubtful	-	-	238.95	185.31
	2.40	**2.89**	**4,110.39**	**2,787.48**
Less : Allowance for unsecured doubtful debts	-	-	(238.95)	(185.31)
Total	**2.40**	**2.89**	**3,871.44**	**2,602.17**

*Trade Receivables includes dues from associate (Refer note 33)

Trade Receivable ageing schedule

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
Trade receivables								
(a) Undisputed, considered good	0.26	3,407.68	408.52	53.78	1.51	0.66	1.43	3,873.84
(b) Undisputed, considered doubtful	-	0.99	5.27	20.18	36.51	24.37	63.95	151.27
(c) Disputed, considered good	-	-	-	-	-	-	-	
(d) Disputed, considered doubtful	-	0.97	10.29	9.95	20.20	14.76	31.51	87.68
	0.26	**3,409.64**	**424.08**	**83.91**	**58.22**	**39.79**	**96.89**	**4,112.79**
Less : Allowance for unsecured doubtful debts								238.95
Total								**3,873.84**

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2021
Trade receivables								
(a) Undisputed, considered good	8.14	2,157.98	379.61	57.80	1.23	0.21	0.09	2,605.06
(b) Undisputed, considered doubtful	-	0.65	6.79	13.87	52.92	26.99	44.85	146.08
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.06	1.50	1.29	6.23	3.09	27.05	39.23
	8.14	**2,158.69**	**387.90**	**72.96**	**60.38**	**30.29**	**71.99**	**2,790.37**
Less : Allowance for unsecured doubtful debts								185.31
Total								**2,605.06**

NOTE 7 : OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current As at 31.03.2022	Non-Current As at 31.03.2021	Current As at 31.03.2022	Current As at 31.03.2021
Security Deposits - Unsecured & considered good	60.57	61.89	14.66	16.87
Royalty receivable (Refer note 33)	-	-	0.72	0.47
Due from associate Company (Refer note 33)	-	-	0.68	0.79
Subsidy receivable from state governments	407.32	521.56	232.19	18.08
Less: Allowance for expected credit loss (Refer note 39)	(41.61)	-	(12.12)	-
	365.71	**521.56**	**220.07**	**18.08**
Term deposits held as margin money against bank guarantee and other commitments	5.29	5.08	5.43	3.23
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	2.72	3.99

NOTE 7 : OTHER FINANCIAL ASSETS (CONTD.)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Quantity discount receivable	-	-	239.98	225.67
Term deposits with more than 12 months of original maturity^	53.00	4.99	1,030.45	922.70
Forward exchange contract (net)	-	-	-	0.88
Other receivables	-	-	18.78	2.93
Retention monies receivable from Customers	1.48	0.54	0.01	1.63
Total	**486.05**	**594.06**	**1,533.50**	**1,197.24**

^Fixed deposits in one of the subsidiary amounting to ₹ 5.19 crores (31st March, 2021 : ₹ 13.84 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

NOTE 8 : CASH AND BANK BALANCES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(A) CASH AND CASH EQUIVALENTS		
(a) Balances with Banks		
(i) Current Accounts	486.63	269.35
(ii) Cash Credit Account ##	23.52	29.43
(iii) Deposits with original maturity of less than 3 months	62.71	26.06
(b) Cheques, drafts on hand	48.37	20.81
(c) Cash on hand	0.49	0.74
Total	**621.72**	**346.39**
(B) OTHER BALANCES WITH BANKS		
(i) Term deposits with original maturity for more than 3 months but less than 12 months^	203.92	238.54
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	29.63	25.82
(iii) Earmarked balances for CSR	9.06	-
Total	**242.61**	**264.36**

Secured by hypothecation of inventories, trade receivables, building, other current assets and plant and machinery carrying interest rate @ 7.05 % p.a. - 8.00% p.a. (31st March, 2021 : 7.05 % p.a - 11.50 % p.a.).

^Fixed deposits in one of the subsidiary amounting to ₹ 6.49 crores (31st March, 2021 : ₹3.67 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

* The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

NOTE 9 : INCOME TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Advance payment of Income Tax (net)	172.46	152.23	-	-
Total	**172.46**	**152.23**	**-**	**-**

NOTE 10 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Capital advances	75.85	28.55	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	50.34	28.47	214.24	149.26
ii) Balances with government authorities	5.77	9.83	307.36	368.20
iii) Advances to employees	0.68	0.75	7.19	10.05
iv) Duty credit entitlement	-	-	0.21	1.18
	56.79	**39.05**	**529.00**	**528.69**
(c) Other Receivables	0.23	0.78	10.91	8.54
(d) Contract assets	-	-	1.34	-
Total	**132.87**	**68.38**	**541.25**	**537.23**

NOTE 11 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	1,750.51	1,097.64
Raw materials-in-transit	652.63	314.69
	2,403.14	**1,412.33**
(b) Packing materials	108.74	91.90
(c) Work-in-progress	195.02	133.46
(d) Finished goods	2,497.21	1,596.70
Finished goods-in-transit	5.13	0.78
	2,502.34	**1,597.48**
(e) Stock-in-trade (acquired for trading)	739.20	382.52
Stock-in-trade (acquired for trading) in-transit	51.77	49.90
	790.97	**432.42**
(f) Stores, spares and consumables	152.77	130.47
Stores, spares and consumables-in-transit	-	0.54
	152.77	**131.01**
Total	**6,152.98**	**3,798.60**

The cost of inventories recognised as an expense during the year is disclosed in Note 25.

The cost of inventories recognised as an expense (net of reversal) includes ₹ 48.83 crores (Previous year : ₹ 15.00 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Freehold Land	8.03	13.39
Building	0.10	0.10
Total	**8.13**	**13.49**

During the year, one of the subsidiary of the Group has disposed off its Land and Building in Baddi and recorded gain of ₹ 4.14 crores. Impairment loss of ₹ Nil (Previous Year - ₹ 0.37 crores) was recognised during the year with respect to building at Baddi.

Another subsidiary of the Group has sold parcel of a land with no gain/loss.

NOTE 13 : EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Authorised		
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	100.00
Issued, Subscribed and Paid up capital		
95,91,97,790 Equity Shares of ₹ 1 each fully paid	95.92	95.92
	95.92	95.92

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Fully paid Equity Shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the reporting year	95,91,97,790	95.92	95,91,97,790	95.92
Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	95,91,97,790	95.92	95,91,97,790	95.92
Changes in Equity Share capital during the year	-	-	-	-
Balance at the end of the reporting year	**95,91,97,790**	**95.92**	**95,91,97,790**	**95.92**

b) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Details of Shareholders holding more than 5% equity shares in the Company@

Name of the Shareholders	As at 31.03.2022		As at 31.03.2021	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:				
1. Smiti Holding and Trading Company Private Limited	5,53,39,068	5.77	5,53,39,068	5.77
2. Satva Holding and Trading Private Limited	5,47,89,183	5.71	5,63,88,682	5.88

@ As per the records of the Company, including its register of members.

As per the Companies Act 2013, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors, at their meetings held on 21st October, 2021, declared an interim dividend of ₹ 3.65 (Rupees three and paise sixty-five only) per equity share of the face value of ₹ 1 each. The Board of Directors at its meeting held on 10th May, 2022 have recommended a payment of final dividend of ₹ 15.50 (Rupees Fifteen and paise fifty only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2022. If approved, the total dividend (interim and final dividend) for the financial year 2021-22 will be ₹ 19.15 (Rupees Nineteen and paise fifteen only) per equity share of the face value of ₹ 1 each (₹ 17.85 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

NOTE 13 : EQUITY SHARE CAPITAL (CONTD.)

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

Refer note 12 (d) of Standalone Financial Statements for disclosure on shares held by promoters of the Parent Company.

e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

Treasury Shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	-	-	-	-
Add: Purchased during the year	2,23,240	75.00	-	-
Less: Excercised/Sold during the year	-	-	-	-
At the end of the year	**2,23,240**	**75.00**	**-**	**-**

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Parent Company from secondary market. The shares purchased by the ESOP Trust are disclosed as Treasury Shares (Refer note 32(3)).

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NOTE 14 : OTHER EQUITY

(₹ in Crores)

	Attributable to owners of the Company																		
	Reserves and Surplus												Items of Other comprehensive income (OCI)						
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate	Total attributable to owners of the Company	Non-controlling interests	Total
Balance as at 1st April, 2021 (A)	39.16	41.47	5.37	14.80	4,715.75	7,896.49	(22.47)	(17.71)	0.85	-	-	-	4.61	(188.95)	221.01	(0.01)	12,710.37	422.86	13,133.23
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,030.57	-	-	-	-	-	-	-	-	-	-	3,030.57	54.24	3,084.81
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(140.53)	-	-	(140.53)	(13.12)	(153.65)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	3.86	-	-	-	-	-	-	-	-	-	3.86	(0.23)	3.63
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(72.72)	-	(72.72)	-	(72.72)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(2.87)	-	-	-	(2.87)	-	(2.87)
Share of OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.05)	-	(0.05)
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**3,030.57**	**3.86**	**-**	**-**	**-**	**-**	**-**	**(2.87)**	**(140.53)**	**(72.72)**	**(0.05)**	**2,818.26**	**40.89**	**2,859.15**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(1,740.95)	-	-	-	-	-	-	-	-	-	-	(1,740.95)	(21.85)	(1,762.80)
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	-	(10.54)	-	-	-	-	-	-	-	-	(10.54)	(54.37)	(64.91)
Equity/other changes in Associate	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05	-	0.05
Transfer to Statutory Reserves and General Reserve	-	-	-	0.16	-	(0.16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	-	-	-	13.40	-	-	-	-	-	-	13.40	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	0.05	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)	-	(75.00)
Total (C)	**-**	**-**	**-**	**0.16**	**-**	**(1,741.11)**	**-**	**(10.54)**	**0.05**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**-**	**-**	**(1,812.99)**	**(76.22)**	**(1,889.21)**
Balance as at 31st March, 2022 (A+B+C)	**39.16**	**41.47**	**5.37**	**14.96**	**4,715.75**	**9,185.95**	**(18.61)**	**(28.25)**	**0.90**	**13.40**	**(75.00)**	**0.05**	**1.74**	**(329.48)**	**148.29**	**(0.06)**	**13,715.64**	**387.53**	**14,103.17**

1. **Description of nature and purpose of each reserve**

   Capital Reserve -

   a. Capital reserve of ₹ 5000/- was created on merger of ' Pentasia Chemicals Ltd ' with the Parent Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

   b. Capital reserve of ₹ 41.47 crores represents ₹ 44.38 crores created on amalgamation of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Parent Company, with the Parent Company as per the order passed by the National Company Law Tribunal and ₹ 2.91 crores debited on account of acquistion of business from Whitford India Private Limited by PPG Asian Paints Private Limited ('PPGAP'), Associate Company.

   Capital Reserve on Consolidation - During the year 2012-13, a Composite Scheme of Restructuring ('Scheme') as approved by Hon'ble High Court of Bombay was effected to transfer certain businesses between the Parent Company, PPG Asian Paints Pvt. Ltd. and Asian Paints PPG Pvt. Ltd. The Capital Reserve on Consolidation represents the additional net assets received by the Parent pursuant to the Scheme.

   Capital Redemption Reserve - This reserve was created for redemption of preference shares by the Group prior to 2003.

   Remeasurement of the defined benefit plans - This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind the AS 19 that have been recognized in other comprehensive income.

   Share based Payment Reserve - This represents the fair value of the stock options granted by the Parent Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilized on exercise of the options

NOTE 14 : OTHER EQUITY (CONTD.)

Treasury Shares - This represents cost incurred by the Parent Company to purchase its own equity shares from secondary market through the Parent Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

Trust Reserve - This represents net income of ESOP Trust.

General Reserve - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Debt instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when such assets are disposed off and for impairment losses on such instruments.

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Statutory reserve - Certain subsidiaries of the Group are required to set aside a minimum amount of specified percentage of profits annually before distribution of dividends, in accordance with the local regulations. No further transfer is required when the reserve reaches certain percentage of the issued capital of the subsidiary. The statutory reserve may only be distributed to shareholders upon liquidation of the subsidiary or in the circumstances stipulated in the regulations

Other reserve - Other reserve represents non-controlling interest reserve created on acquisition of additional stake of 49% from non-controlling shareholder of Sleek International Private Limited and increase in stake of 1.71% effected through buyback done by Asian Paints (Nepal) Private Limited.

Share of other reserves in Associate - This reserve is created during the year to recognize restricted stock units (RSUs) granted in PPG Asian Paints Private Limited ('PPGAP'), associate entity of the Group.

