Independent Auditors' 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, 2020, 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, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 1.4 (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, substantive testing for cut-offs and analytical review procedures.
Impairment of goodwill in Consolidated Financial Statements (Refer note 1.4 (e) and Note 3A of the Consolidated Financial Statements)	
The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 319.99 crores, including ₹ 35.36 crores towards acquisition of bath fitting business recognized in the standalone financial statements of the Parent, while the balance emanates from the subsidiaries. Goodwill is required to be tested annually for impairment. To this end, 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) and additionally considered fair values less costs to sell in respect of certain subsidiaries. Determination of ViU and fair values less costs to sell determined by reference	Our audit procedures to the extent the goodwill is recognised in the standalone financial statements of the Parent included, reviewing the approach adopted for testing impairment including the method used for determination of ViU, testing the design, implementation and operating effectiveness of controls over the process of impairment assessment and performing substantive testing in respect of financial projections for their accuracy, reviewing the assumptions used for reasonableness and involving fair value specialists. We challenged the assumptions made by the management of the Parent in relation to the ViU computation. We also reviewed the sensitivity analysis performed by the management of the Parent on the key assumptions.

The Key Audit Matter	How was the matter addressed in our audit
to share prices of comparable listed companies, involves significant estimates, assumptions and judgements as regards determination of method to be used for ViU / fair value calculations, reasonableness of assumptions involved in developing projections of financial performance, identification of comparable companies etc., and are therefore susceptible to material misstatement due to error or fraud. The key assumptions applied in the impairment reviews are described in note 3A of the Consolidated Financial Statements.	To the extent, goodwill relates to the subsidiaries, component auditor has reviewed the ViU calculations/fair value less costs to sell computation for compliance with generally accepted methodologies, assess management's estimates of key inputs (discount rates, growth rates and profit margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analysis to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We have reviewed the working papers of 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, Report on Corporate governance 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

Independent Auditors' Report (Contd.)

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 21 subsidiaries, whose financial statements/consolidated financial information reflect total assets of ₹ 3,302.82 crores as at 31st March, 2020, total revenues of ₹ 2,362.85 crores and net cash outflows (net) amounting to ₹ 101.83 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 50.74 crores for the year ended 31st March, 2020, 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

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, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

Abhijit A. Damle
Partner
Membership No 102912
UDIN: 20102912AAAADF3540

Mumbai
June 23,2020

Annexure "A" to the Independent Auditors' 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 Group as of and for the year ended 31st March, 2020, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of 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, 2020, based on the criteria for internal 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 5 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

Abhijit A. Damle
Partner
Membership No 102912
UDIN: 20102912AAAADF3540

Mumbai
June 23,2020

Consolidated Balance Sheet

as at 31st March, 2020

(₹ in Crores)

	Notes	As at 31.03.2020	As at 31.03.2019 (Restated)**	As at 01.04.2018 (Restated)**
ASSETS				
Non-Current assets				
Property, Plant and Equipment	2A	**4,764.76**	5,030.44	2,899.53
Right of Use assets	2B	**920.09**	871.12	721.05
Capital work-in-progress		**140.24**	209.67	1,405.11
Goodwill	3A	**319.99**	321.30	327.26
Other Intangible Assets	3B	**267.47**	273.70	286.51
Investments in Associate	4	**456.63**	405.83	364.87
Financial Assets				
Investments	4	**1,049.74**	988.22	718.15
Loans	5	**68.24**	78.60	81.47
Trade Receivables	6	**4.21**	6.09	6.43
Other Financial Assets	7	**248.31**	226.79	151.28
Deferred Tax Assets (Net)	21	**16.80**	29.26	20.28
Current Tax Assets (Net)	9	**253.09**	158.87	68.30
Other Non-Current assets	10	**65.09**	51.26	309.51
		8,574.66	**8,651.15**	**7,359.75**
Current assets				
Inventories	11	**3,389.81**	3,149.86	2,658.31
Financial Assets				
Investments	4	**512.48**	1,174.53	1,056.67
Trade Receivables	6	**1,795.22**	1,907.33	1,730.63
Cash and Cash Equivalents	8A	**563.83**	275.97	312.12
Other Balances with Banks	8B	**219.00**	168.91	92.53
Loans	5	**18.67**	15.59	12.81
Other Financial Assets	7	**781.65**	525.97	580.78
Assets classified as Held for Sale	12	**13.86**	14.93	15.00
Other Current Assets	10	**285.59**	393.86	455.23
		7,580.11	**7,626.95**	**6,914.08**
Total Assets		**16,154.77**	**16,278.10**	**14,273.83**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	13	**95.92**	95.92	95.92
Other Equity	14	**10,034.24**	9,374.63	8,268.84
Equity attributable to owners of the Company		**10,130.16**	**9,470.55**	**8,364.76**
Non-Controlling Interests	14	**403.53**	361.25	326.21
		10,533.69	**9,831.80**	**8,690.97**
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	15	**18.63**	19.06	27.90
Lease Liabilities	16	**589.94**	541.64	392.54
Other Financial Liabilities	17	**2.94**	3.65	4.99
Provisions	18	**180.75**	155.59	140.12
Deferred Tax Liabilities (Net)	21	**443.80**	543.27	394.41
Other Non-Current Liabilities	19	**4.64**	2.99	3.24
		1,240.70	**1,266.20**	**963.20**
Current Liabilities				
Financial Liabilities				
Borrowings	15	**321.48**	596.53	492.42
Lease Liabilities	16	**173.87**	151.38	168.65
Trade Payables				
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	**60.72**	61.37	39.88
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	**2,075.85**	2,332.92	2,120.07
Other Financial Liabilities	17	**1,374.34**	1,651.34	1,363.68
Other Current Liabilities	19	**131.61**	163.87	282.89
Provisions	18	**62.46**	76.21	56.60
Current Tax Liabilities (Net)	22	**180.05**	146.48	95.47
		4,380.38	**5,180.10**	**4,619.66**
Total Equity and Liabilities		**16,154.77**	**16,278.10**	**14,273.83**
Significant accounting policies and Key accounting estimates and judgements	1			
See accompanying notes to the consolidated financial statements	2-45			

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

Amit Syngle
Managing Director & CEO
DIN:07232566

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

R.J.Jeyamurugan
CFO & Company Secretary

Mumbai
23rd June, 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(₹ in Crores)

Particulars	Notes	Year 2019-20	Year 2018-19 (Restated)**
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	23A	**20,025.96**	19,027.55
Revenue from Sale of Services	23A	**22.36**	43.15
Other Operating Revenues	23A	**162.93**	177.75
Other Income	24	**304.31**	233.04
TOTAL INCOME (I)		20,515.56	**19,481.49**
EXPENSES			
Cost of Materials Consumed	25A	**10,091.78**	10,319.25
Purchases of Stock-in-Trade	25B	**1,530.83**	1,238.58
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25C	**(239.15)**	(293.26)
Excise Duty		**-**	8.32
Employee Benefits Expenses	26	**1,366.09**	1,236.83
Other Expenses	27	**3,299.93**	2,973.19
TOTAL EXPENSES (II)		16,049.48	**15,482.91**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		4,466.08	**3,998.58**
Finance Costs	28	**102.33**	105.27
Depreciation and Amortisation Expense	29	**780.50**	622.14
PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATE		3,583.25	**3,271.17**
SHARE OF PROFIT OF ASSOCIATE	35	50.74	**40.73**
PROFIT BEFORE TAX		3,633.99	**3,311.90**
Tax Expense	21		
(1) Current Tax		**944.65**	940.35
(2) Short tax provision for earlier years		**5.48**	2.40
(3) Deferred Tax		**(95.28)**	155.31
Total tax expense		854.85	**1,098.06**
PROFIT FROM CONTINUING OPERATIONS		2,779.14	**2,213.84**
(Loss)/ Profit before tax from discontinued operations		**(5.73)**	(7.28)
Tax (benefit)/ expense of discontinued operations		**(0.78)**	(1.48)
(LOSS)/PROFIT FROM DISCONTINUED OPERATIONS	32A	(4.95)	**(5.80)**
PROFIT FOR THE YEAR		2,774.19	**2,208.04**
OTHER COMPREHENSIVE INCOME (OCI)			
(A) Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of the defined benefit plans (Refer note 33)		**(11.61)**	(39.61)
(ii) Income tax benefit relating to remeasurement of defined benefit plans		**1.19**	14.07
(b) (i) Net fair value gain on investments in equity instruments through OCI		**66.44**	9.35
(ii) Income tax (expense) on net fair value gain on investment in equity instruments through OCI		**(8.71)**	-
(c) Share of OCI in associate		**0.06**	0.24
(B) Items that will be reclassified to Profit or Loss			
(a) (i) Net fair value gain/(loss) on investment in debt instruments through OCI		**2.81**	(1.32)
(ii) Income tax (expense)/benefit on net fair value gain/(loss) on investment in debt instruments through OCI		**(0.32)**	0.15
(b) Exchange difference arising on translation of foreign operations		**8.45**	3.36
TOTAL OTHER COMPREHENSIVE INCOME		58.31	**(13.76)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,832.50	**2,194.28**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
-Owners of the Company		**2,705.17**	2,155.92
-Non-controlling interest		**69.02**	52.12
		2,774.19	**2,208.04**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
-Owners of the Company		**50.44**	(22.95)
-Non-controlling interest		**7.87**	9.19
		58.31	**(13.76)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
-Owners of the Company		**2,755.61**	2,132.97
-Non-controlling interest		**76.89**	61.31
		2,832.50	**2,194.28**
Earnings per equity share (Face value of ₹ 1 each)	41		
(1) Basic and Diluted Earnings Per Share from continuing operations (EPS) (₹)		**28.25**	22.54
(2) Basic and Diluted Earnings Per Share from discontinued operations (EPS) (₹)		**(0.05)**	(0.06)
(3) Basic and Diluted Earnings Per Share from continuing and discontinued operations (EPS) (₹)		**28.20**	22.48
Significant accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the consolidated financial statements	2-45		

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

Amit Syngle
Managing Director & CEO
DIN:07232566

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

R.J.Jeyamurugan
CFO & Company Secretary

Mumbai
23rd June, 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2020

A) EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the reporting year	**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)

	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	Other Reserves	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2018 (A)	**39.16**	**44.38**	**5.37**	**12.94**	**4,715.75**	**3,547.78**	**(15.72)**	**1.16**	**(137.02)**	**101.55**	**(1.04)**	**8,314.31**	**327.65**	**8,641.96**
Changes on account of Ind AS 116 (Refer note 32B)	-	-	-	-	-	(45.47)	-	-	-	-	-	(45.47)	(1.44)	(46.91)
Balance as at 1st April, 2018 (A)**	**39.16**	**44.38**	**5.37**	**12.94**	**4,715.75**	**3,502.31**	**(15.72)**	**1.16**	**(137.02)**	**101.55**	**(1.04)**	**8,268.84**	**326.21**	**8,595.05**
Additions during the year :														
Profit for the year	-	-	-	-	-	2,155.92	-	-	-	-	-	2,155.92	52.12	2,208.04
Items of OCI for the year, net of tax														
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	(5.66)	-	-	(5.66)	9.02	3.36
Remeasurement of the defined benefit plans	-	-	-	-	-	(25.71)	-	-	-	-	-	(25.71)	0.17	(25.54)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	9.35	-	9.35	-	9.35
Net fair value (loss) on investment in debt instruments through OCI				-	-	-	-	(1.17)	-	-	-	(1.17)	-	(1.17)
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	-	0.24	0.24	-	0.24
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**2,130.21**	**-**	**(1.17)**	**(5.66)**	**9.35**	**0.24**	**2,132.97**	**61.31**	**2,194.28**
Reductions during the year :														
Dividends (Refer note 31)	-	-	-	-	-	(853.68)	-	-	-	-	-	(853.68)	(26.27)	(879.95)
Income tax on Dividend (Refer note 31)	-	-	-	-	-	(173.50)	-	-	-	-	-	(173.50)	-	(173.50)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.74	-	(0.74)	-	-	-	-	-	-	-	-
Total (C)	**-**	**-**	**-**	**0.74**	**-**	**(1,027.92)**	**-**	**-**	**-**	**-**	**-**	**(1,027.18)**	**(26.27)**	**(1,053.45)**
Balance as at 31st March, 2019 (A+B+C)**	**39.16**	**44.38**	**5.37**	**13.68**	**4,715.75**	**4,604.60**	**(15.72)**	**(0.01)**	**(142.68)**	**110.90**	**(0.80)**	**9,374.63**	**361.25**	**9,735.88**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

B) OTHER EQUITY (CONTD.)