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

(₹ in Crores)

	Attributable to owners of the Company																		
	Reserves and Surplus												Items of Other comprehensive income (OCI)						
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate	Total attributable to owners of the Company	Non-controlling interests	Total
Balance as at 1st April, 2020 (A)	39.16	44.38	5.37	14.37	4,715.75	5,222.86	(18.22)	(17.71)	-	-	-	-	2.48	(142.09)	168.63	(0.74)	10,034.24	403.53	10,437.77
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,139.29	-	-	-	-	-	-	-	-	-	-	3,139.29	67.46	3,206.75
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(46.86)	-	-	(46.86)	(9.61)	(56.47)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(4.25)	-	-	-	-	-	-	-	-	-	(4.25)	(0.20)	(4.45)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52.38	-	52.38	-	52.38
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	2.13	-	-	-	2.13	-	2.13
Share of OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.73	0.73	-	0.73
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**3,139.29**	**(4.25)**	**-**	**-**	**-**	**-**	**-**	**2.13**	**(46.86)**	**52.38**	**0.73**	**3,143.42**	**57.65**	**3,201.07**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(465.23)	-	-	-	-	-	-	-	-	-	-	(465.23)	(38.32)	(503.55)
Equity/other changes in Associate	-	(2.91)	-	-	-	-	-	-	0.85	-	-	-	-	-	-	-	(2.06)	-	(2.06)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.43	-	(0.43)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**-**	**(2.91)**	**-**	**0.43**	**-**	**(465.66)**	**-**	**-**	**0.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(467.29)**	**(38.32)**	**(505.61)**
Balance as at 31st March, 2021. (A+B+C)	**39.16**	**41.47**	**5.37**	**14.80**	**4,715.75**	**7,896.49**	**(22.47)**	**(17.71)**	**0.85**	**-**	**-**	**-**	**4.61**	**(188.95)**	**221.01**	**(0.01)**	**12,710.37**	**422.86**	**13,133.23**

NOTE 15 : BORROWINGS^

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Secured				
(i) Term Loans				
From banks+	-	0.18	0.13	0.37
(ii) Deferred payment liabilities				
Loan from State of Haryana#	16.16	14.31	-	7.89
(iii) Short term loans				
- from Banks or financial institutions ***	-	-	136.92	38.52
(iv) Loan repayable on demand				
-Cash Credit / Overdraft Accounts***	-	-	57.01	25.47
Unsecured				
(i) Deferred payment liabilities				
Sales tax deferment scheme - State of Maharashtra	-	0.04	0.04	0.09
(ii) Term loans				
- from banks or financial institutions****	28.38	-	431.05	186.78
- working capital loan@	-	-	20.00	67.00
	28.38	-	451.05	253.78
(iii) Loan repayable on demand				
- Cash Credit / Overdraft Accounts*****	-	-	85.97	7.93
Total	44.54	14.53	731.12	334.05

Notes:

+ Secured against stock, receivables and immovable property held by one of the subsidiary Company. To be repaid over 24 months with a capital grace period of 6 months. [Interest rate : 4% p.a. (Previous year : 4%)]

The Parent Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. The Parent Company has received total interest free loan of ₹ 37.02 crores (Previous year : ₹ 37.02 crore) for the period from April 2010 to March 2015. Loan received post transition to Ind AS (w.e.f. 01.04.2015) are recognised at fair value using prevailing market interest rate for equivalent loan. The difference between the gross proceeds and fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (Refer note 19).

This loan is secured by way of a bank guarantee issued by the Parent Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2016 and 31st March, 2017, the Company had made the necessary application to the Haryana Government for the issue of eligibility certificate. As on 31st March, 2022, the Company has repaid loan of ₹ 17.20 crores (Previous year : ₹ 9.31 crores).

*** Secured against Fixed deposits, receivables, inventories, property, plant and equipment of certain subsidiary companies carrying interest rate @ 5.3% - 7.4% p.a. (Previous year : 5% - 6% p.a.)

**** Unsecured term loan with respect to International subsidiaries bearing interest at rates ranging from 0.70% - 4.00% p.a. (Previous year : 0.50% - 2.00% p.a.)

@ Unsecured working capital demand loan with respect to an Indian subsidiary carries interest as per treasury bill plus variable basis points as per mutual contractual agreement having expiry of 1 month to 6 months from date of disbursement.

***** Unsecured Cash Credit/Overdraft facility with banks carrying interest rates 4.65% - 8.00% p.a.(Previous year : 5.20% - 6.90% p.a)

^ Default in terms of repayment of principal and interest - NIL

NOTE 16 : LEASE LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Lease liabilities	598.37	561.36	212.85	183.18
Total	598.37	561.36	212.85	183.18

The maturity analysis of lease liabilities is disclosed in Note 30(C)(3).

NOTE 17 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Unpaid/ Unclaimed dividend#	-	-	24.66	26.67
	-	-	24.66	26.67
(b) Others				
Retention monies relating to capital expenditure	1.14	1.09	22.44	19.12
Trade deposits from customers	0.89	1.18	0.07	0.23
Payable towards capital expenditure	-	-	88.33	45.03
Payable towards services received	-	-	697.71	483.14
Payable towards stores spares and consumables	-	-	17.38	18.39
Payable to employees [including ₹ 6.66 crores due to Managing Director (as at 31st March, 2021 ₹ 4.58 crores)]	0.15	1.07	254.60	244.91
Payable towards other expenses [including ₹ 4.72 crores due to Non-Executive Directors (as at 31st March, 2021 ₹ 4.70 crores)]	-	0.04	780.65	757.18
Forward exchange contract(net)	-	-	0.97	-
	2.18	3.38	1,862.15	1,568.00
Total	2.18	3.38	1,886.81	1,594.67

As at 31st March, 2022, ₹ 23.47 crores (31st March, 2021 : ₹ 21.64 crores) is the amount of unclaimed dividend which remains unpaid by the Parent Company, and shall be transferred to Investor Education and Protection Fund ('IEPF') as and when they become due. There is no amount due and outstanding to be transferred to the IEPF by the Parent Company.

NOTE 18 : PROVISIONS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Provision for Employee Benefits (Refer note 32)				
Provision for Compensated absences	184.92	175.20	30.20	25.11
Provision for Gratuity	1.95	1.69	4.75	24.24
Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	30.25	32.33	4.29	1.72
Provision for Post retirement medical and other benefits	1.20	5.99	1.46	1.65
	218.32	215.21	40.70	52.72
(b) Others (Refer note 43)				
Provision for Excise	-	-	1.50	2.24
Provision for CST/VAT and Other Statutory Liabilities	-	-	26.83	28.93
Provision for Warranties	-	-	0.67	0.54
	-	-	29.00	31.71
Total	218.32	215.21	69.70	84.43

NOTE 19 : OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Revenue received in advance				
Advance received from customers	-	0.71	76.03	40.98
(b) Other				
Statutory Dues Payable	-	0.42	295.32	170.59
Deferred income arising from government grant (Refer note 15)	2.11	3.41	1.30	1.76
Others (Deferred revenue arising from sale of services, etc.)	-	-	0.57	0.58
Other Advances	-	-	2.87	15.67
	2.11	**3.83**	**300.06**	**188.60**
Total	**2.11**	**4.54**	**376.09**	**229.58**

NOTE 20 : TRADE PAYABLES

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Trade Payables (including Acceptances)*		
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME)	83.58	91.53
Total Outstanding dues of creditors other than MSME	4,080.72	3,287.19
Total	**4,164.30**	**3,378.72**

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 317.78 crores (Previous year : ₹ 232.43 crores).

Trade Payables ageing Schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2022
		Less than a year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	77.37	6.21	-	-	-	83.58
Other than MSME	3,616.26	461.56	1.02	0.70	1.05	4,080.59
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others than MSME	-	-	0.13	-	-	0.13
Total	**3,693.63**	**467.77**	**1.15**	**0.70**	**1.05**	**4,164.30**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2021
		Less than a year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	87.50	4.03	-	-	-	91.53
Other than MSME	3,019.43	265.46	0.90	0.63	0.66	3,287.07
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others than MSME	-	0.11	-	#	#	0.11
Total	**3,106.93**	**269.60**	**0.90**	**0.63**	**0.66**	**3,378.72**

Represents amounts less than ₹ 50,000/-

NOTE 21 : INCOME TAXES

(₹ in Crores)

	Year 2021-22	Year 2020-21
A. THE MAJOR COMPONENTS OF INCOME TAX EXPENSE FOR THE YEAR ARE AS UNDER:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax:		
In respect of current year	1,161.53	1,114.02
In respect of short tax provision for earlier years	2.82	7.74
Deferred tax:		
In respect of current year	(61.42)	(24.16
In respect of short tax provision for earlier years	(0.02)	-
Income tax expense recognised in the Consolidated Statement of Profit and Loss	**1,102.91**	**1,097.60**
(ii) Income tax recognised in OCI		
Deferred tax:		
Income tax (expense)/benefit on remeasurements of the defined benefit plans	(0.96)	1.79
Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI	9.59	(4.88)
Income tax benefit/(expense) on fair value gain on investments in debt instruments through OCI	0.39	(0.28)
Income tax benefit/(expense) recognised in OCI	**9.02**	**(3.37)**
B. RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT FOR THE YEAR IS AS UNDER :		
Profit for the year before Share of Profit in Associate	**4,156.15**	**4,275.75**
Income tax expense calculated at 25.168 %	1,046.02	1,076.12
Tax effect on non-deductible expenses	31.11	27.50
Incentive tax credits	(0.38)	(0.48)
Effect of Income which is taxed at special rates	(10.95)	(7.51)
Effect of Income which is exempted from tax	(7.14)	(5.46)
Effect of different tax rates in the components	7.07	(27.75)
Deferred Tax on undistributed profits (including effect of change in tax rate)	9.34	9.16
Others	25.03	18.28
Total	**1,100.09**	**1,089.86**
Short tax provision for earlier years	2.82	7.74
Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,102.91**	**1,097.60**

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law.

C. THE MAJOR COMPONENTS OF DEFERRED TAX (LIABILITIES)/ASSETS ARISING ON ACCOUNT OF TIMING DIFFERENCES ARE AS FOLLOWS:

As at 31st March, 2022

(₹ in Crores)

Particulars	Balance Sheet		Profit and Loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net			Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2021	01.04.2021	2021-22	2021-22	31.03.2022	31.03.2022
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(345.63)	(8.71)	29.20	-	(301.23)	(12.61)
Provision for expense allowed for tax purpose on payment basis (Net)	35.82	3.03	(1.08)	0.11	34.61	3.27
Provision for Expected credit losses and fair valuation of subsidy receivable from state governments	-	-	21.35	-	21.35	-
Remeasurement of the defined benefit plans through OCI	9.86	3.22	0.50	(1.06)	8.72	3.29
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.90)	-	-	0.39	(0.51)	-

NOTE 21 : INCOME TAXES (CONTD.)

As at 31st March, 2022 (Contd.)

(₹ in Crores)

Particulars	Balance Sheet		Profit and Loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net			Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2021	01.04.2021	2021-22	2021-22	31.03.2022	31.03.2022
Difference in carrying value and tax base of investments in equity instruments through FVTOCI	(13.59)	-	-	9.59	(4.00)	-
Difference in carrying value and tax base of investments measured at FVTPL	(22.47)	-	1.37	-	(21.10)	-
Capital losses carried forward under Income Tax	-	-	11.78	-	-	10.39
Undistributed profits of subsidiaries/associates	(107.66)	-	(8.59)	-	(116.29)	-
Difference in Right-of-use asset and lease liabilities	25.12	0.75	0.95	-	25.84	1.06
Others	3.86	15.99	5.94	-	3.74	20.63
Deferred tax (expense) / benefit			**61.42**	**9.02**		
Net Deferred tax assets/(liabilities) of earlier years	-	-	0.02	-	0.02	-
Currency translation gain and other adjustments	-	-	-	8.03	-	-
Net Deferred tax assets/(liabilities)	**(415.59)**	**14.28**			**(348.85)**	**26.02**

As at 31st March, 2021

(₹ in Crores)

Particulars	Balance Sheet		Profit and Loss	OCI	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net			Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2020	01.04.2020	2020-21	2020-21	31.03.2021	31.03.2021
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(385.24)	(10.07)	35.47	-	(345.63)	(8.71)
Provision for expense allowed for tax purpose on payment basis (Net)	30.31	2.62	5.46	-	35.82	3.03
Remeasurement of the defined benefit plans through OCI	8.82	3.14	(0.27)	1.79	9.86	3.22
Allowance for doubtful debts and advances	0.27	-	(0.27)	-	-	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	0.43	-	(0.43)	-	-	-
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.62)	-	-	(0.28)	(0.90)	-
Difference in carrying value and tax base of investments in equity instruments through FVTOCI	(8.71)	-	-	(4.88)	(13.59)	-
Difference in carrying value and tax base of investments measured at FVTPL	(17.19)	-	(5.28)	-	(22.47)	-
Capital losses carried forward under Income Tax	-	2.57	(2.56)	-	-	-
Undistributed profits of subsidiaries/associates	(99.80)	-	(7.71)	-	(107.66)	-
Difference in Right-of-use asset and lease liabilities	22.41	0.65	2.85	-	25.12	0.75
Others	5.53	18.15	(3.10)	-	3.86	15.99
Deferred tax (expense) / benefit			**24.16**	**(3.37)**		
Net Deferred tax assets/(liabilities) of earlier years	(0.01)	(0.26)	-	-	-	-
Currency translation gain and other adjustments	-	-	-	4.88	-	-
Net Deferred tax assets/(liabilities)	**(443.80)**	**16.80**			**(415.59)**	**14.28**

NOTE 21 : INCOME TAXES (CONTD.)

The Group has the following unused tax losses which arose on incurrence of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

As at 31st March, 2022

(₹ in Crores)

Financial Year	Category	31.03.2022	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2013-2014	Depreciation	15.64	NA
2014-2015	Business loss	10.48	31st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.46	NA
2014-2015	Business loss	0.14	31st March, 2023
2015-2016	Business loss	9.48	31st March, 2024
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.75	NA
2015-2016	Business loss	0.10	31st March, 2024
2016-2017	Business loss	13.46	31st March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.73	NA
2016-2017	Business loss	0.59	31st March, 2025
2017-2018	Business loss	30.49	31st March, 2023
2017-2018	Business loss	5.20	31st March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Depreciation	0.73	NA
2017-2018	Business loss	0.30	31st March, 2026
2018-2019	Business loss	40.97	31st March, 2024
2018-2019	Business loss	15.58	31st March, 2027
2018-2019	Depreciation	7.23	NA
2018-2019	Depreciation	1.10	NA
2018-2019	Business loss	0.33	31st March, 2027
2019-2020	Business loss	39.76	31st March, 2025
2019-2020	Business loss	30.77	31st March, 2028
2019-2020	Depreciation	6.44	NA
2019-2020	Depreciation	0.93	NA
2020-2021	Business loss	21.04	31st March, 2029
2020-2021	Depreciation	5.57	NA
2020-2021	Business loss	36.45	31st March, 2026
2021-2022	Business loss	4.29	31st March, 2030
2021-2022	Depreciation	5.29	NA
2021-2022	Business loss	61.63	31st March, 2027
2021-2022	Business loss/Capital loss	0.44	31st March, 2030

NOTE 21 : INCOME TAXES (CONTD.)

As at 31st March, 2021 (₹ in Crores)

Financial Year	Category	31.03.2021	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Depreciation	1.05	NA
2013-2014	Business loss	0.17	31st March, 2022
2013-2014	Depreciation	15.64	NA
2013-2014	Depreciation	0.97	NA
2013-2014	Business loss/Capital loss	0.46	31st March, 2022
2014-2015	Business loss	10.48	31st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.87	NA
2014-2015	Business loss/Capital loss	0.26	31st March, 2023
2015-2016	Business loss	9.48	31st March, 2024
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.78	NA
2015-2016	Business loss/Capital loss	0.10	31st March, 2024
2016-2017	Business loss	10.76	31st March, 2022
2016-2017	Business loss	13.46	31st March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.85	NA
2016-2017	Business loss/Capital loss	0.59	31st March, 2025
2017-2018	Business loss	32.62	31st March, 2023
2017-2018	Business loss	5.20	31st March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Depreciation	0.89	NA
2017-2018	Business loss/Capital loss	0.30	31st March, 2026
2018-2019	Business loss	40.70	31st March, 2024
2018-2019	Business loss	15.58	31st March, 2027
2018-2019	Depreciation	7.23	NA
2018-2019	Depreciation	1.75	NA
2018-2019	Business loss/Capital loss	0.33	31st March, 2027
2019-2020	Business loss	39.71	31st March, 2025
2019-2020	Business loss	30.77	31st March, 2028
2019-2020	Depreciation	6.44	NA
2019-2020	Depreciation	1.44	NA
2020-2021	Business loss	14.91	31st March, 2029
2020-2021	Depreciation	5.57	NA
2020-2021	Business loss	37.31	31st March, 2026

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 245.04 crores (Previous year : ₹ 426.03 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding Company and it has no intention to distribute the earnings of the subsidiaries.

NOTE 22 : INCOME TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax (net)	130.12	121.23
Total	**130.12**	**121.23**

NOTE 23A : REVENUE FROM OPERATIONS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Revenue from sale of products	28,830.02	21,440.24
Revenue from sale of services	93.46	44.96
Other operating revenue*	177.80	227.59
Total	**29,101.28**	**21,712.79**

* The Parent Company's manufacturing facilities at Maharashtra and Andhra Pradesh are eligible to receive incentive in form of refund of SGST, refund of stamp duty and refund of/ exemption from payment of electricity duty as per the Industrial Promotion Schemes of the respective State Governments and Memorandum of Understanding signed with the respective State Governments. During the year, ₹ 119.41 crores (Previous year - ₹ 182.44 crores) is accrued under the head of "Other operating revenue (Refer note 39).

NOTE 23B : REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
A. REVENUE FROM CONTRACT WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES		
Revenue from Sale of Products		
Paints, décor and related products	28,110.49	20,950.72
Home improvement	719.53	489.52
Revenue from Sale of Services		
Painting, décor and related services	81.48	36.20
Other Services	11.98	8.76
Other operating revenue		
Processing and service income	17.87	17.80
Scrap sales	38.86	26.34
Others	1.66	0.56
Other Income (Refer note 24(c)(ii))		
Royalty received		
- From Associate Company (Refer note 33)	3.08	2.82
- From Others	-	0.30
Total	**28,984.95**	**21,533.02**
B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY		
Home Market	28,757.83	21,352.29
Exports	227.12	180.73
Total	**28,984.95**	**21,533.02**

NOTE 23C : RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Gross Revenue	34,262.08	25,267.63
Less: Discounts	5,277.13	3,734.61
Net Revenue recognised from Contracts with Customers	**28,984.95**	**21,533.02**

The Group has recognised a revenue of ₹ 33.47 crores (31st March, 2021: ₹ 18.08 crores) from the amounts included under advance received from customer at the beginning of the year.

The amounts receivable from customers become due after expiry of credit period which is maximum 240 days. There is no significant financing component in any transaction with the customers.

The Group provides agreed upon specification warranty for selected range of products & services. (Refer note 43)

The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration and sale of service contracts are measured as per output method.

NOTE 24 : OTHER INCOME

(₹ in Crores)

		Year 2021-22	Year 2020-21
(a)	**Interest Income**		
	Investments in debt instruments measured at fair value through OCI	7.65	7.96
	Other financial assets carried at amortised cost	85.07	59.36
		92.72	**67.32**
(b)	**Dividends from quoted equity investments measured at fair value through OCI***	**15.16**	**7.81**
(c)	**Other non-operating income**		
	(i) Insurance claims received	3.03	9.18
	(ii) Royalty received		
	- From Associate Company(Refer note 33)	3.08	2.82
	- From Others	-	0.30
		3.08	**3.12**
	(iii) Net gain arising on financial assets measured at FVTPL#	76.89	93.61
	(iv) Others	102.52	90.66
		185.52	**196.57**
(d)	**Other gains and losses**		
	Net foreign exchange gains (Other than considered as finance cost)	37.98	9.82
	Net gain on sale of property, plant and equipment	44.36	18.33
	Net gain on modification/ termination of leases	4.27	3.20
		86.61	**31.35**
Total		**380.01**	**303.05**

*Relates to investments held at the end of reporting period

Includes gain on sale of financial assets measured at FVTPL for ₹ 28.78 crores (Previous year ₹ 2.23 crores).

NOTE 25 (A) COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2021-22	Year 2020-21
Raw Materials Consumed		
Opening Stock (including goods-in-transit)	1,412.33	1,135.11
Add : Purchases	14,742.93	8,830.18
	16,155.26	**9,965.29**
Less: Closing Stock (including goods-in-transit)	2,403.14	1,412.33
	13,752.12	**8,552.96**
Packing Materials Consumed		
Opening Stock	91.90	63.33
Add : Purchases	2,519.31	1,792.70
	2,611.21	**1,856.03**
Less : Closing Stock	108.74	91.90
	2,502.47	1,764.13
Total Cost of Materials Consumed	**16,254.59**	**10,317.09**

NOTE 25 (B) PURCHASES OF STOCK-IN-TRADE	**3,371.13**	**1,872.59**

NOTE 25 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	1,597.48	1,528.99
Work-in-Progress	133.46	93.42
Stock-in-trade-acquired for trading (including goods-in-transit)	432.42	448.50
Total	**2,163.36**	**2,070.91**
Stock at the end of the year		
Finished Goods (including goods-in-transit)	2,502.34	1,597.48
Work-in-Progress	195.02	133.46
Stock-in-trade-acquired for trading (including goods-in-transit)	790.97	432.42
Total	**3,488.33**	**2,163.36**
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	**(1,324.97)**	**(92.45)**

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Salaries and wages	1,556.97	1,349.11
Contribution to provident and other funds (Refer note 32)	86.47	81.71
Staff welfare expenses	132.29	109.93
Share based payment expenses (Refer note 32(3))	10.94	-
Total	**1,786.67**	**1,540.75**

NOTE 27 : OTHER EXPENSES

(₹ in Crores)

	Year 2021-22	Year 2020-21
Consumption of stores, spares and consumables	76.79	59.51
Power and fuel	117.23	86.05
Processing charges	167.75	137.11
Repairs and maintenance:		
Buildings	23.48	19.25
Machinery	52.22	48.03
Other assets	57.74	40.28
	133.44	**107.56**
Rates and taxes	16.47	17.16
Corporate social responsibility expenses	72.12	63.84
Commission to Non Executive Directors	4.72	4.70
Directors' sitting fees	3.22	2.16
Auditor's Remuneration	4.70	4.34
Freight and handling charges	1,842.43	1,353.22
Advertisement expenses	943.36	784.96
Bad debts written off	2.15	3.42
Allowances for doubtful debts and advances (net)	57.56	33.43
Insurance	31.90	28.36
Travelling expenses	103.12	57.65
Miscellaneous expenses	633.29	475.74
Total	**4,210.25**	**3,219.21**

Note :

1. Expense relating to short-term leases amounts to ₹ 1.88 crores (Previous year : ₹ 0.66 crores) and leases of low value assets amounts to ₹ 31.74 crores (Previous year : ₹ 25.71 crores).
2. Other expenses include variable lease payments of ₹ 162.87 crores (Previous year : ₹ 131.72 crores).

NOTE 28 : FINANCE COSTS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	11.55	9.95
(b) Interest on bill discounting	17.74	10.75
(c) Interest on loan from State of Haryana	1.85	2.32
(d) Interest on lease liabilities	56.73	57.46
(e) Other interest expense	6.72	2.15
Total interest expense for financial liabilities carried at amortised cost	**94.59**	**82.63**
Interest on income tax	0.82	9.00
Total	**95.41**	**91.63**

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Depreciation of Property, Plant and Equipment (Refer note 2A)	546.29	544.45
Depreciation of Right-Of-Use assets (Refer note 2B)	241.24	215.16
Amortisation of Other Intangible assets (Refer note 4B)	28.83	31.66
Total	**816.36**	**791.27**

NOTE 30 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

Financial assets/ Financial liabilities	Refer note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	5(D)	-	324.11	2,155.03	3,197.17
Investments in unquoted equity shares	5(A)(b)(ii)	1.07	1.07	-	-
Forward exchange contract (net)	7	-	-	-	0.88
		1.07	**325.18**	**2,155.03**	**3,198.05**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares #	5(A)(a)	496.13	578.42	-	-
Investments in quoted debentures or bonds	5(C)(a)	53.49	81.35	25.31	28.33
		549.62	**659.77**	**25.31**	**28.33**
Financial assets measured at amortised cost					
Investments in unquoted government securities	5(B)	*	*	-	41.17
Investments in unquoted debentures or bonds	5(C)(b)	0.67	0.83	0.36	0.45
Sundry deposits	7	60.57	61.89	14.66	16.87
Trade receivables	6	2.40	2.89	3,871.44	2,602.17
Royalty receivable	7	-	-	0.72	0.47
Subsidy receivable from state government	7	365.71	521.56	220.07	18.08
Interest accrued on investments in debentures or bonds measured at FVTOCI	7	-	-	2.72	3.99
Quantity discount receivable	7	-	-	239.98	225.67
Term deposits with more than 12 months original maturity	7	53.00	4.99	1,030.45	922.70
Due from Associate Companies	7	-	-	0.68	0.79
Other receivables	7	-	-	18.78	2.93
Retention monies receivable from Customers	7	1.48	0.54	0.01	1.63
Cash and Cash Equivalents	8A	-	-	621.72	346.39
Term deposits held as margin money against bank guarantee and other commitments	7	5.29	5.08	5.43	3.23
Other Bank Balances	8B	-	-	242.61	264.36
		489.12	**597.78**	**6,269.63**	**4,450.91**

NOTE 30 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crores)

Financial assets/ Financial liabilities	Refer note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial liabilities measured at amortised cost					
Loan from State of Haryana	15	16.16	14.31	-	7.89
Sales tax deferment scheme -State of Maharashtra	15	-	0.04	0.04	0.09
Term Loan from Bank	15	28.38	0.18	451.18	254.15
Short Term loans	15	-	-	136.92	38.52
Loan repayable on demand - Cash Credit/Overdraft Accounts	15	-	-	142.98	33.40
Lease Liabilities	16	598.37	561.36	212.85	183.18
Retention monies relating to capital expenditure	17	1.14	1.09	22.44	19.12
Payable towards capital expenditure	17	-	-	88.33	45.03
Payable towards services received	17	-	-	697.71	483.14
Payable towards stores, spares and consumables	17	-	-	17.38	18.39
Payable to employees	17	0.15	1.07	254.60	244.91
Unpaid/Unclaimed dividend	17	-	-	24.66	26.67
Trade Deposits from certain customers	17	0.89	1.18	0.07	0.23
Forward exchange contract (net)	17	-	-	0.97	-
Payable towards other expenses	17	-	0.04	780.65	757.18
Trade payables (including Acceptances)	20	-	-	4,164.30	3,378.72
Total		**645.09**	**579.27**	**6,995.08**	**5,490.62**

Investments in these equity instruments are not held for trading. Upon application of Ind AS 109 - Financial Instruments, the Group has chosen to measure these investments in equity instruments at FVTOCI irrevocably as the management believes that presenting fair value gains or losses relating to these investments in the Consolidated Statement of Profit and Loss may not be indicative of the performance of the Group.