(₹ 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	Other Reserves	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, 2019 (A)	**39.16**	**44.38**	**5.37**	**13.68**	**4,715.75**	**4,604.60**	**(15.72)**	**(0.01)**	**(142.68)**	**110.90**	**(0.80)**	**9,374.63**	**361.25**	**9,735.88**
Additions during the year :														
Profit for the year	-	-	-	-	-	2,705.17	-	-	-	-	-	**2,705.17**	**69.02**	**2,774.19**
Items of OCI for the year, net of tax														
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	0.59	-	-	**0.59**	**7.86**	**8.45**
Remeasurement of the defined benefit plans	-	-	-	-	-	(10.42)	-	-	-	-	-	**(10.42)**	**-**	**(10.42)**
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	57.73	-	**57.73**	**-**	**57.73**
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	2.49	-	-	-	**2.49**	**-**	**2.49**
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	-	0.06	**0.06**	**-**	**0.06**
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**2,694.75**	**-**	**2.49**	**0.59**	**57.73**	**0.06**	**2,755.62**	**76.88**	**2,832.50**
Reductions during the year:														
Dividends (Refer note 31)	-	-	-	-	-	(1,740.95)	-	-	-	-	-	**(1,740.95)**	**(30.30)**	**(1,771.25)**
Income tax on Dividend (Refer note 31)	-	-	-	-	-	(353.07)	-	-	-	-	-	**(353.07)**	**-**	**(353.07)**
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	(1.99)	-	-	-	-	**(1.99)**	**(4.30)**	**(6.29)**
Transfer to Statutory Reserves and General Reserve	-	-	-	0.69	-	(0.69)	-	-	-	-	-	**-**	**-**	**-**
Total (C)	**-**	**-**	**-**	**0.69**	**-**	**(2,094.71)**	**(1.99)**	**-**	**-**	**-**	**-**	**(2,096.01)**	**(34.60)**	**(2,130.61)**
Balance as at 31st March, 2020 (A+B+C)	**39.16**	**44.38**	**5.37**	**14.37**	**4,715.75**	**5,204.64**	**(17.71)**	**2.48**	**(142.09)**	**168.63**	**(0.74)**	**10,034.24**	**403.53**	**10,437.77**

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

Amit Syngle
Managing Director & CEO
DIN:07232566

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

R.J.Jeyamurugan
CFO & Company Secretary

Mumbai
23rd June, 2020

Consolidated Cash Flow Statement
for the year ended 31st March, 2020

(₹ in Crores)

	Particulars	Year 2019-20	Year 2018-19 (Restated)**
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) Before Tax from:		
	Continuing operations	**3,633.99**	3,311.90
	Discontinued operations	**(5.73)**	(7.28)
	Adjustments for:		
	Depreciation and amortisation expense	**781.94**	625.62
	(Gain) on sale of property, plant and equipment (net)	**(14.25)**	(14.18)
	Net gain on modification/ termination of leases	**(1.19)**	(6.00)
	Finance costs	**102.48**	105.65
	Allowances for doubtful debts and advances	**32.60**	28.64
	Bad debts written off	**6.28**	3.28
	Interest income	**(65.71)**	(39.49)
	Dividend income	**(27.13)**	(39.69)
	Share of profit of associate [Refer note 35]	**(50.74)**	(40.73)
	Loss on sale of disposal of subsidiaries [Refer note 32A]	**2.24**	-
	Other non cash adjustment	**8.52**	-
	Net gain arising on financial assets measured at fair value through Profit & Loss (FVTPL)	**(76.09)**	(52.76)
	Deferred income arising from government grant	**(1.64)**	(1.09)
	Net unrealised foreign exchange loss	**39.75**	5.99
	Effect of exchange rates on translation of operating cashflows	**14.42**	(18.61)
	Operating Profit before working capital changes	**4,379.74**	**3,861.25**
	Adjustments for :		
	(Increase) in Inventories	**(250.53)**	(491.54)
	Decrease/(Increase) in trade and other receivables	**160.44**	(205.44)
	(Decrease)/Increase in trade and other payables	**(647.01)**	287.27
	Cash generated from Operating activities	**3,642.64**	**3,451.54**
	Income Tax paid (net of refund)	**(1,010.75)**	(982.00)
	Net Cash generated from Operating activities	**2,631.89**	**2,469.54**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment	**(403.54)**	(1,150.79)
	Sale of Property, plant and equipment (including advances)	**36.60**	17.24
	Payment for acquiring right of use assets	**(10.15)**	(20.77)
	Purchase of non-current investments	**(24.94)**	(572.66)
	Sale of non current investments	**85.50**	363.42
	Sale of current investments (net)	**32.08**	369.39
	Net investment in bank/term deposits (having original maturity more than three months)	**(346.24)**	(29.80)
	Proceeds from disposal of subsidiaries (Net)	**16.82**	-
	Interest received	**65.32**	39.79
	Dividend received	**27.13**	39.69
	Net Cash (used in) Investing activities	**(521.42)**	**(944.49)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from non-current borrowings	**17.91**	14.75
	Repayment of non-current borrowings	**(10.49)**	(25.86)
	(Repayment of)/Proceeds from current borrowings (Net)	**(268.79)**	74.19
	Acceptances (Net)	**203.13**	153.88
	Repayment of lease liabilities	**(179.07)**	(179.85)
	Transactions with Non Controlling Interest	**(6.29)**	-
	Finance costs paid	**(100.89)**	(105.87)
	Dividend and Dividend tax paid (including dividend paid to non-controlling shareholders)	**(2,120.71)**	(1,048.70)
	Net Cash (used in) Financing activities	**(2,465.20)**	**(1,117.46)**
(D)	**NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]**	**(354.73)**	407.59
	Cash and cash equivalents as at 1st April, 2019	**1,279.97**	845.68
	Net effect of exchange gain on cash and cash equivalents	**3.51**	26.70
	Cash and cash equivalents as at 31st March, 2020	**928.75**	**1,279.97**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2020

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 31.03.2020	As at 31.03.2019
(b)	**Cash and Cash Equivalent comprises of :**		
	Cash on hand	**1.32**	0.38
	Balances with Banks:		-
	- Current Accounts	**320.04**	146.53
	- Cash Credit Accounts	**217.66**	11.90
	- Deposits with Bank with maturity less than 3 months	**24.32**	70.32
	Cheques, drafts on hand	**0.49**	46.84
	Cash and cash equivalents [Refer note 8A]	**563.83**	**275.97**
	Investment in Government Securities [Refer note 4 (II) (C)]	**53.98**	3.16
	Investment in Liquid mutual funds [Refer note 4 (II) B (ii)]	**383.12**	1,087.12
	Less: Loan repayable on demand - Cash Credit /Overdraft Accounts [Refer note 15]	**(72.18)**	(86.28)
	Cash and cash equivalents in Cash Flow Statement	**928.75**	**1,279.97**

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

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DIN:07232566

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

R.J.Jeyamurugan
CFO & Company Secretary

Mumbai
23rd June, 2020

Notes to Consolidated Financial Statements

GROUP'S 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 2020.

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 except as mentioned below in 1.2.

1.2. Application of New Accounting Pronouncements

The Group has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. Accordingly, the Group has adopted Ind AS 116, Leases retrospectively to each prior reporting period presented with effect from 1st April, 2019 and it is detailed in note 1.4(r).

1.3. 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.

1.4. 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 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. 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 Consolidated 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

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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 rendering 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 home solution operations/ 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.

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.

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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

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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

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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.

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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. 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 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 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 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).

r) 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 assets ("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.

s) 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.

t) 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.

u) 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.

Notes to Consolidated Financial Statements (Contd.)

v) 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.

w) 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.

x) 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.

y) 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 arrangement,
- 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 intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group 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 intra-group 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.

1.5. 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 affected 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 20.

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 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 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 33, 'Employee benefits'.

f. Fair value measurement of financial instruments

When the fair values of financials 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.

g. 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 01.04.2019	Translation Difference	Additions / Adjustments	Deductions / Adjustments#	Disposals of Subsidiaries*	As at 31.03.2020	As at 01.04.2019	Translation Difference	Additions / Adjustments ##	Deductions / Adjustments#	Disposals of Subsidiaries*	As at 31.03.2020	As at 31.03.2020
Land^	366.26	0.96	8.43	-	-	**375.65**	-	-	-	-	-	**-**	**375.65**
Buildings	1,580.50	11.80	36.44	2.08	24.25	**1,602.41**	146.96	3.59	55.81	0.37	5.08	**200.91**	**1,401.50**
Leasehold improvements	10.47	-	0.13	0.45	-	**10.15**	6.12	-	2.25	0.45	-	**7.92**	**2.23**
Plant and Equipment	4,005.87	14.83	216.33	21.56	7.12	**4,208.35**	983.89	8.37	435.19	2.91	3.12	**1,421.42**	**2,786.93**
Scientific Research:													
Buildings	71.37	-	-	-	-	**71.37**	6.83	-	2.73	-	-	**9.56**	**61.81**
Equipment	66.41	-	3.98	0.01	-	**70.38**	24.07	-	8.48	0.01	-	**32.54**	**37.84**
Leasehold Improvements	-	-	0.27	-	-	**0.27**	-	-	-	-	-	**-**	**0.27**
Furnitures & Fixtures	87.67	1.27	6.63	0.90	0.22	**94.45**	38.71	0.74	11.33	0.90	0.17	**49.71**	**44.74**
Vehicles	27.92	0.55	3.84	0.03	0.45	**31.83**	17.82	0.45	3.09	0.03	0.41	**20.92**	**10.91**
Office Equipment	82.69	1.30	18.65	2.99	0.87	**98.78**	46.45	0.92	13.93	2.99	0.57	**57.74**	**41.04**
Assets Given on Operating Lease:													
Tinting systems	3.76	0.01	0.28	-	-	**4.05**	1.63	-	0.58	-	-	**2.21**	**1.84**
Total	**6,302.92**	**30.72**	**294.98**	**28.02**	**32.91**	**6,567.69**	**1,272.48**	**14.07**	**533.39**	**7.66**	**9.35**	**1,802.93**	**4,764.76**