* ₹ 39,500/-

NOTE 30 (B) : FAIR VALUE MEASUREMENTS

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities :

As at 31st March, 2022

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through Other Comprehensive Income				
Investments in quoted equity shares (Refer note 5(A)(a))	496.13	496.13	-	-
Investments in quoted debentures or bonds (Refer note 5(C)(a))	78.80	78.80	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	2,155.03	2,155.03	-	-
Investments in unquoted equity shares (Refer note 5(A)(b)(ii))	1.07	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 7 and 17)	0.97	0.97	-	-

As at 31st March, 2021

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2021	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through Other Comprehensive Income				
Investments in quoted equity shares (Refer note 5(A)(a))	578.42	578.42	-	-
Investments in quoted debentures or bonds (Refer note 5(C)(a))	109.68	109.68	-	-

NOTE 30 (B) : FAIR VALUE MEASUREMENTS (CONTD.)

As at 31st March, 2021 (Contd.)

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2021	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	3,521.28	3,521.28	-	-
Investments in unquoted equity shares (Refer note 5(A)(b)(ii))	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 7 and 17)	0.88	0.88	-	-

(ii) Financial Instrument measured at Amortised Cost

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

NOTE 30 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') of the Parent Company oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee of the Parent Company and approved by the Board, states the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance. The Board has been monitoring the risks that the Group is exposed to due to outbreak of Covid-19. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis has been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group’s profit before tax for the year ended 31st March, 2022 would decrease/increase by ₹ 2.81 crores (Previous year: ₹ 1.70 crores).

NOTE 30 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group enters into forward exchange contracts with average maturity of less than one month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments (trade payables). The Group's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 days. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary items are as follows:

(₹ in Crores)

Currency	Liabilities		Assets	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	1,327.61	867.75	258.83	226.57
EUR	130.18	83.50	13.82	4.73
SGD	-	5.03	0.11	0.07
GBP	7.07	0.04	0.06	-
SEK	0.05	0.40	-	0.11
JPY	0.46	0.49	-	-
AED	16.64	23.41	70.85	70.59
Others	1.59	2.50	1.50	19.84
Total	**1,483.60**	**983.12**	**345.17**	**321.91**

The above table represents total exposure of the Group towards foreign exchange denominated liabilities (net).

Out of the above, details of exposures hedged using forward exchange contracts are given below:

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2022	24.00	18.85	144.05
Forward contract to buy USD - As at 31.03.2021	37.00	29.44	215.24

The Group is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2021-22	Year 2020-21	Year 2021-22	Year 2020-21
+5%	(38.57)	(17.48)	(38.57)	(17.48)
-5%	38.57	17.48	38.57	17.48

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Parent Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2022, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 496.13 crores (Previous year: ₹ 578.42 crores). The details of such investments in equity instruments are given in Note 5(A)(a).

The Parent Company is also exposed to price risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March, 2022, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 78.80 crores (Previous year: ₹ 109.68 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds and debentures are given in Note 5(C)(a).

The Parent Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

NOTE 30 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

c) Other Price Risk (Contd.)

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March, 2022, Other Comprehensive Income for the year ended 31st March, 2022 would increase by ₹ 43.85 crores (Previous year : ₹ 51.11 crores) and decrease by ₹ 46.74 crores (Previous year : ₹ 51.11 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2022. 10% represents management's assessment of reasonably possible change in equity prices.

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Group's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures), 6, 7 and 8B.

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

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

The average credit period on sales of products and services is a maximum of 240 days. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Group companies compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period for the Parent Company is given below. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of trade receivables.

Net Outstanding > 365 days	% Collection to gross outstanding in current year	Credit loss allowance
Yes	< 25%	Yes, to the extent of lifetime expected credit losses outstanding as at reporting date.
Yes	> 25%	Yes, to the extent of lifetime expected credit losses pertaining to balances outstanding for more than one year.

Above matrix for expected credit loss allowance is used by the Parent Company. Similar matrix has been prepared for respective subsidiaries considering business context of the respective subsidiaries.

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	31.03.2022	31.03.2021
Balance at the beginning of the year	185.31	155.49
Loss allowance measured at lifetime expected credit losses	53.64	29.82
Balance at the end of the year	**238.95**	**185.31**

In accordance with Ind AS 109 – Financial Instruments, the Parent Company has re-assessed expected timing of cash-flow towards subsidy receivable from the State Governments and has accordingly provided for time value of money. Consequently, an amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years. The Parent Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

NOTE 30 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

3) Liquidity Risk

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

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

The table below analyses derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
At 31st March, 2022					
Borrowings (Refer note 15)	731.12	48.20	-	779.32	775.66
Lease Liabilities (Refer note 16)	256.46	563.37	164.39	984.22	811.22
Trade Payables (Refer note 20)	4,164.30	-	-	4,164.30	4,164.30
Other financial liabilities (Refer note 17)	1,886.81	2.18	-	1,888.99	1,888.99
At 31st March, 2021					
Borrowings (Refer note 15)	334.05	20.04	-	354.09	340.23
Lease Liabilities (Refer note 16)	231.32	518.19	163.35	912.86	744.54
Trade Payables (Refer note 20)	3,378.72	-	-	3,378.72	3,378.72
Other financial liabilities (Refer note 17)	1,594.67	3.38	-	1,598.05	1,606.40

NOTE 30 (D) : CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 15 and equity attributable to owners of the Company, comprising issued capital, reserves and accumulated profits as presented in the Statements of changes in Equity.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

NOTE 31 : DIVIDEND

(₹ in Crores)

	Year 2021-22	Year 2020-21
Dividend on equity shares paid during the year		
Final dividend for the FY 2020-21 [₹ 14.50 (Previous year - ₹ 1.50) per equity share of ₹ 1 each]	1,390.84	143.88
Interim dividend for the FY 2021-22 [₹ 3.65 (Previous year - ₹ 3.35) per equity share of ₹ 1 each]	350.11	321.35
Total	**1,740.95**	**465.23**

Proposed Dividend:

The Board of Directors at its meeting held on 10th May, 2022 have recommended a payment of final dividend of ₹ 15.50 (Rupees fifteen and paise fifty only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2022. The same amounts to ₹ 1,486.76 crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

NOTE 32 : EMPLOYEE BENEFITS

1) Post-employment benefits :

The Group has the following post-employment benefit plans:

a) Defined benefit gratuity plan

The Parent and Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. In case of the Parent, the fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. In case of Indian subsidiaries, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

The International subsidiaries operate an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed stipulated years of their service with the respective subsidiaries.

As the plan assets include significant investments in quoted debt and equity instruments the parent is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Fair value of the Parent's own transferable financial instruments held as plan assets: NIL

b) Defined benefit pension plan

The Parent operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors.

c) Defined benefit post-retirement medical benefit plan

The Parent and certain overseas subsidiaries operate a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

d) Leaving Indemnity plan

Certain overseas subsidiaries provide Leaving Indemnity plan benefits based on last drawn basic salary at the time of separation in accordance with the local labour laws. These defined benefit plans are unfunded.

Asset-Liability Matching (for gratuity and pension plan funded)

Each year, the Board of Trustees and the Parent review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Parent decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Parent Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

Every two years an asset-liability matching study is performed in which the consequences of the investments are analyzed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no asset-liability-mismatch. There has been no change in the process used by the Parent to manage its risks from prior periods.

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

Investment Risk	These plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of which is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
Interest Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa. A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit 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 liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Actuarial Valuation

The above mentioned plans are valued by independent actuaries using the projected unit credit method. The information that follows is extracted from the actuarial reports of the subsidiaries. The independent actuaries who carried out the actuarial valuations as at 31st March, 2022 are as follows: -

1. TransValue Consultants
2. Padma Radya Aktuaria
3. Aon Consulting Private Ltd

The following tables summarise the components of net defined benefit expense recognised in the Consolidated Statement of Profit and Loss/OCI and the funded status and amounts recognised in the Balance Sheet for the respective plans:

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(i)	**Opening defined benefit obligation**	**233.66**	**201.64**	**1.63**	**1.58**	**34.06**	**31.91**
(ii)	Current service cost	**21.21**	15.32	**0.24**	0.20	**4.21**	3.86
(iii)	Interest cost	**16.06**	13.41	**0.10**	0.09	**2.33**	2.11
(iv)	Past Service Cost	**1.37**	9.56	**-**	-	**-**	-
(v)	Loss/(Gain) on Curtailments/ Settlements	**-**	-	**-**	-	**(1.14)**	-
(vi)	**Sub-total included in Statement of Profit and Loss (ii+iii+iv+v)**	**38.64**	**38.29**	**0.34**	**0.29**	**5.40**	**5.97**
(vii)	Experience adjustment (Gain) / Loss	**3.63**	13.31	**(0.15)**	0.13	**(0.15)**	(0.88)
(viii)	Financial (Gain) / Loss	**(8.19)**	(0.89)	**(0.04)**	(0.01)	**(3.41)**	1.02
(ix)	Demographic (Gain) / Loss	**(0.01)**	0.26	**-**	-	**2.92**	0.14
(x)	**Sub-total included in other comprehensive income (vii+viii+ix)**	**(4.57)**	**12.68**	**(0.19)**	**0.12**	**(0.64)**	**0.28**

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(xi)	Benefits paid	(24.07)	(18.95)	(0.34)	(0.36)	(3.43)	(3.01)
(xii)	Exchange Difference on Foreign Plans	-	-	-	-	(1.71)	(1.09)
(xiii)	**Closing defined benefit obligation (i+vi+x+xi+xii)**	**243.66**	**233.66**	**1.44**	**1.63**	**33.68**	**34.06**
(xiv)	**Opening fair value of plan assets**	**207.73**	**187.48**	**-**	**-**	**-**	**-**
(xv)	Expected return on plan assets	14.24	12.50	-	-	-	-
(xvi)	**Sub-total included in Statement of Profit and Loss (xv)**	**14.24**	**12.50**	**-**	**-**	**-**	**-**
(xvii)	Actuarial gains	(0.81)	6.84	-	-	-	-
(xviii)	**Sub-total included in other comprehensive income (xvii)**	**(0.81)**	**6.84**	**-**	**-**	**-**	**-**
(xix)	Contributions by employer	39.42	19.80	-	-	-	-
(xx)	Benefits paid	(23.62)	(18.89)	-	-	-	-
(xxi)	**Closing fair value of plan assets (xiv+xvi+xviii+xix+xx)**	**236.96**	**207.73**	**-**	**-**	**-**	**-**
	Net (Asset)/Liability (xiii-xxi)	**6.70**	**25.93**	**1.44**	**1.63**	**33.68**	**34.06**
(xxii)	**Expense recognised in:**						
(xxiii)	**Statement of Profit and Loss (vi-xvi)**	**24.40**	**25.79**	**0.34**	**0.29**	**5.40**	**5.97**
(xxiv)	**Statement of other comprehensive income (x-xviii)**	**(3.76)**	**5.84**	**(0.19)**	**0.12**	**(0.64)**	**0.28**

The major categories of plan assets of the fair value of the total plan assets for the Parent Company are as follows:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Government of India Securities (Central and State)	116.32	105.27
High quality corporate bonds (including Public Sector Bonds)	88.12	79.73
Equity shares, Equity mutual funds and ETF	17.31	9.39
Cash (including liquid mutual funds)	0.37	0.40
Others	6.51	4.31

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group plans are shown below:

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Discount Rate	6.78% to 7.34%	6.39% to 6.94%	7.27%	6.87%	3.50% to 14.70%	3.80% to 9.88%
Salary Escalation Rate	All Grades- 9% for first 2 years 8% thereafter	All Grades- 10% for first year 9% for second year 8% thereafter	-	-	0% to 13.00%	3.50% to 12.00%

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Crores)

	Defined Benefits Plan		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022#	As at 31.03.2021#
Defined Benefit Obligation - Discount Rate + 100 basis points	(18.98)	(17.54)	(0.08)	(0.09)	(0.06)	(0.23)
Defined Benefit Obligation - Discount Rate - 100 basis points	20.88	19.11	0.09	0.10	0.07	0.24
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	20.07	18.41	-	-	-	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(18.79)	(17.60)	-	-	-	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

The average duration of the defined benefit plan obligation at the end of the reporting period ranges from 6.92 years to 11.49 years (31st March, 2021: 6.87 years to 11.69 years.)

The Group expects to make a contribution of ₹ 26.63 crores (Previous year: ₹ 47.14 crores) to the defined benefit plans during the next financial years.

Sensitivity analysis does not include impact of overseas subsidiaries as the same is not material

e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Parent or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31st March, 2022.

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

e) **Provident Fund (Contd.)**

The details of benefit obligation and plan assets of the provident funds is as given below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of benefit obligation at period end	709.01	661.02
Plan assets at period end, at fair value, restricted to asset recognized in Balance Sheet	709.01	661.02

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	As at 31.03.2022	As at 31.03.2021
Discounting Rate	7.27%	6.87%
Expected Guaranteed interest rate	8.10%*	8.50%

*Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2021-22 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.30% for FY 2021-22.

2) Other Long term employee benefits:

Annual Leave and Sick Leave assumptions

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2022 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 14.81 crores (Previous Year: ₹ 33.90 crores)

(a) **Financial Assumptions**

Particulars	As at 31.03.2022	As at 31.03.2021
Discount Rate	3.50% to 14.70%	3.80% to 9.88%
Salary increases allowing for Price inflation	0% to 13.00%	3.50% to 12.00%

(B) **Demographic Assumptions**

Particulars	As at 31.03.2022	As at 31.03.2021
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	1.80% to 40%	1.80% to 30%
Leave Availment Ratio	2% to 5%	2% to 5%

3) Employee share based payment plans

During the year ended 31st March, 2022, the Group implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by shareholders in the Parent Company's 75th AGM held on 29th June, 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Group is not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Parent Company as on 12th May, 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Parent Company during the tenure of the Plan, subject to compliance with Applicable Law.

The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Parent Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Parent Company as defined under 2021 Plan.

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

3) Employee share based payment plans (Contd.)

Further, the 2021 Plan replaced the existing Deferred Incentive Scheme (which provided for deferred cash pay-outs based on performance of the employees and satisfaction of vesting conditions). Pursuant to launch of 2021 Plan, the eligible employees were given option to convert existing deferred incentive benefit for FY 2020-21 into ESOPs. Accordingly, stock options were granted to those employees opting for ESOPs.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the Statement of Changes in Equity.

a) **Details of Stock Options granted:**

Particulars	Grant 1	Grant 2	Grant 3
Grant Date	16th August 2021	16th August 2021	10th February 2022
Vesting Date	31st March 2024	31st March 2025	31st March 2025
Fair Value at Grant Date (₹)	1,685.13	1,752.87	1,884.83
Exercise Price (₹)*	1,518.70	1,518.70	1,632.53
Options outstanding at the beginning of the year	-	-	-
Options granted during the year	1,10,514	1,16,022	4,425
Options exercised during the year	-	-	-
Options forfeited during the year	-	-	-
Options lapsed during the year	2,160	2,718	-
Balance as at year end	**1,08,354**	**1,13,304**	**4,425**
Exercisable at period end	-	-	-
Weighted Average remaining contractual life (years)	3	4	4

*Also represents weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options.

b) **Fair Value of Stock Options granted:**

Fair Value of Stock Options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield		Exercise price
Assumptions:	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of shares during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price	**Market price at the time of grant of the option (₹)**	50% of Reference Share Price
Grant 1- 16th August, 2021	5.07%	3.12 years	34.67%	0.60%	2,987.55	1,518.70
Grant 2 - 16th August, 2021	5.50%	4.12 years	32.17%	0.60%	2,987.55	1,518.70
Grant 3 - 10th February, 2022	5.57%	3.63 years	33.93%	0.55%	3,228.35	1,632.53

During the year, the Group has recognized an expense of ₹ 10.94 crores (31st March, 21: Nil). This is net of reversal of provision of deferred incentive scheme of ₹ 2.45 crores.

NOTE 33 : RELATED PARTY TRANSACTIONS

Disclosure On Related Party Transactions as Required by Ind AS 24 - Related Party Disclosures is given below:

a) **Associates:**

PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited :

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited *

* The Company intends to cease its operations.

b) **Key Managerial Personnel:**

Name	Designation
Shri Amit Syngle	Managing Director & CEO
Shri R J Jeyamurugan	CFO & Company Secretary

Non-Executive Directors	
Late Shri. Abhay Vakil (upto 2nd November, 2021)	Shri. M.K. Sharma (upto 31st March, 2022)
Ms. Amrita Vakil	Ms. Nehal Vakil (w.e.f. 1st March, 2022)
Shri. Ashwin Dani	Mrs. Pallavi Shroff
Shri. Deepak Satwalekar (Chairman)	Shri. R Seshasayee
Shri. Jigish Choksi	Dr. S. Sivaram (upto 30th September, 2021)
Shri. Malav Dani	Shri. Suresh Narayanan
Shri. Manish Choksi (Vice Chairman)	Mrs. Vibha Paul Rishi
Shri. Milind Sarwate (w.e.f. 21st October, 2021)	

c) **Close family members of Key Managerial Personnel who are under the employment of the Company:**

Shri. Varun Vakil

d) **Entities where Directors/Close family members of Directors having control/significant influence:**

Addverb Technologies Pvt. Ltd.	Hitech Specialities Solutions Ltd.	Resins and Plastics Ltd.
Ankleshwar Industrial Development Society	Jalaj Trading And Investment Company Pvt. Ltd.	Ricinash Renewable Materials Pvt. Ltd. ##
Ashwin Suryakant Dani (HUF)	Jaldhar Investments And Trading Company Pvt. Ltd	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd	Lambodar Investments And Trading Company Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Satyadharma Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Shardul Amarchand Mangaldas & Co.
Dani Finlease Pvt. Ltd. @	Navbharat Packaging Industries Pvt. Ltd. *	Stack Pack Ltd. ^
Doli Trading and Investments Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
ELF Trading And Chemicals Mfg. Pvt. Ltd. ^^	Parekh Plast India Ltd. **	Suptaswar Investments And Trading Company Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Piramal Swasthya Management and Research Institute	Tru Trading And Investments Pvt. Ltd.
Gujarat Organics Ltd.	Pragati Chemicals Ltd. #	Unnati Trading And Investments Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Pratham Education Foundation	Vikatmev Containers Ltd.
Hitech Corporation Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	Hydra Trading Private Limited

* change in name w.e.f. 22nd December, 2021 (formerly known as Navbharat Packaging Industries Ltd.).
** till 31st December, 2020
# merged with Resins and Plastics Ltd from 1st August, 2020
formerly known as Ricinash Oil Mill Ltd. (till 25th August, 2021) & Ricinash Renewable Materials Ltd (till.7th March, 2022).
^ w.e.f. 20th January, 2021
^^ change in name w.e.f. 22nd December, 2021 (formerly known as ELF Trading And Chemicals Mfg. Ltd.).
@ change in name w.e.f. 7th February, 2022 (formerly known as Dani Finlease Ltd.).

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

e) **Other entities where significant influence exist :**

i) **Post employment-benefit plan entity:**

Asian Paints (India) Limited Employees' Gratuity Fund

ii) **Others :**

Asian Paints Office Provident Fund (Employee benefit plan)

Asian Paints Factory Employees' Provident Fund (Employee benefit plan)

Asian Paints Management Cadres' Superannuation Scheme (Employee benefit plan)

Terms and conditions of transactions with related parties:

1. The Group has been entering into transactions with related parties for its business purposes. Related party vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing, and cost advantage. Further related party vendors provide additional advantages in terms of:
   (a) Supplying products primarily to the Group,
   (b) Advanced and innovative technology,
   (c) Customization of products to suit the Group's specific requirements, and
   (d) Enhancement of the Group's purchase cycle and assurance of just in time supply with resultant benefits– notably on working capital.
2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions.

   Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.
3. The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Group.

Compensation of key management personnel of the Parent Company:

(₹ in Crores)

Particulars	2021-22	2020-21
Short-term employee benefits	23.38	18.50
Post-employment benefits	0.12	0.14
Total compensation paid to key management personnel	**23.50**	**18.64**

Details of transactions with and balances outstanding of associate companies:

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	6.78	1.67	7.09	2.59
	Purchase of Goods	3.57	2.06	0.44	0.38
	Purchase of Assets	0.42	-	-	-
	Processing Income	11.62	(0.13)	13.40	#
	Royalty Income	3.25	0.50	3.17	0.40
	Other Non Operating Income	7.38	0.93	8.76	0.71
	Processing charges	0.41	0.01	0.15	0.14
	Reimbursement of Expenses - received	0.19	0.08	0.67	0.23
	Reimbursement of Expenses - paid	0.02	-	0.45	-
Revocoat India Private Limited	Other Non Operating Income	0.19	0.02	0.18	#

Represents amounts less than ₹ 50,000/-

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP)/ Close Family Member of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22 Transaction value	2021-22 Outstanding amount	2020-21 Transaction value	2020-21 Outstanding amount
Shri Amit Syngle	Remuneration ^	13.75	6.66	10.42	4.58
	Dividend paid	#	-	#	-
Shri R J Jeyamurugan	Remuneration ^^	3.06	-	2.58	-
Late Shri. Abhay Vakil	Retiral benefits	0.05	-	0.07	-
	Remuneration	0.42	0.34	0.41	0.34
	Dividend paid	51.40	-	13.81	-
Ms. Amrita Vakil	Remuneration	0.46	0.34	0.40	0.34
	Dividend paid	4.66	-	1.24	-
Shri. Ashwin Dani	Retiral benefits	0.07	-	0.07	-
	Remuneration	0.46	0.36	0.46	0.42
	Dividend paid	3.58	-	0.96	-
Shri. Deepak Satwalekar	Remuneration	0.57	0.40	0.43	0.34
Shri. Jigish Choksi	Remuneration	0.44	0.34	0.38	0.34
	Dividend paid	3.62	-	0.97	-
Shri. Malav Dani	Remuneration	0.50	0.36	0.41	0.36
	Dividend paid	6.00	-	1.60	-
Shri. Manish Choksi	Revenue from sale of products	-	-	0.28	-
	Remuneration	0.55	0.38	0.45	0.38
	Dividend paid	4.34	-	1.16	-
Shri. Milind Sarwate	Remuneration	0.23	0.14	-	-
	Dividend paid	#	-	-	-
Shri. M.K. Sharma	Remuneration	0.61	0.40	0.49	0.40
Ms. Nehal Vakil	Remuneration	0.07	0.03	-	-
	Dividend paid	4.42	-	-	-
Mrs. Pallavi Shroff	Remuneration	0.45	0.34	0.38	0.34
Shri. R Seshasayee	Remuneration	0.58	0.38	0.45	0.36
	Dividend paid	#	-	#	-
Dr. S. Sivaram	Remuneration	0.21	0.18	0.41	0.36
Shri. Suresh Narayanan	Remuneration	0.54	0.38	0.45	0.38
Mrs. Vibha Paul Rishi	Remuneration	0.48	0.35	0.40	0.34
Shri. Varun Vakil (Close Family Members of KMP)	Remuneration	0.82	-	0.64	-
	Dividend paid	4.05	-	1.08	-
Others*	Dividend paid	101.79	-	28.53	-

^ Remuneration does not include Performance based incentive, Deferred incentive of ₹ 1.13 crores paid in 2021-22 (₹ 1.80 crores paid in 2020-21) for previous years and ₹ 3.59 crores worth of stock options for the current year (Previous year ₹ 2.47 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

^^ Remuneration does not include Deferred incentive of ₹ 0.25 crores paid in 2021-22 (₹ 0.15 crores paid in 2020-21) for previous years and ₹ 0.48 crores worth of stock options for the current year (Previous year - ₹ 0.48 crores in lieu of eligible deferred incentive) which will be subject to vesting conditions in accordance with the 2021 plan.

* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Represents amounts less than ₹ 50,000/-

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors:

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22 Transaction value	2021-22 Outstanding amount	2020-21 Transaction value	2020-21 Outstanding amount
Addverb Technologies Pvt Ltd.	Other Services - paid	0.38	0.07	0.75	0.39
	Revenue from sale of products	0.17	0.07	0.04	0.03
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	-	-	0.27	-
	Other Services - paid	0.04	(0.01)	-	-
Hitech Corporation Ltd.	Purchase of goods	514.35	2.44	380.68	2.24
Hitech Specialities Solutions Ltd.	Purchase of goods	22.12	1.86	0.63	0.18
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	8.06	0.39	6.09	0.57
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	13.62	1.02	4.71	0.52
	Other Services - paid	0.56	-	0.55	-
Parekh Plast India Ltd.	Purchase of goods	-	-	69.37	-
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	2.46	-	2.30	-
Pragati Chemicals Ltd.	Purchase of goods	-	-	0.10	-
Pratham Education Foundation	Corporate Social Responsibility Expenses	-	-	0.03	-
Resins and Plastics Ltd.	Purchase of goods	38.05	10.35	23.75	6.09
	Revenue from sale of products	0.14	#	#	-
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	20.04	#	15.17	0.58
Shardul Amarchand Mangaldas & Co.	Other Services - paid	2.34	0.76	1.21	0.70
Stack Pack Ltd.	Purchase of goods	8.91	1.40	0.40	0.34
Vikatmev Containers Ltd.	Purchase of goods	22.14	1.53	15.60	2.23
	Dividend paid	0.20	-	-	-
Hydra Trading Private Limited	Revenue from sale of products	0.16	(0.14)	-	-
Smiti Holding And Trading Company Private Limited	Revenue from sale of products	0.19	(0.10)	-	-
	Dividend paid	100.44	-	26.61	-
Sattva Holding and Trading Private Limited	Dividend paid	102.35	-	27.35	-
Others *	Dividend paid	532.26	-	142.28	-

* Dividend paid to Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Represents amounts less than ₹ 50,000/-

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Other Entities where significant influence exist:

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (India) Limited Employees' Gratuity Fund	Contributions during the year (includes Employees' share and contribution)	38.00	-	17.35	-
Asian Paints Office Provident Fund	Contributions during the year (includes Employees' share and contribution)	50.66	4.14	41.66	3.57
Asian Paints Factory Employees' Provident Fund	Contributions during the year (includes Employees' share and contribution)	34.84	2.88	30.33	2.78
Asian Paints Management Cadres Superannuation Scheme	Contributions during the year (includes Employees' share and contribution)	0.03	-	0.06	-

The Parent Company pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.