* Refer note 32A for details on disposal of subsidiary

(₹ in Crores)

	Gross Carrying Value					Depreciation / Amortisation					Net Carrying Value
	As at 01.04.2018	Translation Difference	Additions / Adjustments	Deductions / Adjustments#	As at 31.03.2019	As at 01.04.2018	Translation Difference	Additions / Adjustments##	Deductions / Adjustments#	As at 31.03.2019	As at 31.03.2019
Land^	358.16	0.64	7.46	-	366.26	-	-	-	-	-	366.26
Buildings	948.07	9.73	623.56	0.86	1,580.50	101.82	2.76	42.45	0.07	146.96	1,433.54
Leasehold improvements	10.48	-	0.02	0.03	10.47	4.02	-	2.13	0.03	6.12	4.35
Plant and Equipment	2,157.21	10.68	1,843.35	5.37	4,005.87	671.45	4.79	311.09	3.44	983.89	3,021.98
Scientific Research:											
Buildings	71.37	-	-	-	71.37	4.10	-	2.73	-	6.83	64.54
Equipment	62.58	-	3.86	0.03	66.41	15.93	-	8.15	0.01	24.07	42.34
Furnitures & Fixtures	72.49	0.72	14.78	0.32	87.67	28.50	0.43	10.90	1.12	38.71	48.96
Vehicles	25.44	(0.16)	3.28	0.64	27.92	15.18	(0.10)	3.33	0.59	17.82	10.10
Office Equipment	66.49	1.23	16.58	1.61	82.69	34.42	0.87	12.35	1.19	46.45	36.24
Assets Given on Operating Lease:											
Tinting systems	4.21	(0.51)	0.06	-	3.76	1.55	(0.39)	0.47	-	1.63	2.13
Total	**3,776.50**	**22.33**	**2,512.95**	**8.86**	**6,302.92**	**876.97**	**8.36**	**393.60**	**6.45**	**1,272.48**	**5,030.44**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in note no 38(b)

Deductions / Adjustments include Assets classified as held for sale (Refer note 12)

Includes depreciation of Berger Paints Singapore Pte Ltd. ("Discontinued Operations")

^ Includes leasehold land of ₹ 4.56 crores in one of the subsidiary which is not being amortized as the subsidiary has an option to convert it into freehold on payment of a nominal amount post 8 years of purchase, which it intends to exercise in FY 20-21.

** Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 2B: RIGHT OF USE ASSETS**

(₹ in Crores)

Movement in net carrying amount	2019-20						2018-19					
	Leasehold Land	Building	Plant and Equipment	Office Equipments	Vehicles	Total	Leasehold Land	Building	Plant and Equipment	Office Equipments	Vehicles	Total
Net Carrying Amount												
Balance at 1st April	233.95	626.02	0.07	0.23	10.85	**871.12**	226.09	480.70	0.11	0.31	13.84	**721.05**
Additions	35.59	260.15	-	-	6.45	**302.19**	10.71	350.50	0.08	-	5.54	**366.83**
Depreciation*	4.15	202.48	0.04	0.02	6.71	**213.40**	4.76	184.94	0.13	0.09	7.82	**197.74**
Deletions	-	33.35	-	-	0.08	**33.43**	-	21.95	-	-	1.19	**23.14**
Translation difference	(0.86)	3.30	-	-	0.52	**2.96**	1.91	1.71	0.01	0.01	0.48	**4.12**
Disposal of Subsidiary (Refer note 32A)	-	9.11	0.03	0.21	-	**9.35**	-	-	-	-	-	**-**
Balance at 31st March	**264.53**	**644.53**	**-**	**-**	**11.03**	**920.09**	**233.95**	**626.02**	**0.07**	**0.23**	**10.85**	**871.12**

* Includes depreciation of Berger Paints Singapore Pte Ltd. ("Discontinued Operations")

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 3: INTANGIBLE ASSETS

(₹ in Crores)

	Gross carrying value						Amortisation						Impairment					Net carrying value
	As at 01.04.2019	Translation Difference	Additions / Adjustments	Deductions / Adjustments	Disposals of Subsidiaries *	As at 31.03.2020	As at 01.04.2019	Translation Difference	Additions / Adjustments #	Deductions / Adjustments	Disposals of Subsidiaries *	As at 31.03.2020	As at 01.04.2019	Additions / Adjustments	Deductions / Adjustments	Disposals of Subsidiaries *	As at 31.03.2020	As at 31.03.2020
3A. GOODWILL (Refer note 2 below)																		
Goodwill on Consolidation	326.47	(1.31)	-	-	-	**325.16**	-	-	-	-	-	**-**	52.45	-	-	-	**52.45**	**272.71**
Goodwill acquired separately	47.28	-	-	-	-	**47.28**	-	-	-	-	-	**-**	-	-	-	-	**-**	**47.28**
Total (3A)	**373.75**	**(1.31)**	**-**	**-**	**-**	**372.44**	**-**	**-**	**-**	**-**	**-**	**-**	**52.45**	**-**	**-**	**-**	**52.45**	**319.99**
3B. OTHER INTANGIBLES ASSETS (acquired separately)																		
Brand (Refer note 1 below)	136.86	(2.37)	-	2.50	-	**131.99**	2.50	-	-	2.50	-	**-**	-	-	-	-	**-**	**131.99**
Trademark	0.94	-	-	-	-	**0.94**	0.76	-	0.18	-	-	**0.94**	-	-	-	-	**-**	**-**
Computer Software	166.21	0.61	31.71	0.27	-	**198.26**	107.99	0.37	30.42	0.27	-	**138.51**	-	-	-	-	**-**	**59.75**
Others	91.25	(0.62)	-	-	0.15	**90.48**	10.31	(0.10)	4.54	-	-	**14.75**	-	-	-	-	**-**	**75.73**
Scientific Research:																		
Computer Software	0.14	-	0.01	-	-	**0.15**	0.14	-	0.01	-	-	**0.15**	-	-	-	-	**-**	**-**
Total (3B)	**395.40**	**(2.38)**	**31.72**	**2.77**	**0.15**	**421.82**	**121.70**	**0.27**	**35.15**	**2.77**	**-**	**154.35**	**-**	**-**	**-**	**-**	**-**	**267.47**
Total (3A+3B)	**769.15**	**(3.69)**	**31.72**	**2.77**	**0.15**	**794.26**	**121.70**	**0.27**	**35.15**	**2.77**	**-**	**154.35**	**52.45**	**-**	**-**		**52.45**	**587.46**

(₹ in Crores)

	Gross carrying value					Amortisation					Impairment				Net carrying value
	As at 01.04.2018	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2019	As at 01.04.2018	Translation Difference	Additions / Adjustments #	Deductions / Adjustments	As at 31.03.2019	As at 01.04.2018	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2019	As at 31.03.2019
3A. GOODWILL (Refer note 2 below)															
Goodwill on Consolidation	332.43	(5.96)	-	-	326.47	-	-	-	-	-	52.45	-	-	52.45	274.02
Goodwill acquired separately	47.28	-	-	-	47.28	-	-	-	-	-	-	-	-	-	47.28
Total (3A)	**379.71**	**(5.96)**	**-**	**-**	**373.75**	**-**	**-**	**-**	**-**	**-**	**52.45**	**-**	**-**	**52.45**	**321.30**
3B. OTHER INTANGIBLES ASSETS (acquired separately)															
Brand (Refer note 1 below)	139.71	(2.85)	-	-	136.86	2.50	-	-	-	2.50	-	-	-	-	134.36
Trademark	0.94	-	-	-	0.94	0.57	-	0.19	-	0.76	-	-	-	-	0.18
Computer Software	137.68	0.54	27.99	-	166.21	78.46	0.25	29.28	-	107.99	-	-	-	-	58.22
Others	95.59	(4.34)	-	-	91.25	5.94	(0.41)	4.78	-	10.31	-	-	-	-	80.94
Scientific Research:					-				-	-				-	-
Computer Software	0.16	-	-	0.02	0.14	0.10	0.01	0.03	-	0.14	-	-	-	-	-
Total (3B)	**374.08**	**(6.65)**	**27.99**	**0.02**	**395.40**	**87.57**	**(0.15)**	**34.28**	**-**	**121.70**	**-**	**-**	**-**	**-**	**273.70**
Total (3A+3B)	**753.79**	**(12.61)**	**27.99**	**0.02**	**769.15**	**87.57**	**(0.15)**	**34.28**	**-**	**121.70**	**52.45**	**-**	**-**	**52.45**	**595.00**

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.

* Refer note 32A for details on disposal of subsidiary.

Includes depreciation of Berger Paints Singapore Pte Ltd. ("Discontinued Operations")

The amount of contractual commitments for the acquisition of intangible asset is disclosed in note no 38 (b).

NOTE 3A: 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 had been allocated as follows:

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
Goodwill on Consolidation		
Berger Paints Emirates LLC	**2.66**	2.60
Kadisco Paint and Adhesive Industry S.C.	**43.79**	46.36
Asian Paints (Vanuatu) Limited	**0.96**	0.89
Asian Paints (South Pacific) Pte Limited	**1.96**	1.81
SCIB Chemicals, S.A.E.	**12.54**	11.62
Asian Paints (Lanka) Limited	**0.08**	0.07
Causeway Paints Lanka (Private) Limited	**134.89**	134.84
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	**319.99**	321.30

The Group's goodwill on consolidation and goodwill acquired separately are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value-in-use calculations and fair value less costs to sell (for certain subsidiaries). The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. Management has also considered the fair value less costs to sell for certain subsidiaries, which were determined by reference to the share prices of comparable listed companies.

The Group prepares its cash flow forecasts based on the most recent financial budgets approved by management with projected revenue growth rates ranging from 3% to 32% (Previous Year : 6% to 27%). Growth rate used for extrapolation of cash flows beyond the period covered by the forecast is 2% to 5.6% (Previous Year: 2% to 6%).

The rates used to discount the forecasted cash flows is 8% to 23% (Previous Year: 7% to 24%).

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

* 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 to seven 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. Cash flows beyond such period were extrapolated using estimate rates stated above.

No impairment on goodwill was recognized during the current year or previous year.

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessments 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 (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 of market development. The weighted average growth rates used were consistent with industry reports.

Notes to Consolidated Financial Statements (Contd.)

NOTE 4: INVESTMENTS**

(₹ in Crores)

	Nos.#	Face value (₹)	Non-Current As at 31.03.2020	Non-Current As at 31.03.2019	Current As at 31.03.2020	Current As at 31.03.2019
I. NON-CURRENT INVESTMENTS						
A. Investments in Equity Instruments						
(a) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	**444.96**	362.49	**-**	-
Housing Development Finance Corporation Limited	4,65,000	2	**75.94**	91.52	**-**	-
Apcotex Industries Limited	34,180	5	**0.26**	0.71	**-**	-
(20,508 shares were alloted pursuant to share split where in the face value changed from ₹5/share to ₹2/share during the year)	(13,672)	2(5)				
Total Quoted equity shares			**521.16**	**454.72**	**-**	**-**
(b) Unquoted equity shares						
(i) Associate (accounted as per equity method, Refer note 1.4.x)						
PPG Asian Paints Private Limited (Refer note 35)	2,85,18,112	10	**456.63**	405.83	**-**	-
			456.63	**405.83**	**-**	**-**
(ii) Other equity shares measured at FVTPL			**1.07**	**1.07**	**-**	-
Total Unquoted equity shares (i+ii)			**457.70**	**406.90**	**-**	**-**
Total investments in Equity Instruments (a+b)		A	**978.86**	**861.62**	**-**	**-**
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	**-**	-
* [₹ 39,500/- (As at 31st March, 2019 - ₹ 39,500)]						
C. Investments in Debentures or Bonds						
a) Investments in Quoted Debentures or Bonds measured at FVTOCI			**106.77**	79.51	**0.50**	-
Amount included under the head "Current Investments"			**-**	-	**(0.50)**	-
b) Investments in Unquoted Debentures or Bonds measured at amortised cost			**1.15**	1.20	**-**	-
Total Investments in Debentures or Bonds		C	**107.92**	**80.71**	**-**	**-**
D. Investments in Quoted Mutual Funds measured at FVTPL			**419.59**	451.72	**74.88**	84.25
Amount included under the head "Current Investments"				-	**(74.88)**	(84.25)
Total Investments in Mutual Funds - Quoted		D	**419.59**	**451.72**	**-**	**-**
Total Non-Current Investments (A+B+C+D)			**1,506.37**	**1,394.05**	**-**	**-**
Total Non-Current Investments in Associate			**456.63**	**405.83**	**-**	**-**
Total Non-Current Investments in Other entities			**1,049.74**	**988.22**	**-**	**-**
Aggregate amount of quoted investments - At cost			**506.82**	542.38	**-**	-
Aggregate amount of quoted investments - At market value			**1,047.52**	985.95	**-**	-
Aggregate amount of unquoted investments			**458.85**	408.10	**-**	-
II. CURRENT INVESTMENTS						
A. Investments in Quoted Debentures or Bonds measured at FVTOCI (Refer note 4(I)(C)(a))		A	**-**	-	**0.50**	-
B. Investments in Quoted Mutual Funds measured at FVTPL						
i. Current Portion of Long Term Investments (Refer note 4(I)(D))			**-**	-	**74.88**	84.25
ii. Investments in Liquid Mutual Funds			**-**	-	**383.12**	1,087.12
Total Investments in Mutual Funds - Quoted (i+ii)		B	**-**	**-**	**458.50**	**1,171.37**
C. Investments in Unquoted Government Securities measured at amortised cost		C	**-**	-	**53.98**	3.16
Total Current Investments (A+B+C)			**-**	**-**	**512.48**	**1,174.53**
Aggregate amount of quoted investments - At cost			**-**	-	**406.16**	1,124.64
Aggregate amount of quoted investments - At market value			**-**	-	**458.50**	1,171.37

Figures in brackets indicate that of 31st March, 2019 as applicable

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 5: LOANS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
UNSECURED AND CONSIDERED GOOD				
(a) Sundry Deposits	**68.24**	78.58	**18.41**	15.47
(b) Finance Lease Receivables [Refer note 42 (II)]	**-**	0.02	**0.26**	0.12
Total	**68.24**	**78.60**	**18.67**	**15.59**

NOTE 6: TRADE RECEIVABLES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Trade receivables				
(a) Secured, considered good	**-**	-	**60.73**	58.86
(b) Unsecured, considered good	**4.21**	6.09	**1,734.49**	1,848.47
(c) Unsecured, considered doubtful	**0.37**	0.17	**155.12**	120.55
	4.58	**6.26**	**1,950.34**	**2,027.88**
Less : Allowance for unsecured doubtful debts	**(0.37)**	(0.17)	**(155.12)**	(120.55)
TOTAL	**4.21**	**6.09**	**1,795.22**	**1,907.33**

NOTE 7: OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Royalty receivable	**-**	-	**0.23**	0.79
Due from associate company (Refer note 34)	**-**	-	**2.10**	5.21
Subsidy Receivable from State Government	**232.39**	220.64	**144.68**	154.54
Other bank balances [Refer note 8B]	**4.41**	6.15	**3.15**	-
Interest accrued on investments in debentures or bonds measured at FVTOCI	**-**	-	**4.01**	3.62
Quantity discount receivable	**-**	-	**160.55**	179.48
Bank deposits with more than 12 months of original maturity^	**11.28**	-	**464.85**	177.78
Forward exchange contract (net)	**-**	-	**-**	0.01
Other receivable	**0.23**	-	**2.08**	4.54
TOTAL	**248.31**	**226.79**	**781.65**	**525.97**

^Fixed deposits of one of the subsidiary amounting to ₹ 11.28 crores (2019 : ₹ Nil) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

Notes to Consolidated Financial Statements (Contd.)

NOTE 8: CASH AND BANK BALANCES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
A. CASH AND CASH EQUIVALENTS				
(a) Balances with Banks				
(i) Current Accounts	-	-	320.04	146.53
(ii) Cash Credit Account ##	-	-	217.66	11.90
(iii) Deposits with original maturity of less than 3 months	-	-	24.32	70.32
(b) Cheques, drafts on hand	-	-	0.49	46.84
(c) Cash on hand	-	-	1.32	0.38
TOTAL	-	-	563.83	275.97
B. OTHER BALANCES WITH BANKS				
(i) Term deposits with original maturity for more than 3 months but less than 12 months^	-	-	196.53	150.05
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	-	-	22.47	18.86
(iii) Term deposits held as margin money against bank guarantee and other commitments	4.41	6.15	3.15	-
	4.41	6.15	222.15	168.91
Amount included under the head "Other Financials Assets"	(4.41)	(6.15)	(3.15)	-
TOTAL	-	-	219.00	168.91

Secured by hypothecation of inventories and trade receivables and carries interest rate @ 8.10 % p.a to 11.50 % p.a. (as at 31st March, 2019 : 8.60% to 17.45% p.a.)

^ Fixed deposits of one of the subsidiary amounting to ₹ 6.26 crores (2019: ₹Nil) 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: CURRENT TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Advance payment of Income Tax (net)	253.09	158.87	-	-
Total	253.09	158.87	-	-

NOTE 10: OTHER ASSETS**

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Capital Advances	28.08	32.30	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	27.67	9.98	154.31	207.06
ii) Balances with government authorities	8.26	8.04	113.48	163.44
iii) Advances to employees	0.89	0.94	9.15	10.30
iv) Duty Credit Entitlement	-	-	1.70	4.24
v) Other Receivables	0.19	-	6.95	8.82
TOTAL	65.09	51.26	285.59	393.86

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 11: INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)

	Current	
	As at 31.03.2020	As at 31.03.2019
(a) Raw materials	**948.65**	974.21
Raw materials-in-transit	**186.46**	191.29
	1,135.11	**1,165.50**
(b) Packing materials	**63.24**	54.13
Packing materials-in-transit	**0.09**	-
	63.33	**54.13**
(c) Work-in-progress	**93.42**	116.81
(d) Finished goods	**1,525.78**	1,388.69
Finished goods-in-transit	**3.21**	6.90
	1,528.99	**1,395.59**
(e) Stock-in-trade (acquired for trading)	**406.57**	308.26
Stock-in-trade (acquired for trading) in-transit	**41.93**	17.47
	448.50	**325.73**
(f) Stores, spares and consumables	**120.24**	91.38
Stores, spares and consumables-in-transit	**0.22**	0.72
	120.46	**92.10**
TOTAL	**3,389.81**	**3,149.86**

The cost of inventories recognised as an expense during the year is disclosed in Note 25.

The cost of inventories recognised as an expense includes ₹ 37.76 crores (previous year ₹ 6.61 crores) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous years.

NOTE 12: ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
Freehold Land	**13.39**	14.46
Building	**0.47**	0.47
Total	**13.86**	**14.93**

Subsidiaries of the Group intends to sell freehold land and building at Baddi and freehold land with fencing at Sanaswadi, as it no longer plans to utilise the same in the next 12 months. Impairment loss of ₹ 1.07 crores was recognised during the year with respect to freehold land at Sanaswadi based on the expected fair value less cost to sell, the same has been grouped under “other expenses” in Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements (Contd.)

NOTE 13: EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
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 Share 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 31.03.2020		As at 31.03.2019	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	**95,91,97,790**	95.92	**95,91,97,790**	95.92
Add: Issued during the year	**-**	-	**-**	-
At the end of the year	**95,91,97,790**	**95.92**	**95,91,97,790**	**95.92**

b) Terms/rights attached to equity shares

The Parent 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 Parent 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 parent company@

Name of the Shareholders	As at 31.03.2020		As at 31.03.2019	
	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	**5,48,73,068**	5.72	**5,40,84,120**	5.64
2.Sattva Holding and Trading Private Limited	**5,63,88,682**	5.88	**5,28,84,120**	5.51
3.Geetanjali Trading and Investments Private Limited	**4,57,06,140**	4.77	**4,92,67,440**	5.14

@ As per the records of the Parent 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 of the Parent Company, at their meetings held on 22nd October, 2019 and 25th February, 2020, declared an interim dividend of ₹ 3.35 (Rupees three and paise thirty-five only) and ₹ 7.15 (Rupees seven and paise fifteen only) respectively per equity share of the face value of ₹ 1 each. The Board of Directors of the Parent Company at its meeting held on 23rd June, 2020 have recommended a payment of final dividend of ₹ 1.50 (Rupee one and paise fifty only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2020. If approved, the total dividend (interim and final dividend) for the financial year 2019-20 will be ₹ 12.00 (Rupees twelve only) per equity share of the face value of ₹ 1 each (₹10.50 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

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	Other Reserves	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, 2019 (A)	**39.16**	**44.38**	**5.37**	**13.68**	**4,715.75**	**4,604.60**	**(15.72)**	**(0.01)**	**(142.68)**	**110.90**	**(0.80)**	9,374.63	361.25	9,735.88
Additions during the year :														
Profit for the year	-	-	-	-	-	2,705.17	-	-	-	-	-	**2,705.17**	**69.02**	**2,774.19**
Items of OCI for the year, net of tax														
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	0.59	-	-	**0.59**	**7.86**	**8.45**
Remeasurement of the defined benefit plans	-	-	-	-	-	(10.42)	-	-	-	-	-	**(10.42)**	**-**	**(10.42)**
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	57.73	-	**57.73**	**-**	**57.73**
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	2.49	-	-	-	**2.49**	**-**	**2.49**
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	-	0.06	**0.06**	**-**	**0.06**
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**2,694.75**	**-**	**2.49**	**0.59**	**57.73**	**0.06**	**2,755.62**	**76.88**	**2,832.50**
Reductions during the year :														
Dividends (Refer note 31)	-	-	-	-	-	(1,740.95)	-	-	-	-	-	**(1,740.95)**	**(30.30)**	**(1,771.25)**
Income tax on Dividend (Refer note 31)	-	-	-	-	-	(353.07)	-	-	-	-	-	**(353.07)**	**-**	**(353.07)**
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	(1.99)	-	-	-	-	**(1.99)**	**(4.30)**	**(6.29)**
Transfer to Statutory Reserves and General Reserve	-	-	-	0.69	-	(0.69)	-	-	-	-	-	**-**	**-**	**-**
Total (C)	**-**	**-**	**-**	**0.69**	**-**	**(2,094.71)**	**(1.99)**	**-**	**-**	**-**	**-**	**(2,096.01)**	**(34.60)**	**(2,130.61)**
Balance as at 31st March, 2020. (A+B+C)	**39.16**	**44.38**	**5.37**	**14.37**	**4,715.75**	**5,204.64**	**(17.71)**	**2.48**	**(142.09)**	**168.63**	**(0.74)**	**10,034.24**	**403.53**	**10,437.77**

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 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 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.