All the amounts reported in Note 33 are inclusive of GST wherever applicable

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NOTE 34 : INVESTMENT IN AN ASSOCIATE COMPANY

The Group has a 50% interest in PPG Asian Paints Private Limited, which is involved in the manufacture of original equipment manufacturer coatings. PPG Asian Paints Private Limited is a private entity that is not listed on any public exchange. The Group's interest in PPG Asian Paints Private Limited is accounted for using the equity method in the Consolidated Financial Statements. The following table illustrates the summarised financial information of the Group's investment in PPG Asian Paints Private Limited :

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Current Assets	944.12	870.72
Non-current Assets	503.82	505.16
Current Liabilities	(362.60)	(362.05)
Non-current Liabilities	(54.42)	(46.04)
Equity	**1,030.93**	**967.79**
Proportion of the Group's ownership interest	50%	50%
Carrying amount of the Group's interest*	515.47	483.90

* Includes share of capital reserve and other reserves in associate amounting to ₹ 0.05 crores (Previous year : ₹ 2.06 crores) (Refer note 14)

(₹ in Crores)

	2021-22	2020-21
Revenue	1,456.74	1,107.05
Cost of raw material and components consumed	(992.81)	(690.21)
Depreciation & amortization	(46.88)	(47.95)
Finance cost	(3.18)	(3.16)
Employee benefit	(126.04)	(121.78)
Other expenses	(201.58)	(167.41)
Profit before tax	**86.25**	**76.54**
Income tax expense	(23.11)	(19.34)
Profit for the year	**63.14**	**57.20**
Group's share of profit for the year	31.57	28.60
Group's share of other comprehensive income for the year	(0.05)	0.73
Group's total comprehensive income for the year	**31.52**	**29.33**

The associate had the following contingent liabilities and capital commitments:

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Contingent liabilities:		
Indirect Tax demands disputed in appeals	20.53	20.25
Direct Tax demand disputed in appeals	131.77	131.77
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	2.78	4.83

NOTE 35: SEGMENT REPORTING

Basis of Segmentation:

Factors used to identify the reportable segments

The Group has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes.

Reportable Segment	Products/Services
Paints	Manufacturing and/or trading of paints, décor products and related services
Home Improvement	Manufacturing and/or trading of Kitchen and Bath Fitting products along with related services

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

The measurement principles of segments are consistent with those used in Significant Accounting Policies. Inter-segment transactions are determined on an arm's length basis.

(₹ in Crores)

	2021-22			2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
A. SEGMENT REVENUE						
Gross Revenue	28,349.54	758.36	29,107.90	21,205.73	508.71	21,714.44
Inter-segment revenue	-	6.62	6.62	-	1.65	1.65
Total Segment Revenue	**28,349.54**	**751.74**	**29,101.28**	**21,205.73**	**507.06**	**21,712.79**
B. SEGMENT RESULT	4,377.36	(6.94)	4,370.42	4,505.66	(27.63)	4,478.03
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	751.06	10.17	761.23	720.52	11.00	731.52
Interest Income	23.89	0.08	23.97	27.17	0.24	27.41
Net foreign exchange loss	6.39	(1.14)	5.25	8.94	(0.33)	8.61
Finance costs	90.15	3.86	94.01	77.33	4.42	81.75
Share of profit in associate	31.57	-	31.57	28.60	-	28.60
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	**4,377.36**	**(6.94)**	**4,370.42**	4,505.66	(27.63)	4,478.03
Add/(Less):						
Interest Income			68.75			39.91
Depreciation and amortisation			(55.13)			(59.75)
Net foreign exchange gain			43.23			18.43
Dividend received			15.16			7.81
Net gain arising on financial assets measured at FVTPL			76.09			92.28
Finance costs			(1.40)			(9.88)
Income taxes			(1,102.91)			(1,097.60)
Other Un-allocable Expenses net of Un-allocable Income			(329.40)			(262.48)
PROFIT FROM CONTINUING OPERATION AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			**3,084.81**			**3,206.75**

NOTE 35: SEGMENT REPORTING (CONTD.)

(₹ in Crores)

	As at 31.03.2022			As at 31.03.2021		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
OTHER INFORMATION						
Segment assets	17,556.37	635.67	18,192.04	14,164.29	420.13	14,584.42
Un-allocable assets			4,792.41			5,785.20
Total assets			**22,984.45**			**20,369.62**
Segment liabilities	8,005.92	285.92	8,291.84	6,372.17	223.20	6,595.37
Un-allocable liabilities			493.52			545.10
Total liabilities			**8,785.36**			**7,140.47**
Capital expenditure	401.91	19.37	421.28	181.70	2.68	184.38
Un-allocable capital expenditure			116.33			19.03
Total			**537.61**			**203.41**

(₹ in Crores)

	2021-22	2020-21
REVENUE FROM OPERATIONS		
Domestic Operations	26,206.38	19,222.84
International Operations	2,894.90	2,489.95
Total	**29,101.28**	**21,712.79**

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
SEGMENT NON CURRENT ASSETS*		
Domestic Operations	5,253.68	5,242.47
International Operations	997.14	1,019.64
Total	**6,250.82**	**6,262.11**

* Non Current Assets are excluding Financial Instruments, Deferred tax assets and Post-employment benefit assets.

RECONCILIATION BETWEEN SEGMENT REVENUE AND REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	2021-22			2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
Revenue from sale of products	28,107.12	722.90	28,830.02	20,950.72	489.52	21,440.24
Revenue from sale of services	81.12	12.34	93.46	36.20	8.76	44.96
Other operating revenues	41.89	16.50	58.39	36.37	8.78	45.15
Add : Items not included in disaggregated revenue						
Subsidy from government	119.41	-	119.41	182.44	-	182.44
Total Segment Revenue	**28,349.54**	**751.74**	**29,101.28**	**21,205.73**	**507.06**	**21,712.79**
Adjustments :						
Add : Items not included in segment revenue						
i) Royalty received						
- From Associate Company	3.08	-	3.08	2.82	-	2.82
- Others	-	-	-	0.30	-	0.30
Less : Items not included in disaggregated revenue						
i) Lease rent	-	-	-	0.45	-	0.45
ii) Subsidy from government	119.41	-	119.41	182.44	-	182.44
Revenue from contracts with customers (Note 23B)	**28,233.21**	**751.74**	**28,984.95**	**21,025.96**	**507.06**	**21,533.02**

NOTE 36: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 :

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities) 2021-22		Share in Profit or Loss 2021-22		OCI 2021-22		TCI 2021-22	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Asian Paints Limited	94.0	13,349.09	101.6	3,134.72	32.0	(72.31)	107.1	3,062.41
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.3	44.84	0.2	5.16	0.1	(0.15)	0.2	5.02
Maxbhumi Developers Limited	0.1	12.46	(0.0)	(0.04)	-	-	(0.0)	(0.04)
Sleek International Private Limited	0.9	132.66	(0.3)	(9.20)	(0.1)	0.12	(0.3)	(9.08)
Asian Paints PPG Private Limited	0.7	101.13	0.5	15.38	0.1	(0.16)	0.5	15.23
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.2	177.37	1.6	48.05	-	-	1.7	48.05
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	5.6	788.40	(9.3)	(288.34)	-	-	(10.1)	(288.34)
Indirect Subsidiaries								
Samoa Paints Limited	0.0	4.15	0.0	0.80	-	-	0.0	0.80
Asian Paints (South Pacific) Pte Limited	0.3	40.16	0.3	9.98	-	-	0.3	9.98
Asian Paints (S I) Limited	0.0	4.93	0.1	2.74	-	-	0.1	2.74
Asian Paints (Vanuatu) Limited	0.0	3.73	0.0	0.87	-	-	0.0	0.87
Asian Paints (Middle East) SPC*	0.8	109.80	0.1	3.91	(0.2)	0.49	0.2	4.40
Asian Paints (Bangladesh) Limited	0.3	47.45	(0.3)	(9.09)	0.1	(0.24)	(0.3)	(9.32)
SCIB Chemicals S.A.E.	0.3	48.69	(0.8)	(24.72)	-	-	(0.9)	(24.72)
Berger Paints Bahrain W.L.L.	0.3	41.90	0.4	13.76	(0.0)	0.07	0.5	13.83
Berger Paints Emirates LLC	0.4	59.15	(1.5)	(44.85)	-	-	(1.6)	(44.85)
Nirvana Investments Limited	0.0	2.39	-	-	-	-	-	-
Enterprise Paints Limited	(0.1)	(15.41)	-	-	-	-	-	-
Universal Paints Limited	0.1	21.08	0.5	14.78	-	-	0.5	14.78
Kadisco Paint and Adhesive Industry Share Company	0.2	30.85	0.1	3.09	0.0	(0.03)	0.1	3.05
PT Asian Paints Indonesia	1.3	190.63	(2.7)	(82.74)	(0.0)	0.06	(2.9)	(82.68)
PT Asian Paints Color Indonesia	0.0	0.85	(0.0)	(0.22)	-	-	(0.0)	(0.22)
Causeway Paints Lanka (Pvt) Ltd (Refer note 40C)	0.9	122.64	(0.0)	(0.78)	(0.2)	0.42	(0.0)	(0.37)
Minority Interests in all subsidiaries	2.7	387.53	1.8	54.24	5.9	(13.35)	1.4	40.89
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	3.6	515.47	1.0	31.57	0.0	(0.05)	1.1	31.52
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(14.2)	(2,022.84)	6.7	205.75	62.3	(140.53)	2.3	65.22
Total	**100.0**	**14,199.09**	**100.0**	**3,084.81**	**100.0**	**(225.66)**	**100.0**	**2,859.15**

*With effect from 15th April, 2021 - Asian Paints (Middle East) SPC (earlier known as Asian Paints (Middle East) LLC)

Note: The above figures are before eliminating intra Group transactions and intra Group balances as at 31st March, 2022. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

NOTE 36: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.)

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities) 2020-21		Share in Profit or Loss 2020-21		OCI 2020-21		TCI 2020-21	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profit or loss	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
Asian Paints Limited	91.4	12,089.81	95.2	3,051.86	(889.6)	50.53	96.9	3,102.39
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.3	39.82	0.1	1.62	0.2	(0.01)	0.1	1.61
Maxbhumi Developers Limited	0.1	12.50	(0.0)	(0.05)	-	-	(0.0)	(0.05)
Sleek International Private Limited	0.5	61.74	(0.7)	(21.09)	3.0	(0.17)	(0.7)	(21.26)
Asian Paints PPG Private Limited	0.6	85.90	0.3	10.93	3.3	(0.19)	0.3	10.74
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.1	142.84	0.9	28.62	-	-	0.9	28.62
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	8.0	1,053.80	2.0	63.58	-	-	2.0	63.58
Indirect Subsidiaries								
Samoa Paints Limited	0.0	3.29	0.0	0.47	-	-	0.0	0.47
Asian Paints (South Pacific) Pte Limited	0.3	35.83	0.3	9.58	-	-	0.3	9.58
Asian Paints (Tonga) Limited	-	-	(0.0)	(0.21)	-	-	(0.0)	(0.21)
Asian Paints (S I) Limited	0.0	4.86	0.1	3.45	-	-	0.1	3.45
Asian Paints (Vanuatu) Limited	0.0	2.83	0.0	0.74	-	-	0.0	0.74
Asian Paints (Middle East) SPC*	0.4	50.28	0.1	4.66	(0.9)	0.05	0.1	4.71
Asian Paints (Bangladesh) Limited	0.4	55.99	0.1	1.59	7.4	(0.42)	0.0	1.17
SCIB Chemicals S.A.E.	0.6	85.21	0.4	12.56	-	-	0.4	12.56
Berger Paints Bahrain W.L.L.	0.3	41.77	0.7	23.43	(5.8)	0.33	0.7	23.76
Berger Paints Emirates LLC	0.8	101.49	0.4	12.31	(12.5)	0.71	0.4	13.02
Nirvana Investments Limited	0.0	2.38	0.1	2.97	-	-	0.1	2.97
Enterprise Paints Limited	(0.1)	(15.66)	0.3	9.90	-	-	0.3	9.90
Universal Paints Limited	0.2	21.15	0.6	19.52	-	-	0.6	19.52
Kadisco Paint and Adhesive Industry Share Company	0.3	34.44	0.3	8.75	(0.4)	0.02	0.3	8.77
PT Asian Paints Indonesia	0.7	88.40	(1.6)	(49.78)	0.9	(0.05)	(1.6)	(49.83)
PT Asian Paints Color Indonesia	0.0	0.26	(0.0)	(0.44)	-	-	(0.0)	(0.44)
Causeway Paints Lanka (Pvt) Ltd	1.4	180.39	1.2	39.83	9.6	(0.54)	1.2	39.29
Minority Interests in all subsidiaries	3.2	422.86	2.1	67.46	172.7	(9.81)	1.8	57.65
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	3.7	483.90	0.9	28.60	(12.9)	0.73	0.9	29.33
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(14.0)	(1,856.93)	(3.9)	(124.11)	825.0	(46.86)	(5.3)	(170.97)
Total	**100.0**	**13,229.15**	**100.0**	**3,206.75**	**100.0**	**(5.68)**	**100.0**	**3,201.07**