   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 affected to transfer certain businesses between the Parent, 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.

   General Reserve - General reserve is created from time to time by way of transfer 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.

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

NOTE 14: OTHER EQUITY (CONTD.)

(₹ in Crores)

	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	Other Reserves	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in associate			
Balance as at 1st April, 2018 (A)	**39.16**	**44.38**	**5.37**	**12.94**	**4,715.75**	**3,547.78**	**(15.72)**	**1.16**	**(137.02)**	**101.55**	**(1.04)**	**8,314.31**	**327.65**	**8,641.96**
Changes on account of Ind AS 116 (Refer note 32B)						(45.47)						(45.47)	(1.44)	(46.91)
Balance as at 1st April, 2018 (A)**	**39.16**	**44.38**	**5.37**	**12.94**	**4,715.75**	**3,502.31**	**(15.72)**	**1.16**	**(137.02)**	**101.55**	**(1.04)**	**8,268.84**	**326.21**	**8,595.05**
Additions during the year :														
Profit for the year	-	-	-	-	-	2,155.92	-	-	-	-	-	2,155.92	52.12	2,208.04
Exchange difference arising on translation of foreign operations	-	-	-	-	-	-	-	-	(5.66)	-	-	(5.66)	9.02	3.36
Remeasurement of the defined benefit plans	-	-	-	-	-	(25.71)	-	-	-	-	-	(25.71)	0.17	(25.54)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	9.35	-	9.35	-	9.35
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	(1.17)	-	-	-	(1.17)	-	(1.17)
Share of the OCI in associate	-	-	-	-	-	-	-	-	-	-	0.24	0.24	-	0.24
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**2,130.21**	**-**	**(1.17)**	**(5.66)**	**9.35**	**0.24**	**2,132.97**	**61.31**	**2,194.28**
Reductions during the year :														
Dividends (Refer note 31)	-	-	-	-	-	(853.68)	-	-	-	-	-	(853.68)	(26.27)	(879.95)
Income tax on Dividend (Refer note 31)	-	-	-	-	-	(173.50)	-	-	-	-	-	(173.50)	-	(173.50)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.74	-	(0.74)	-	-	-	-	-	-	-	-
Total (C)	**-**	**-**	**-**	**0.74**	**-**	**(1,027.92)**	**-**	**-**	**-**	**-**	**-**	**(1,027.18)**	**(26.27)**	**(1,053.45)**
Balance as at 31st March, 2019 (A+B+C)**	**39.16**	**44.38**	**5.37**	**13.68**	**4,715.75**	**4,604.60**	**(15.72)**	**(0.01)**	**(142.68)**	**110.90**	**(0.80)**	**9,374.63**	**361.25**	**9,735.88**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 15: BORROWINGS ^**

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Secured				
(i) Term Loans				
From banks +	**-**	7.91	**8.55**	10.82
(ii) Deferred payment liabilities				
Loan from State of Haryana #	**18.50**	10.89	**5.90**	-
(iii) Loan repayable on demand from				
Banks or financial institutions ***	**-**	-	**11.32**	19.95
Cash Credit / Overdraft Accounts***	**-**	-	**52.26**	58.88
Unsecured				
(i) Deferred payment liabilities				
Sales tax deferment scheme - State of Maharashtra ##	**0.13**	0.26	**0.13**	0.17
(ii) Loan repayable on demand - from banks/financial institutions****	**-**	-	**237.98**	490.30
(iii) Loan repayable on demand - Cash Credit / Overdraft Accounts*****	**-**	-	**19.92**	27.40
	18.63	**19.06**	**336.06**	**607.52**
Amount included under the head "Other Financial liabilities" (Refer note 17)	**-**	-	**(14.58)**	(10.99)
TOTAL	**18.63**	**19.06**	**321.48**	**596.53**

Notes:

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

+ Secured against mortgage on Building and Plant & Equipment of one of the subsidiary company. Current portion is repayable in quarterly installments by December 2020. [Interest rate : 4.5% 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. For the year ended 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014 and 31st March, 2015 the Parent Company has already received the interest free loan of ₹ 3.41 crores, ₹ 5.90 crores, ₹ 7.89 crores, ₹ 11.89 crores and ₹ 5.97 crores respectively. 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 Parent Company had made the necessary application to the Haryana Government for the issue of eligibility certificate. As on 31st March, 2020, the Parent Company has repaid loan of ₹ 3.41 crores.

*** Secured against the Fixed deposits, receivables, inventories, property, plant and equipment of certain subsidiary companies carry interest rate @ 5.75% - 8.93% p.a. (Previous Year : 4.75% - 8.40% p.a.)

Sales tax deferral scheme - State of Maharashtra represents sales tax deferment availed under the sales tax deferment scheme of Government of Maharashtra. It has a deferment period of 10 years and is repayable over 5 yearly installments as per repayment schedule starting from 2011. The accumulated sales tax deferral loan till 31st March, 2020 is ₹ 0.26 crores (as at 31st March, 2019: ₹ 0.43 crores).

**** Unsecured working capital demand loan obtained in 4 different tranches carrying interest as per treasury bill plus variable basis points as per mutual contractual agreement having expiry of 6 months to 1 year from date of disbursement. Loan from banks / financial instruments carries interest rate ranging from 1.33% to 2.28% p.a. and are repayable within 12 months (Previous Year: 1.55% to 2.17% p.a.)

***** Unsecured cash credit/overdraft facility with banks carries interest rates of 6.90% to 8.00% p.a.(Previous Year : 7.60% to 7.75% p.a)

^ Default in terms of repayment of principal and interest - NIL

Notes to Consolidated Financial Statements (Contd.)

NOTE 16: LEASE LIABILITIES**

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Lease liabilities	**589.94**	541.64	**173.87**	151.38
TOTAL	**589.94**	**541.64**	**173.87**	**151.38**

The maturity analysis of lease liabilities are disclosed in Note 30(C)(3).
**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 17: OTHER FINANCIAL LIABILITIES**

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Current maturities of Long-term debt (Refer note 15)	**-**	-	**14.58**	10.99
(b) Investor education and protection fund #				
Unpaid/ Unclaimed dividend	**-**	-	**22.47**	18.86
(c) Others				
Retention monies relating to capital expenditure	**0.46**	1.38	**36.44**	77.25
Trade deposits from customers	**1.33**	1.59	**0.02**	0.07
Payable towards capital expenditure	**-**	0.20	**47.26**	156.89
Payable towards services received	**-**	-	**248.92**	321.74
Payable towards stores spares and consumables	**-**	-	**14.26**	10.02
Payable to employees [including ₹ 6.79 crores due to Managing Director (as at 31st March, 2019 ₹ 5.25 crores)]	**0.15**	-	**178.76**	198.30
Payable towards other expenses (Refer note 40A) [including ₹ 3.53 crores due to Non-Executive Directors (as at 31st March, 2019 ₹ 3.97 crores)]	**1.00**	0.48	**793.24**	840.78
Forward exchange contract(net)	**-**	-	**0.15**	-
Others	**-**	-	**18.24**	16.44
	2.94	**3.65**	**1,337.29**	**1,621.49**
TOTAL	**2.94**	**3.65**	**1,374.34**	**1,651.34**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Investor Education and Protection Fund ('IEPF') - As at 31st March, 2020, there is no amount due and outstanding to be transferred to the IEPF by the Parent Company. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

NOTE 18: PROVISIONS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Provision for Employee Benefits (Refer note 33)				
Provision for Compensated absences	**144.21**	120.55	**22.20**	17.57
Provision for Gratuity and Pension (funded)	**1.52**	1.92	**12.64**	15.12
Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	**31.34**	25.90	**0.36**	0.30
Provision for Post retirement medical and other benefits	**3.59**	5.42	**1.18**	9.09
Others	**0.09**	0.05	**-**	1.98
	180.75	**153.84**	**36.38**	**44.06**
(b) Others (Refer note 43)				
Provision for Excise	**-**	-	**2.24**	0.63
Provision for CST/VAT and Other Statutory Liabilities	**-**	1.75	**23.10**	28.90
Provision for Warranties	**-**	-	**0.74**	2.62
	-	**1.75**	**26.08**	**32.15**
TOTAL	**180.75**	**155.59**	**62.46**	**76.21**

NOTE 19: OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	**As at 31.03.2019**	**As at 31.03.2020**	**As at 31.03.2019**
(a) Revenue received in advance				
Advance received from customers	-	-	28.85	13.20
(b) Other Payables				
Statutory Dues Payable	-	-	90.40	143.24
Deferred income arising from government grant (Refer note 15)	4.64	1.52	2.25	1.06
Other Advances	-	1.47	10.11	6.37
	4.64	2.99	102.76	150.67
TOTAL	4.64	2.99	131.61	163.87

NOTE 20: TRADE PAYABLES**

(₹ in Crores)

	Current	
	As at 31.03.2020	**As at 31.03.2019**
Trade Payables (including Acceptances)*		
Total Outstanding dues of Micro Enterprises and Small Enterprises	60.72	61.37
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,075.85	2,332.92
TOTAL	2,136.57	2,394.29

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

*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 ₹ 116.93 crores (Previous Year ₹ 320.06 crores).

NOTE 21: INCOME TAXES**

(₹ in Crores)

	Year 2019-20	**Year 2018-19**
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	944.65	940.35
Adjustments in respect of previous year	5.48	2.40
Deferred tax		
In respect of current year	(95.55)	155.97
Adjustments in respect of deferred tax of previous year	0.27	(0.66)
Income tax expense recognised in the Consolidated Statement of Profit and Loss	854.85	1,098.06
(ii) Income tax recognised in OCI		
Deferred tax		
Income tax expense/(benefit) on fair value gain on investments in debt instruments through OCI	0.32	(0.15)
Income tax expense on net fair value gain on investments in equity instruments through OCI	8.71	-
Income tax (benefit) on remeasurements of the defined benefit plans	(1.19)	(14.07)
Income tax expense recognised in OCI	7.84	(14.22)

Notes to Consolidated Financial Statements (Contd.)

NOTE 21: INCOME TAXES** (CONTD.)

(₹ in Crores)

	Year 2019-20	Year 2018-19
B. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT FOR THE YEAR IS AS UNDER :		
Profit for the period before Share of Profit in Associate	**3,583.25**	**3,271.17**
Income tax expense calculated at 25.168 % (Previous Year 34.944%)	**901.83**	1,143.08
Tax effect on non-deductible expenses	**41.63**	28.37
Incentive tax credits	**(0.36)**	(55.74)
Effect of Income which is taxed as special rates	**(6.66)**	(9.35)
Effect of Income that is exempted from tax	**(13.99)**	(15.28)
Effect of different tax rates in the components	**(11.87)**	(22.55)
Deferred Tax on undistributed profits (including effect of change in tax rate)	**27.82**	9.60
Effect of change in tax rate in India	**(108.34)**	-
Others	**19.04**	18.19
Total	**849.10**	**1,096.32**
Adjustments in respect of current income tax of previous year	**5.48**	2.40
Adjustments in respect of deferred income tax of previous year	**0.27**	(0.66)
Income tax expense reported in the Consolidated Statement of Profit and Loss	**854.85**	**1,098.06**

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (Previous Year 34.944%) payable by corporate entities in India on taxable profits under Indian tax law. During the year, the Parent Company and one of its subsidiaries have opted for lower tax rate under section 115BAA of the Income Tax Act, 1961 inserted vide Taxation Laws (Amendment) Act, 2019.

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

As at 31st March, 2020

(₹ in Crores)

Particulars	Balance Sheet		Pursuant to disposal [Refer note 32A]	Profit and Loss^	OCI^	Balance Sheet	
	Deferred Tax Liabilities - Net	Deferred Tax Assets - Net				Deferred Tax Liabilities - Net	Deferred Tax Assets - Net
	01.04.2019	01.04.2019	2019-20	2019-20	2019-20	31.03.2020	31.03.2020
Deferred Tax relates to following :							
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(530.07)	(2.07)	**1.34**	**137.39**	**-**	**(385.24)**	**(10.07)**
Provision for expense allowed for tax purpose on payment basis (Net)	44.61	3.54	**-**	**(15.58)**	**0.03**	**30.31**	**2.62**
Retirement Benefit Plans	6.13	3.68	**-**	**0.28**	**1.16**	**8.82**	**3.14**
Allowance for doubtful debts and advances	0.38	-	**-**	**(0.11)**	**-**	**0.27**	**-**
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	1.64	-	**-**	**(1.20)**	**-**	**0.43**	**-**
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.30)	-	**-**	**-**	**(0.32)**	**(0.62)**	**-**
Net fair value gain on investments in equity instruments through OCI	-	-	**-**	**-**	**(8.71)**	**(8.71)**	**-**
Net fair value loss on investments through FVTPL	(17.34)	-	**-**	**0.15**	**-**	**(17.19)**	**-**
Capital losses carried forward under Income Tax	-	(1.59)	**(0.41)**	**3.19**	**-**	**-**	**2.57**
Undistributed profits of subsidiaries	(72.27)	-	**-**	**(27.65)**	**-**	**(99.80)**	**-**
Difference in Right-of-use asset and lease liabilities (Refer note 32B)	24.45	1.22	**(0.09)**	**(2.28)**	**-**	**22.41**	**0.65**
Others	-	23.40	**(1.60)**	**2.14**	**-**	**5.53**	**18.15**
Deferred tax (expense) / income			**(0.76)**	**96.33**	**(7.84)**		
Net Deferred tax assets/(liabilities) of earlier years	(0.50)	1.08	**-**	**(0.27)**	**-**	**(0.01)**	**(0.26)**
Currency translation gain and other adjustments	-	-		**-**	**(0.45)**	**-**	**-**
Net Deferred tax assets/(liabilities)	**(543.27)**	**29.26**	`			**(443.80)**	**16.80**

^Includes effect of change in tax rate for certain Indian companies

NOTE 21: INCOME TAXES** (CONTD.)

As at 31st March, 2019

(₹ 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
	01.04.2018	01.04.2018	2018-19	2018-19	31.03.2019	31.03.2019
Deferred Tax relates to following :						
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(378.88)	(2.12)	(150.73)	-	(530.07)	(2.07)
Provision for expense allowed for tax purpose on payment basis (Net)	50.09	2.41	(4.35)	-	44.61	3.54
Retirement Benefit Plans	(8.04)	3.77	-	14.07	6.13	3.68
Allowance for doubtful debts and advances	0.38	-	-	-	0.38	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	3.36	-	(1.73)	-	1.64	-
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.45)	-	-	0.15	(0.30)	-
Net fair value loss on investments through FVTPL	(17.38)	-	0.04	-	(17.34)	-
Capital losses carried forward under Income Tax	-	(2.07)	0.96	-	-	(1.59)
Undistributed profits of subsidiaries	(64.47)	-	(7.61)	-	(72.27)	-
Difference in Right-of-use asset and lease liabilities (Refer note 32B)	22.71	0.68	2.24	-	24.45	1.22
Others	(1.73)	17.61	6.77	-	-	23.40
Deferred tax (expense) / income			**(154.41)**	**14.22**		
Net Deferred tax assets/(liabilities) of earlier years	-	-	0.58	-	(0.50)	1.08
Currency translation gain and other adjustments	-	-	-	(0.27)	-	-
Net Deferred tax assets/(liabilities)	**(394.41)**	**20.28**			**(543.27)**	**29.26**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

* Includes deferred tax of 'Discontinued operations' (Refer note 32A)

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, 2020

Financial Year	Category	31.03.2020	Expiry Date
2010-2011	Depreciation	**0.81**	NA
2011-2012	Depreciation	**1.27**	NA
2012-2013	Depreciation	**1.93**	NA
2012-2013	Depreciation	**1.08**	NA
2012-2013	Business loss/Capital loss	**0.10**	31st March, 2021
2013-2014	Business loss	**0.83**	31st March, 2022
2013-2014	Depreciation	**15.64**	NA
2013-2014	Depreciation	**0.97**	NA
2013-2014	Business loss/Capital loss	**1.35**	31st March, 2022
2014-2015	Business loss	**11.45**	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	**9.93**	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
2015-2016	Business Loss	**7.30**	31st March, 2021
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
2016-2017	Business Loss	**18.24**	31st March, 2022
2017-2018	Business loss	**5.20**	31st March, 2026
2017-2018	Depreciation	**8.38**	NA

Notes to Consolidated Financial Statements (Contd.)

NOTE 21: INCOME TAXES** (CONTD.)

As at 31st March, 2020

Financial Year	Category	31.03.2020	Expiry Date
2017-2018	Depreciation	**0.89**	NA
2017-2018	Business loss/Capital loss	**0.30**	31st March, 2026
2017-2018	Business Loss	**37.39**	31st March, 2023
2018-2019	Business loss	**15.33**	31st March, 2027
2018-2019	Depreciation	**7.47**	NA
2018-2019	Depreciation	**1.74**	NA
2018-2019	Business Loss	**46.06**	31st March, 2024
2018-2019	Business loss/Capital loss	**0.33**	31st March, 2027
2019-2020	Business loss	**32.90**	31st March, 2028
2019-2020	Depreciation	**6.44**	NA
2019-2020	Business loss	**50.07**	31st March, 2025
2019-2020	Depreciation	**0.80**	NA

As at 31st March, 2019

Financial Year	Category	31.03.2019	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Depreciation	1.12	NA
2012-2013	Business loss/Capital loss	0.10	31st March, 2021
2013-2014	Business loss	0.83	31st March, 2022
2013-2014	Depreciation	15.64	NA
2013-2014	Depreciation	0.97	NA
2013-2014	Business loss/Capital loss	1.35	31st March, 2022
2014-2015	Business loss	11.45	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
2014-2015	Business Loss	0.09	31st March, 2020
2015-2016	Business loss	10.46	31st March, 2024
2015-2016	Depreciation	15.82	NA
2015-2016	Depreciation	0.78	NA
2015-2016	Business loss/Capital loss	0.10	31st March, 2024
2015-2016	Business Loss	7.76	31st March, 2021
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
2016-2017	Business Loss	19.40	31st March, 2022
2017-2018	Business loss	13.82	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
2017-2018	Business Loss	39.77	31st March, 2023
2018-2019	Business loss	15.74	31st March, 2027
2018-2019	Depreciation	7.27	NA
2018-2019	Depreciation	1.74	NA
2018-2019	Business Loss	49.05	31st March, 2024

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 ₹ 319.76 crores (2018-19 : ₹ 308.65 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: CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax (net)	180.05	146.48
TOTAL	180.05	146.48

NOTE 23A: REVENUE FROM OPERATIONS

(₹ in Crores)

	Year 2019-20	Year 2018-19
Revenue from Sale of Products	20,025.96	19,027.55
Revenue from Sale of Services	22.36	43.15
Other operating revenue*	162.93	177.75
TOTAL	20,211.25	19,248.45

*The Parent Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra (GoM) and hence is eligible for Industrial Promotion Subsidy (IPS) under Package Scheme of Incentive, 2007 in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. Based on Memorandum of Understanding and clarifications from GoM, the Parent Company has continued to recognise the incentive computed based on SGST paid to GoM. Further, in terms of the Ind AS 20 - "Accounting for Government Grants and Disclosure of Government Assistance", eligible incentive as mentioned above amounting to ₹116.65 crores (Previous Year ₹ 133.41 crores) for year ended 31st March, 2020 is credited to Statement of Profit and Loss and included under the head "Other operating revenue" on accrual basis.

NOTE 23B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2019-20	Year 2018-19
A. REVENUE FROM CONTRACT WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES		
Revenue from Sale of Products		
Paints and allied products	19,583.81	18,621.63
Home improvement	442.15	405.92
Total	20,025.96	19,027.55
Revenue from Sale of Services		
Revenue from home solutions operations	-	12.48
Revenue from painting and related services	15.60	24.45
Other Services	6.76	6.22
Total	22.36	43.15
Other operating revenues		
Processing and service income	14.45	17.96
Scrap sales	24.05	20.07
Others	5.75	4.13
Total	44.25	42.16
Other Income (Refer note 24(c)(ii))		
Royalty received		
- From associate	3.22	3.34
- From Others	0.29	0.28
Total	3.51	3.62
TOTAL	20,096.08	19,116.48
B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY		
Home	19,923.38	18,990.04
Exports	172.70	126.44
TOTAL	20,096.08	19,116.48

Notes to Consolidated Financial Statements (Contd.)

NOTE 23B: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD.)

RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2019-20	Year 2018-19
Gross Revenue	**23,189.18**	21,921.93
Less: Discounts	**3,093.10**	2,805.45
Net Revenue recognised from Contracts with Customers	**20,096.08**	**19,116.48**

The Group has recognised a revenue of ₹ 7.91 crores (31st March, 2019: ₹ 13.57 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 210 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. (Refer note 43)

The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

NOTE 24: OTHER INCOME**

(₹ in Crores)

	Year 2019-20	Year 2018-19
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	**6.43**	5.84
Other financial assets carried at amortised cost	**59.28**	33.65
	65.71	**39.49**
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI*	**5.66**	5.36
Dividends from mutual fund investments measured at FVTPL	**21.47**	34.33
	27.13	**39.69**
(c) Other non-operating income		
(i) Insurance claim received	**0.43**	1.28
(ii) Royalty received		
-From associate (Refer note 34)	**3.22**	3.34
-From Others	**0.29**	0.28
	3.51	**3.62**
(iii) Net gain arising on financial assets measured at FVTPL#	**76.09**	52.76
(iv) Others	**116.08**	76.03
	196.11	**133.69**
(d) Other gains and losses		
Net gain on sale of property, plant and equipment	**14.17**	14.17
Net gain on modification/ termination of leases	**1.19**	6.00
	15.36	**20.17**
TOTAL	**304.31**	**233.04**

*Relates to investments held at the end of reporting period

Includes gain on sale of financial assets measured at FVTPL for ₹ 1.37 crores (Previous Year ₹ 10.29 crores).