*With effect from 15th April, 2021 - Asian Paints (Middle East) SPC (earlier known as Asian Paints (Middle East) LLC)

Note: The above figures are before eliminating intra Group transactions and intra Group balances as at 31st March, 2021. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

NOTE 37: CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities:

(₹ in Crores)

		As at 31.03.2022	As at 31.03.2021
1	Performance Bonds and Immigration Bonds given by Subsidiaries	3.53	4.69
2	Claims against the Group not acknowledged as debts		
	i. Tax matters in dispute under appeal	449.91	337.09
	ii. Others	66.30	62.78

b) Commitments:

(₹ in Crores)

		As at 31.03.2022	As at 31.03.2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	i. Towards Property, Plant and Equipment	743.25	169.31
	ii. Towards Intangible Assets	15.27	14.45
2	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March.	373.47	265.74
3	For derivative contract related commitments (Refer note 30(C))	-	-

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE

A) Subsidiaries:

The subsidiary companies considered in the Consolidated Financial Statements are:

i) Direct Subsidiaries

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	52.71	52.71	14th Mar 2021 -14th Mar 2022
Asian Paints International Private Limited (APIPL)	Singapore	100.00	100.00	1st Apr 2021 -31st Mar 2022
Asian Paints Industrial Coatings Limited	India	100.00	100.00	1st Apr 2021 -31st Mar 2022
Maxbhumi Developers Limited	India	100.00	100.00	1st Apr 2021 -31st Mar 2022
Sleek International Private Limited	India	100.00	100.00	1st Apr 2021 -31st Mar 2022
Asian Paints PPG Private Limited	India	50.00	50.00	1st Apr 2021 -31st Mar 2022

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE (CONTD.)

A) Subsidiaries: (Contd.)

ii) Indirect Subsidiaries

a) Subsidiaries of Asian Paints (International) Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Enterprise Paints Limited	Isle of Man, U.K.	100.00	100.00	1st Apr 2021 -31st Mar 2022
Universal Paints Limited	Isle of Man, U.K.	100.00	100.00	1st Apr 2021 -31st Mar 2022
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00	1st Apr 2021 -31st Mar 2022
PT Asian Paints Indonesia	Indonesia	100.00	100.00	1st Apr 2021 -31st Mar 2022
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00	1st Apr 2021 -31st Mar 2022
Asian Paints (South Pacific) Limited	Fiji Islands	54.07	54.07	1st Apr 2021 -31st Mar 2022
Asian Paints (S.I.) Limited	Solomon Islands	75.00	75.00	1st Apr 2021 -31st Mar 2022
Asian Paints (Bangladesh) Limited	Bangladesh	89.78	89.78	1st Apr 2021 -31st Mar 2022
Asian Paints (Middle East) SPC*	Sultanate of Oman	100.00	49.00	1st Apr 2021 -31st Mar 2022
SCIB Chemicals S.A.E. #	Egypt	61.31	60.00	1st Apr 2021 -31st Mar 2022
Samoa Paints Limited	Samoa	80.00	80.00	1st Apr 2021 -31st Mar 2022
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00	60.00	1st Apr 2021 -31st Mar 2022
Causeway Paints Lanka (Pvt) Ltd (Refer note 40C)	Sri Lanka	99.98	100.00	1st Apr 2021 -31st Mar 2022
AP International Doha Trading WLL##	Qatar	100.00	-	-

* On 7th April, 2021, APIPL entered into a Share Purchase Agreement for purchase of non-controlling interest stake (51%) in Asian Paints (Middle East) SPC (earlier known as Asian Paints (Middle East) LLC), subsidiary of APIPL (by virtue of management control). The said transaction was concluded on 14th April, 2021.

On 31st May 2021, APIPL completed a buyout of 1.31% stake from certain minority shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

Asian Paints (Tonga) Limited has ceased its business operations w.e.f. 10th December, 2020 and liquidated all its assets & liabilities. The name of the Company was struck off from the registrar on 29th January, 2021.

On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved Scheme of amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ("Reno"), wholly owned subsidiary of the Parent Company, with the Parent Company.

Yet to commence operations

b) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00	1st Apr 2021 -31st Mar 2022

c) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Berger Paints Emirates LLC	U.A.E.	100.00	100.00	1st Apr 2021 -31st Mar 2022

d) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00	1st Apr 2021 -31st Mar 2022

B) Associates:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
PPG Asian Paints Private Limited	India	50.00	50.00	1st Apr 2021 -31st Mar 2022
Subsidiaries of PPG Asian Paints Private Limited:				
Revocoat India Private Limited	India	100.00	100.00	1st Apr 2021 -31st Mar 2022
PPG Asian Paints Lanka Private Limited**	Sri Lanka	100.00	100.00	1st Apr 2021 -31st Mar 2022

** The Company intends to cease its operations.

NOTE 39 : EXCEPTIONAL ITEMS

(₹ in Crores)

	Year 2021-22	Year 2020-21
1. Expected credit loss allowance on subsidy receivable from state governments (Refer note 1)	53.73	-
2. Exchange loss on devaluation of Sri Lanka currency (Refer note 2)	48.50	-
3. Impairment loss on Goodwill on consolidation in Causeway Paints (Refer note 3)	13.47	-
	115.70	-

1. The Parent Company has re-assessed expected timing of receipt of cashflow towards subsidy receivable from the State Governments, in accordance with Ind AS 109 – Financial Instruments and has accordingly provided for time value of money in the Consolidated Financial Statements for the year ended 31st March, 2022. Consequently:
   (a) An amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years.
   (b) Subsidy income under 'Other operating revenue' is lower by ₹ 31.10 crores.
   The Parent Company is confident about the ultimate realisation of the dues from the State Governments.
2. The current economic crisis in Sri Lanka has led to currency devaluation. This has resulted in recognition of an expense of ₹ 48.50 crores towards exchange loss arising on foreign currency obligations of Causeway Paints Lanka (Pvt.) Limited (Causeway Paints), subsidiary of the Group. Consequent to the currency devaluation, the Group has also recognized foreign currency translation loss of ₹ 139.87 crores on Consolidation of Financial Statements of Causeway Paints in the Other Comprehensive Income for the year ended 31st March, 2022.
3. The Group has made an assessment of the fair value of investment made in Causeway Paints taking into account the business performance, prevailing business conditions and revised expectations of the future performance considering ongoing economic crisis in Sri Lanka. Accordingly, the Group has recognized an impairment loss of ₹ 13.47 crores on the 'Goodwill on Consolidation', recognized on acquisition of Causeway Paints. The recoverable amount of the CGU is ₹ 262.27 crores determined based on its value in use considering a discount rate of 20.3%.

NOTE 40A :

A competitor of the Parent Company had filed a complaint with the Competition Commission of India (CCI) alleging the Parent Company to be hindering its entry in the decorative paints market by virtue of unfair use of the Parent Company's position of dominance in the market. On 14th January 2020, the CCI passed a prima facie Order under the provisions of the Competition Act, 2002 directing the Director General (DG) to conduct an investigation into the matter. The Parent Company had received notices seeking certain information and the Parent Company has provided the same from time to time. The Commission is yet to pass a final order in this regard.

NOTE 40B :

On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved Scheme of amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ("Reno"), wholly owned subsidiary of the Parent Company, with the Parent Company. Pursuant to the necessary filings with the Registrar of Companies, Mumbai, the scheme has become effective from 17th September, 2021 with the appointed date of 1st April, 2019. There is no impact of amalgamation on the Consolidated Financial Statements. The accounting treatment is in accordance with the approved scheme and Indian Accounting Standards.

NOTE 40C :

On 1st April, 2021, the Registrar General of Companies in Sri Lanka approved the scheme of amalgamation of Asian Paints (Lanka) Ltd. into Causeway Paints Lanka (Pvt) Ltd., subsidiaries of Asian Paints International Private Limited ('APIPL'). APIPL is a wholly owned subsidiary of Asian Paints Limited. This is a common control transaction and has no impact on the Consolidated Financial Statements.

NOTE 40D :

On 1st April, 2022, the Parent Company entered into the Shareholders Agreement and Share Subscription Agreement with the promoters of Weatherseal Fenestration Private Limited (hereinafter referred to as "Weatherseal Fenestration") for, inter alia, infusion of ₹ 19 crores (approx.) for 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to customary closing adjustments and conditions precedent. On fulfillment of such conditions, the acquisition of Weatherseal Fenestration shall be considered as completed and it will become a subsidiary. Further, in accordance with the Shareholders Agreement and the Share Subscription Agreement, the Parent Company has agreed to acquire further stake of 23.9% in Weatherseal Fenestration from its promoter shareholders, in a staggered manner, over the next 3 years period. There is no impact of the above business acquisition on the Consolidated Financial Statements.

NOTE 40E:

On 1st April, 2022, the Parent Company entered into a Share Purchase Agreement and other definitive documents with the shareholders of Obgenix Software Private Limited (popularly known by the brand name of 'White Teak') for the acquisition of 100% of its equity share capital in a staggered manner over the period of next 3 years, subject to certain conditions. The Parent Company has acquired 49% of its equity share capital for a consideration of ₹ 180 crores (approx.) along with an earn out upto a maximum of ₹ 114 crores, payable after a year, subject to achievement of mutually agreed financial milestones. The remaining 51% of the equity share capital would be acquired in a staggered manner. White Teak has become an associate from the date of acquisition. There is no impact of the above business acquisition on the Consolidated Financial Statements.

NOTE 41 : EARNING PER SHARE

Particulars	2021-22	2020-21
Basic earnings per share in rupees (face value – ₹1 per share) (In ₹)	31.60	32.73
Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	31.60	32.73
Profit after tax attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	3,030.57	3,139.29
Number of equity shares outstanding during the year used for computing basic earnings per share	95,91,97,790	95,91,97,790
Less: Weighted average shares held by ESOP trust as treasury shares	1,20,488	-
Weighted average number of equity shares outstanding during the year used for computing basic earnings per share	95,90,77,302	95,91,97,790
Add: Options granted to employees#	23,717	-
Weighted average number of equity shares outstanding during the year used for computing diluted earnings per share	95,91,01,018	95,91,97,790

41 stock options are excluded from calculating weighted average number of outstanding equity shares for the purpose of diluted EPS for 31st March, 2022 (Previous year - Nil) as these are anti-dilutive.

Earnings Per Share amounts are calculated by dividing the profit for the year attributable to owners of the Parent by the weighted average number of Equity shares outstanding during the year.

NOTE 42 : PURSUANT TO IND AS-116 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED:

I) Assets given on operating leases

a) Certain subsidiaries have provided tinting systems to its dealers on an operating lease basis. The lease period is four years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.

b) Future minimum lease rentals receivable as at 31st March, 2022 as per the lease agreements:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Not later than 1 year	0.11	0.18
Later than 1 year and not later than 5 years	0.08	0.22
Later than 5 years	-	-
Total	**0.19**	**0.40**

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the respective companies and the dealers and variation made thereto. The lease rentals are reviewed periodically taking into account prevailing market conditions.

c) The initial direct cost relating to acquisition of tinting system is capitalised.

d) The information on gross amount of leased assets, depreciation and impairment is given in Note 2B.

NOTE 42 : PURSUANT TO IND AS-116 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED: (CONTD.)