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 25 (A): COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2019-20	Year 2018-19
Raw Materials Consumed		
Opening Stock	**1,165.50**	982.20
Add : Purchases	**8,424.97**	8,919.12
	9,590.47	**9,901.32**
Less: Closing Stock	**1,135.11**	1,165.50
	8,455.36	**8,735.82**
Less : Pursuant to disposal (Refer note 32A)	**4.20**	32.99
	8,451.16	**8,702.83**
Packing Materials Consumed		
Opening Stock	**54.13**	57.07
Add : Purchases	**1,650.04**	1,617.94
	1,704.17	**1,675.01**
Less : Closing Stock	**63.33**	54.13
	1,640.84	**1,620.88**
Less : Pursuant to disposal (Refer note 32A)	**0.22**	4.46
	1,640.62	**1,616.42**
TOTAL COST OF MATERIALS CONSUMED	**10,091.78**	**10,319.25**

NOTE 25 (B): PURCHASES OF STOCK-IN-TRADE

	Year 2019-20	Year 2018-19
NOTE 25 (B): PURCHASES OF STOCK-IN-TRADE	**1,530.83**	**1,238.58**

NOTE 25 (C): CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

	Year 2019-20	Year 2018-19
Stock at the beginning of the year		
Finished Goods (including goods in transit)	**1,395.59**	1,164.55
Work-in-Progress	**116.81**	105.18
Stock-in-trade-acquired for trading (including goods in transit)	**325.73**	275.11
Less : Pursuant to disposal (Refer note 32A)	**6.37**	6.34
Total	**1,831.76**	**1,538.50**
Stock at the end of the year		
Finished Goods (including goods in transit)	**1,528.99**	1,395.59
Work-in-Progress	**93.42**	116.81
Stock-in-trade-acquired for trading (including goods in transit)	**448.50**	325.73
Less : Pursuant to disposal (Refer note 32A)	**-**	6.37
Total	**2,070.91**	**1,831.76**
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	**(239.15)**	**(293.26)**

NOTE 26: EMPLOYEE BENEFITS EXPENSE**

(₹ in Crores)

	Year 2019-20	Year 2018-19
Salaries and wages	**1,201.48**	1,076.69
Contribution to provident and other funds (Refer note 33)	**67.12**	66.00
Staff welfare expenses	**97.49**	94.14
TOTAL	**1,366.09**	**1,236.83**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Notes to Consolidated Financial Statements (Contd.)

NOTE 27: OTHER EXPENSES**

(₹ in Crores)

	Year 2019-20	Year 2018-19
Consumption of stores, spares and consumables	**60.42**	53.46
Power and fuel	**97.79**	102.29
Processing charges	**131.71**	131.61
Repairs and maintenance:		
Buildings	**16.09**	19.02
Machinery	**49.14**	34.67
Other assets	**48.14**	40.16
	113.37	**93.85**
Rent and amenity charges	**42.59**	43.64
Rates and taxes	**14.79**	18.23
Water Charges	**5.04**	5.48
Insurance	**27.86**	10.96
Printing, stationery and communication expenses	**48.43**	50.42
Travelling expenses	**139.01**	124.45
Donations	**10.48**	0.26
Corporate social responsibility expenses	**75.87**	53.75
Commission to Non Executive Directors	**3.53**	3.97
Directors' sitting fees	**1.65**	1.89
Payment to auditors	**4.44**	4.26
Bank Charges	**5.62**	5.20
Net loss on foreign currency transactions and translations (Other than considered as finance cost)	**1.23**	5.90
Information Technology expenses	**70.26**	59.54
Legal and professional expenses	**63.68**	40.14
Training and recruitment	**44.49**	36.88
Freight and handling charges	**1,207.87**	1,146.60
Advertisement expenses	**917.54**	794.55
Bad debts written off	**6.28**	3.28
Allowances for doubtful debts and advances (net)	**33.62**	28.81
Security expenses	**42.19**	37.20
Electricity expenses	**12.10**	11.86
Miscellaneous expenses	**118.07**	104.71
TOTAL	**3,299.93**	**2,973.19**

Note 1: Expense relating to short-term leases amounts to ₹ 2.10 crores (Previous Year ₹ 1.27 crores) and leases of low value assets amounts to ₹ 23.17 crores (Previous Year ₹ 21.82 crores)

Note 2: Other expenses include variable lease payments of ₹ 128.96 crores (Previous Year ₹ 128.07)

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 28: FINANCE COSTS**

(₹ in Crores)

	Year 2019-20	Year 2018-19
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	**15.11**	20.50
(b) Interest on bill discounting	**18.98**	23.89
(c) Interest on loan from State of Haryana	**1.59**	1.03
(d) Interest on lease liabilities	**64.41**	54.27
(e) Other interest expense	**2.08**	2.44
Total interest expense for financial liabilities carried at amortised cost	**102.17**	**102.13**
Interest on income tax	**0.16**	3.14
TOTAL	**102.33**	**105.27**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 29: DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Crores)

	Year 2019-20	Year 2018-19
Depreciation of Property, Plant and Equipment (Refer note 2A)	**532.43**	394.13
Depreciation of Right of Use assets (Refer note 2B)	**212.91**	193.73
Amortisation of Intangible assets (Refer note 3)	**35.16**	34.28
TOTAL	**780.50**	**622.14**

Note : Excludes depreciation/amortisation on account of disposal of subsidiary (Refer note 32A)

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 30(A): CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS**

(₹ in Crores)

	Refer note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	4(I)(D) & 4(II)(B)	**419.59**	451.72	**458.00**	1,171.37
Investments in unquoted equity shares	4(I)(A)(b)(ii)	**1.07**	1.07	**-**	-
Forward exchange contract (net)	7	**-**	-	**-**	0.01
		420.66	**452.79**	**458.00**	**1,171.38**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares#	4(I)(A)(a)	**521.16**	454.72	**-**	-
Investments in quoted debentures or bonds	4(I)(C)(a)	**106.77**	79.51	**0.50**	-
		627.93	**534.23**	**0.50**	**-**
Financial assets measured at amortised cost					
Investments in unquoted government securities	4(I)B & 4(II)(C)	*****	*	**53.98**	3.16
Investments in unquoted debentures or bonds	4(I)(C)(b)	**1.15**	1.20	**-**	-
Sundry deposits	5	**68.24**	78.58	**18.41**	15.47
Finance lease receivables	5	**-**	0.02	**0.26**	0.12
Trade receivables	6	**4.21**	6.09	**1,795.22**	1,907.33
Royalty receivable	7	**-**	-	**0.23**	0.79
Subsidy receivable from state government	7	**232.39**	220.64	**144.68**	154.54
Interest accrued on investments in debentures or bonds measured at FVTOCI	7	**-**	-	**4.01**	3.62
Quantity discount receivable	7	**-**	-	**160.55**	179.48
Bank deposits with more than 12 months of original maturity	7	**11.28**	-	**464.85**	177.78
Dues from associate company	7	**-**	-	**2.10**	5.21
Other receivables	7	**0.23**	-	**2.08**	4.54
Cash and Cash Equivalents	8A	**-**	-	**563.83**	275.97
Other Bank Balances	7 & 8B	**4.41**	6.15	**222.15**	168.91
		321.91	**312.68**	**3,432.35**	**2,896.92**

Notes to Consolidated Financial Statements (Contd.)

NOTE 30(A): CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS** (CONTD.)

(₹ in Crores)

	Refer note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Financial liabilities measured at amortised cost					
Loan from State of Haryana	15	**18.50**	10.89	**5.90**	-
Sales tax deferment scheme - State of Maharashtra	15	**0.13**	0.26	**0.13**	0.17
Term Loan from Bank	15	**-**	7.91	**8.55**	10.82
Loan repayable on demand - from banks / financial institutions	15	**-**	-	**249.30**	510.25
Loan repayable on demand - Cash Credit / Overdraft Accounts	15	**-**	-	**72.18**	86.28
Lease Liabilities	16	**589.94**	541.64	**173.87**	151.38
Retention monies relating to capital expenditure	17	**0.46**	1.38	**36.44**	77.25
Payable towards capital expenditure	17	**-**	0.20	**47.26**	156.89
Payable towards services received	17	**-**	-	**248.92**	321.74
Payable towards stores spares and consumables	17	**-**	-	**14.26**	10.02
Payable to employees	17	**0.15**	-	**178.76**	198.30
Unpaid/unclaimed dividend	17	**-**	-	**22.47**	18.86
Trade deposits from certain customers	17	**1.33**	1.59	**0.02**	0.07
Forward exchange contract(net)	17	**-**	-	**0.15**	-
Payable towards other expenses	17	**1.00**	0.48	**793.24**	840.78
Trade payables (including Acceptances)	20	**-**	-	**2,136.57**	2,394.29
Others	17	**-**	-	**18.24**	16.44
		611.51	**564.35**	**4,006.26**	**4,793.54**

#Investments in these equity instruments are not held for trading. Upon the 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 and loss relating to these investments in the Consolidated Statement of Profit and Loss may not be indicative of the performance of the Group.

* ₹ 39,500 /-

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 30(B): FAIR VALUE MEASUREMENTS

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

As at 31st March, 2020 (₹ in Crores)

Financial assets/Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2020	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 4(I)(A)(a))	**521.16**	**521.16**	**-**	**-**
Investments in quoted debentures or bonds (Refer note 4(I)C)(a))	**106.77**	**106.77**	**-**	**-**
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 4(I)D & 4(II)(B))	**877.59**	**877.59**	**-**	**-**
Investments in unquoted equity shares (Refer note 4(I)(A)(b)(ii))	**1.07**	**-**	**-**	**1.07**
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 17)	**0.15**	**0.15**	**-**	**-**

NOTE 30(B): FAIR VALUE MEASUREMENTS (CONTD.)

As at 31st March, 2019 (₹ in Crores)

Financial assets	Fair value	Fair value hierarchy		
	As at 31.03.2019	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 4(I)(A)(a))	454.72	454.72	-	-
Investments in quoted debentures or bonds (Refer note 4(I)(C)(a))	79.51	79.51	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 4(I)D & 4(II)(B))	1,623.09	1,623.09	-	-
Investments in unquoted equity shares (Refer note 4(I)(A)(b)(ii))	1.07	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 7)	0.01	0.01	-	-

(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 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, loans, 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 closely. 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 have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cashflows 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, loans 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. 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.

NOTE 30(C): FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

a) Interest Rate Risk (Contd.)

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, 2020 would decrease/increase by ₹ 2.39 crores (Previous Year ₹ 2.60 crores).