II) Assets given on finance lease

a) A subsidiary has given some of its plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.

b) The total gross investment in these leases and the present value of minimum lease payment receivable as at 31st March, 2022 and 31st March, 2021 is as under:

(₹ in Crores)

	As at 31.03.2022			As at 31.03.2021		
	Gross investments in lease	Unearned finance income	Present value receivables	Gross investments in lease	Unearned finance income	Present value receivables
Not later than 1 year	0.38	0.01	0.37	0.75	0.03	0.72
Later than 1 year and not later than 5 years	-	-	-	-	-	-
Later than 5 years	-	-	-	-	-	-
Total	**0.38**	**0.01**	**0.37**	**0.75**	**0.03**	**0.72**

NOTE 43 : MOVEMENT IN OTHER PROVISIONS

Pursuant to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to movement in provisions is as follows:

(₹ in Crores)

Particulars	Provision for Excise[1]		Provision for Sales Tax[2]		Provision for Warranties[3]		Other Provisions[4]	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Opening Balance	2.24	2.24	28.93	22.95	0.54	0.74	-	0.15
Additions	-	-	2.41	9.37	0.52	0.36	-	-
(Utilizations)	-	-	(1.20)	(0.38)	(0.39)	(0.56)	-	(0.15)
(Reversals)	(0.74)	-	(3.26)	(3.06)	-	-	-	-
Currency Translation	-	-	(0.05)	0.05	-	-	-	-
Closing Balance	**1.50**	**2.24**	**26.83**	**28.93**	**0.67**	**0.54**	**-**	**-**

These provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty, Sales tax). The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Group is not able to reasonably ascertain the timing of the outflow.

1) Excise provision made towards matters disputed at various appellate levels.
2) Sales tax provisions made towards non-receipt of 'C' forms and other matters disputed at various appellate level.
3) Provision for warranties represents management's best estimate of the liability for warranties granted on paints by some of the subsidiaries based on past experience of claims.
4) Provision for other statutory liabilities represent provision for probable outflow towards employee related statutory liabilities.

NOTE 44A : CHANGES IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES:

(₹ in Crores)

	As at 31.03.2021	Cash flows	Other Changes	Non-cash changes				As at 31.03.2022
				Net Additions	Fair value changes	Current/ Non-current classification	Foreign currency translation differences	
Borrowings- Non current (Refer note 15)	14.53	39.87	-	-	1.85	-	(11.71)	**44.54**
Borrowings- Current (Refer note 15)	334.05	284.79	109.58	-	-	-	2.70	**731.12**
Lease Liabilities (Refer note 16)	744.54	(221.40)	-	287.31	-	-	0.77	**811.22**
Other liabilities (Refer note 19)	5.17	-	-	-	(1.76)	-	0.00	**3.41**

(₹ in Crores)

	As at 31.03.2020	Cash flows	Other Changes	Non-cash changes				As at 31.03.2021
				Net Additions	Fair value changes	Current/ Non-current classification	Foreign currency translation differences	
Borrowings- Non current (Refer note 15)	18.63	2.14	-	-	1.75	(8.35)	0.36	14.53
Borrowings- Current (Refer note 15)	336.06	23.57	(38.78)	-	-	8.35	4.85	334.05
Lease Liabilities (Refer note 16)	763.81	(202.95)	-	179.80	-	-	3.88	744.54
Other liabilities (Refer note 19)	6.89	-	-	-	(1.72)	-	-	5.17

NOTE 44B:

Total cash flows for leases including variable lease payments is ₹ 441.00 crores (Previous year - ₹ 387.26 crores) which includes finance cost on lease liability of ₹ 56.73 crores (Previous year - ₹ 57.46 crores).

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NOTE 45A: RELATIONSHIP WITH STRUCK OFF COMPANIES

Details of struck off companies with whom the Group has transaction during the year or outstanding balance:

(₹ in Crores)

Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2022	As at 31.03.2021
Asian Paints Limited	Tirupati Suppliers Pvt Ltd	Receivables	0.40	0.40
Asian Paints Limited	Citi Square Modular Industries Pvt Ltd	Receivables	0.09	0.09
Asian Paints Limited	K.A.S. Housing Pvt Ltd	Receivables	0.01	0.01
Asian Paints Limited	Milestone Market Research And Event Management Pvt Ltd	Payables	-	(0.03)
Asian Paints Limited	Maxin Hydro Dynamic India Pvt Ltd	Payables	-	0.00*
Asian Paints Limited	Khatushyam Engineers Pvt Ltd	Payables	(0.01)	(0.03)
Asian Paints Limited	Gomistri Services Pvt Ltd	Payables	0.00*	0.00*
Asian Paints Limited	S E Security Services Pvt Ltd	Payables	-	(0.09)
Asian Paints Limited	Safna Consultancy Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Siddha Papers Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Fairtrade Securities Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Unicon Fincap Pvt Ltd	Unclaimed Dividend	0.00*	-
Asian Paints Limited	Fairgrowth Investments Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Fairgrowth Financial Services Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Empyrean Consultant Pvt Ltd	Unclaimed Dividend	0.00*	-
Asian Paints Limited	Salil Archana Invests Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Chinmaya Estates Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Sunhari Trading And Commerce Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Palkhi Investment And Trading Company Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Alliance Invest And Finance Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Pax Holdings Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Smita Commercial Investment Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Optimist Finvest And Trading Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Kinnari Investments Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	Mulraj Holdings & Finance Pvt Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints Limited	BOI Finance Ltd	Unclaimed Dividend	0.00*	0.00*
Asian Paints PPG Private Limited	Surface Care Technologist Pvt Ltd	Receivables	0.21	0.21
Asian Paints PPG Private Limited	Algypug Enclosures Private Limited	Receivables	0.05	0.05
Asian Paints PPG Private Limited	S S G M Sales (India) Private Limited	Receivables	0.03	0.03
Asian Paints PPG Private Limited	G.S. Lighting (P) Ltd	Receivables	0.05	0.05
Asian Paints PPG Private Limited	Urban Water Supply Private Limited	Receivables	0.02	0.02
Sleek International Private Limited	Sarovar Portico	Payables	-	-
Sleek International Private Limited	Renest-Unique Mercantile India Ltd.	Payables	-	-

* Amounts are below ₹ 1 Lakh

NOTE 45A: RELATIONSHIP WITH STRUCK OFF COMPANIES (CONTD.)

Below struck off companies are equity shareholders of the Parent Company as on the Balance Sheet date

Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company
Asian Paints Limited	Shanti Credit And Holdings Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Safna Consultancy Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Siddha Papers Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Fairtrade Securities Ltd	Shares held by struck off Company
Asian Paints Limited	Unicon Fincap Private Ltd	Shares held by struck off Company
Asian Paints Limited	Fairgrowth Investments Ltd	Shares held by struck off Company
Asian Paints Limited	Fairgrowth Financial Services Ltd	Shares held by struck off Company
Asian Paints Limited	Empyrean Consultant Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Aloke Speciality Machines And Components Pvt Ltd	Shares held by struck off Company

None of the above mentioned struck off companies are related party of the Group.

NOTE 45B: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

(i) The Parent and Indian subsidiaries do not have any benami property held in their name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Parent and Indian Subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Parent and Indian subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I The Parent and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Parent and Indian Subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vi) The Group has not traded or invested in crypto currency or virtual currency during the year.

(vii) The Parent and Indian Subsidiaries do not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

(viii) The Parent and Indian Subsidiaries have working capital facilities sanctioned by bank on the basis of security of current assets, inventories and trade receivables. Quarterly statements of current assets filed by the Parent and Indian subsidiaries with bank are in agreement with the books of accounts. The Group has not used borrowings for purpose other than specified purpose of the borrowing.

NOTE 46 :

The Consolidated Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 10th May, 2022.

Form AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

All figures except exchange rates in ₹ crores

Sl No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Reporting period	Share Capital	Reserves & Surplus	Total Liabilities	Total Assets	Investments ~	Turnover	PBT	Tax provision	PAT*	Dividends for the year	% of Share holding
1	Asian Paints (Bangladesh) Ltd	BDT	0.88	Apr 21 to Mar 22	77.83	(24.99)	409.58	462.43	-	433.30	(4.00)	(5.98)	(9.98)	-	89.78
2	Asian Paints (Middle East) SPC	OMR	197.20	Apr 21 to Mar 22	22.13	87.68	122.83	232.63	-	245.29	4.60	(0.63)	3.97	-	100.00
3	Asian Paints (Nepal) Pvt Ltd	NPR	0.63	14 Mar 21 to 14 Mar 22	3.90	332.60	177.55	514.05	-	471.80	109.84	(18.97)	90.87	23.39	52.71
4	Asian Paints (S.I.) Ltd	SBD	9.46	Apr 21 to Mar 22	0.60	5.97	4.22	10.79	-	11.68	3.84	(0.12)	3.72	3.78	75
5	Asian Paints (South Pacific) Pte Ltd	FJD	36.48	Apr 21 to Mar 22	5.24	69.03	31.01	105.28	-	107.10	22.91	(4.19)	18.72	12.13	54.07
6	Asian Paints (Vanuatu) Ltd	VUV	0.66	Apr 21 to Mar 22	2.04	4.18	0.77	6.99	-	6.32	1.43	-	1.43	-	60
7	Asian Paints Industrial Coatings Ltd	INR	1.00	Apr 21 to Mar 22	30.45	14.39	5.32	50.15	15.99	17.02	5.43	(0.27)	5.16	-	100
8	Asian Paints International Private Ltd	SGD	55.88	Apr 21 to Mar 22	839.94	(51.54)	431.70	1,220.10	-	-	(286.76)	(4.70)	(291.46)	-	100
9	Berger Paints Bahrain W.L.L.	BHD	201.93	Apr 21 to Mar 22	8.44	33.45	37.00	78.90	-	110.21	13.96	-	13.96	15.14	100
10	Berger Paints Emirates LLC	AED	20.60	Apr 21 to Mar 22	36.67	57.09	222.16	315.92	-	414.70	(45.51)	-	(45.51)	-	100
11	Kadisco Paint and Adhesive Industry Share Company	ETB	1.48	Apr 21 to Mar 22	48.85	11.64	60.18	120.67	1.04	102.38	7.43	(1.88)	5.55	0.15	51
12	Enterprise Paints Ltd	GBP	99.39	Apr 21 to Mar 22	1.45	(16.85)	15.41	#	-	-	-	-	-	-	100
13	Maxbhumi Developers Limited	INR	1.00	Apr 21 to Mar 22	0.42	12.04	2.31	14.77	-	-	(0.04)	-	(0.04)	-	100
14	Nirvana Investments Ltd	GBP	99.39	Apr 21 to Mar 22	#	1.88	-	1.88	-	-	-	-	-	-	100
15	Samoa Paints Ltd	WST	30.10	Apr 21 to Mar 22	0.27	4.92	1.05	6.24	-	7.34	1.39	(0.38)	1.01	-	80
16	SCIB Chemicals S.A.E.	EGP	4.15	Apr 21 to Mar 22	7.47	71.96	148.27	227.70	-	390.99	(43.90)	9.84	(34.06)	12.45	61.307
17	Universal Paints Ltd	GBP	99.39	Apr 21 to Mar 22	4.27	14.02	-	18.28	-	-	14.41	-	14.41	14.41	100
18	PT Asian Paints Indonesia	IDR	0.01	Apr 21 to Mar 22	494.30	(303.66)	50.60	241.24	-	72.97	(83.94)	-	(83.94)	-	100
19	PT Asian Paints Color Indonesia	IDR	0.01	Apr 21 to Mar 22	16.44	(15.59)	0.03	0.88	-	-	(0.23)	-	(0.23)	-	100
20	Sleek International Private Limited	INR	1.00	Apr 21 to Mar 22	0.29	132.37	190.84	323.50	#	409.57	(9.20)	-	(9.20)	-	100
21	Causeway Paints Lanka (Pvt) Ltd	LKR	0.25	Apr 21 to Mar 22	53.18	69.48	203.64	326.31	-	347.68	(0.60)	(0.04)	(0.56)	-	99.98
22	AP International Doha Trading WLL	QAR	20.92	-	-	-	-	-	-	-	-	-	-	-	-
	1. Names of subsidiaries which are yet to commence operations						AP International Doha Trading WLL								
	2. Names of subsidiaries which have been liquidated or sold during the last year.						NIL								

NOTE:

1. On 1st April 2021, the Registrar General of Companies in Sri Lanka approved the scheme of Amalgamation of Asian Paints (Lanka) Limited into Causeway Paints Lanka (Pvt) Limited.
2. Reno has merged with the Parent Company on 17th September, 2021 w.e.f. appointed date i.e. 1st April, 2019

~ Investments other than in subsidiary companies

Amounts less than ₹ 1 Lac

* PAT does not include Other Comprehensive Income.

Note - Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31.03.2022.

PART "B": JOINT VENTURES

Sl No.	Name of Joint Ventures	Asian Paints PPG Private Limited	PPG Asian Paints Private Limited
1	Latest audited Balance Sheet Date	31st March, 2022	31st March, 2022
2	Shares of Joint Ventures held by the Company as at year end (number of shares)	52,43,961	2,85,18,112
	Amount of Investment in Joint Venture	₹ 30.47 Crores	₹ 81.43 Crores
	Extent of Holding %	50%	50%
3	Description of how there is significant influence	Not Applicable	Not Applicable
4	Reason why the joint venture is not consolidated	Consolidated	Consolidated
5	Net worth attributable to Shareholders as per latest audited Balance Sheet	₹ 101.13 Crores	₹ 515.47 Crores
6	Profit for the year		
	i. Considered in Consolidation	₹ 30.77 Crores	₹ 31.57 Crores
	ii. Not Considered in Consolidation	NIL	₹ 31.57 Crores

1. Names of joint ventures which are yet to commence operations - NIL
2. Names of joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN No: 00009627

Amit Syngle
Managing Director & CEO
DIN No: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN No: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022