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 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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
USD	**487.82**	563.25	**147.32**	156.82
EUR	**86.21**	94.75	**9.45**	9.30
GBP	**5.64**	7.54	**0.19**	3.44
SEK	**0.04**	0.08	**-**	-
SGD	**0.15**	0.33	**0.29**	0.02
JPY	**0.63**	14.18	**-**	-
AED	**22.19**	15.97	**66.25**	56.85
Others	**1.16**	0.82	**20.34**	28.31

The above table represents total exposure of the Company 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 31.03.2020	5.00	4.29	32.27
Forward contract to buy USD - As at 31.03.2019	25.00	19.61	135.84

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2019-20	Year 2018-19	Year 2019-20	Year 2018-19
5%	**(12.49)**	(14.63)	**(12.49)**	(14.63)
(5%)	**12.49**	14.63	**12.49**	14.63

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, 2020, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 521.16 crores (Previous Year ₹ 454.72 crores). The details of such investments in equity instruments are given in Note 4 (I)(A)(a).

NOTE 30(C): FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

c) Other Price Risk (Contd.)

The Parent Company is also exposed to price risk arising from investments in bonds recognised at FVTOCI. As at 31st March, 2020, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 107.27 crores (Previous Year ₹ 79.51 crores). These being debt instruments, the exposure to risk of changes in market rates is minimal. The details of such investments in bonds are given in note 4 (I)(C)(a) & 4(II)(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:

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March, 2020, Other Comprehensive Income for the year ended 31st March, 2020 would increase by ₹ 46.93 crores (2018-19 ₹ 40.18 crores) and decrease by ₹ 46.93 crores (2018-19 ₹ 45.47 crores) respectively with a corresponding increase/ decrease in Total Equity of the Company as at 31st March, 2020. 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 4 (except equity shares and bonds), 5, 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 210 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 and accordingly individual credit limits are defined. 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. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company 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	2019-20	2018-19
Balance at the beginning of the year	**120.72**	89.13
Loss allowance measured at lifetime expected credit losses	**34.77**	31.59
Balance at the end of the year	**155.49**	**120.72**

Notes to Consolidated Financial Statements (Contd.)

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 having adequate amount of 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, 2020					
Borrowings (Refer note 15)	321.48	31.79	-	353.27	340.11
Lease liabilities (Refer note 16)	226.61	547.25	185.49	959.36	763.81
Trade Payables (Refer note 20)	2,136.57	-	-	2,136.57	2,136.57
Other financial liabilities (Refer note 17)	1,374.34	2.94	-	1,377.28	1,377.28
At 31st March, 2019					
Borrowings (Refer note 15)	596.53	21.97	-	618.50	615.59
Lease liabilities (Refer note 16)	200.04	508.89	161.09	870.03	693.02
Trade Payables (Refer note 21)	2,394.29	-	-	2,394.29	2,394.29
Other financial liabilities (Refer note 17)	1,651.34	3.65	-	1,654.99	1,654.99

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

4) Risk due to outbreak of COVID 19 pandemic

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. Plants, warehouses and offices of most of the companies in the Group were shut post announcement of lockdown. Most of the operations have resumed post lifting of lockdown. The Group has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

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 2019-20	Year 2018-19
Dividend on equity shares paid during the year		
Final dividend for the FY 2018-19 [₹ 7.65 (Previous Year ₹ 6.05) per equity share of ₹ 1 each]	**733.79**	580.31
Dividend distribution tax on final dividend	**148.70**	118.80
Interim dividend for the FY 2019-20 [₹ 10.50 (Previous Year ₹ 2.85)per equity share of ₹1 each] (Refer note 14)	**1,007.16**	273.37
Dividend distribution tax on interim dividend	**204.37**	54.70
	2,094.02	**1,027.18**

Proposed Dividend:

The Board of Directors at its meeting held on 23rd June, 2020 have recommended a payment of final dividend of ₹ 1.50 (Rupee one and Paise fifty only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2020. The same amounts to ₹ 143.88 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 32A: DISCONTINUED OPERATIONS

On 16th September, 2019, Asian Paints International Private Limited, Singapore ('APIPL'), subsidiary of the Group entered into a Share Purchase Agreement with Omega Property Investments Pty Ltd., Australia for divestment of its entire stake in Berger Paints Singapore Pte. Limited, Singapore ('BPS').

The said transaction was concluded on 17th September, 2019. The loss of discontinued operations and the resultant loss on disposal has been included in the consolidated financial statements as loss from discontinued operations.

Analysis of loss for the year from discontinued operations:

The results of the discontinued operations included in the profit for the year are as set below. The comparative results and cash flow from discontinued operations have been presented as if these operations were discontinued in the prior year as well.

(₹ in Crores)

	Year 2019-20	Year 2018-19
Revenue	**52.20**	101.39
Expenses	**55.69**	108.69
Profit/(loss) before tax from discontinued operations	**(3.49)**	**(7.28)**
Tax expense of discontinued operations	**0.78**	1.48
Profit/(loss) after tax from discontinued operations (A)	**(2.71)**	**(5.80)**
Loss on disposal of BPS (net of tax) (B)	**(2.24)**	-
Profit/(loss) after tax from discontinued operations (A+B)	**(4.95)**	**(5.80)**
Profit after tax from discontinued operations attributable to Owners of the Company	**(4.95)**	(5.80)
Amount reclassified from other comprehensive income and included in gain on disposal		
Exchange difference loss arising on translation of foreign operations	**14.78**	**-**

(₹ in Crores)

Analysis of cash flow from discontinued operations	Year 2019-20	Year 2018-19
Net cash (outflow) from operating activities	**2.35**	(0.37)
Net cash (outflow) from investing activities	**-**	-
Net cash (outflow) from financing activities	**(2.55)**	-

Notes to Consolidated Financial Statements (Contd.)

NOTE 32A: DISCONTINUED OPERATIONS (CONTD.)

(₹ in Crores)

Computation of loss on disposal of BPS	Year 2019-20
Cash consideration received	19.63
Less: Carrying value of net asset sold (net of non-controlling interest)	(36.66)
Less: Exchange difference arising on translation of foreign operations	14.78
Loss on disposal	**(2.24)**

(₹ in Crores)

Carrying amount of BPS assets and liabilities disposed:	17th September, 2019
Property, plant and equipment	23.56
Non-current assets	
Intangible assets	0.15
Right of use assets	9.35
Deferred tax assets	0.76
Current assets	
Inventories	10.58
Trade receivables	31.91
Cash and bank balances	2.81
Other assets	1.69
Total assets	**80.81**
Non Current Lease liabilities	9.26
Current Liabilities	
Lease liabilities	0.69
Trade payables and other liabilities	32.29
Other payables and provisions	1.91
Total Liabilities	**44.15**
Net assets derecognized	**36.66**

(₹ in Crores)

Net cash inflow from BPS	17th September, 2019
Cash consideration received	19.63
Less: Cash and cash equivalents disposed of	2.81
Net cash inflow from BPS	**16.82**

NOTE 32B: EFFECT OF ADOPTING IND AS 116, LEASES

Changes in Accounting Policies and Disclosures :

The Group has adopted Ind AS 116, Leases retrospectively to each prior reporting period presented with effect from 1st April, 2019. Ind AS 116 primarily requires the Group, as a lessee, to recognize, at the commencement of the lease a right-to-use asset and a lease liability (representing present value of unpaid lease payments). Such right-to-use assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability being recognized as finance cost, subject to certain remeasurement adjustments.

Group has elected to use the recognition exemptions for short term leases as well as low value assets.

Group has applied the practical expedient not to reassess whether or not a contract meets the definition of lease on transition and accordingly applied Ind AS 116 to all the contracts entered before 1st April, 2018.

NOTE 32B: EFFECT OF ADOPTING IND AS 116, LEASES (CONTD.)

The effect of adopting Ind AS 116 is as follows:

(₹ in Crores)

Effect of Ind AS 116 adoption on the Balance Sheet as at 1st April, 2018	As at 01.04.2018	Ind AS 116 Adjustments	Post Ind AS 116
ASSETS			
Non-Current assets			
Property, Plant and Equipment	3,118.47	(218.94)	2,899.53
Right of Use Assets	-	721.05	721.05
Investments in Associate	365.88	(1.01)	364.87
Deferred Tax Assets (Net)	19.60	0.68	20.28
Other non-current assets	320.54	(11.03)	309.51
Total Assets	13,783.08	490.75	14,273.83
EQUITY AND LIABILITIES			
Equity			
Other Equity	8,314.31	(45.47)	8,268.84
Equity attributable to owners of the Company	8,410.23	(45.47)	8,364.76
Non Controlling Interests	327.65	(1.44)	326.21
LIABILITIES			
Non-Current Liabilities			
Borrowings	28.33	(0.43)	27.90
Lease Liabilities	-	392.54	392.54
Deferred tax liabilities (Net)	417.12	(22.71)	394.41
Other Non-Current Liabilities	3.57	(0.33)	3.24
Current Liabilities			
Lease Liabilities	-	168.65	168.65
Trade Payables			
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,120.08	(0.01)	2,120.07
Other Financial Liabilities	1,363.73	(0.05)	1,363.68
Total Equity and Liabilities	13,783.08	490.75	14,273.83

(₹ in Crores)

Effect of Ind AS 116 adoption on the Balance Sheet as at 31st March, 2019	As at 31.03.2019	Ind AS 116 Adjustments	Post Ind AS 116
ASSETS			
Non-Current assets			
Property, Plant and Equipment	5,256.18	(225.74)	5,030.44
Right of Use Assets	-	871.12	871.12
Investments in Associate	406.94	(1.11)	405.83
Deferred Tax Assets (Net)	28.04	1.22	29.26
Other non-current assets	72.88	(21.62)	51.26
Current assets			
Other current assets	400.96	(7.10)	393.86
Total Assets	15,661.33	616.77	16,278.10
EQUITY AND LIABILITIES			
Equity			
Other Equity	9,423.77	(49.14)	9,374.63
Equity attributable to owners of the Company	9,519.69	(49.14)	9,470.55
Equity attributable to owners of the Company	363.05	(1.80)	361.25
LIABILITIES			
Non-Current Liabilities			
Borrowings	19.48	(0.42)	19.06
Lease Liabilities	-	541.64	541.64
Other Financial Liabilities	3.94	(0.29)	3.65
Deferred tax liabilities (Net)	567.72	(24.45)	543.27
Current Liabilities			
Lease Liabilities	-	151.38	151.38
Trade Payables			
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,332.97	(0.05)	2,332.92
Other Financial Liabilities	1,651.44	(0.10)	1,651.34
Total Equity and Liabilities	15,661.33	616.77	16,278.10

Notes to Consolidated Financial Statements (Contd.)

NOTE 32B: EFFECT OF ADOPTING IND AS 116, LEASES (CONTD.)

(₹ in Crores)

Effect of Ind AS 116 adoption on the Statement of Profit and Loss for the year ended 31st March, 2019*	Year 2018-19	Ind AS 116 Adjustments	Post Ind AS 116
Other Income	227.04	6.00	233.04
TOTAL INCOME (I)	16,670.59	6.00	19,481.49
EXPENSES			
Employee benefits expenses	1,249.39	(12.56)	1,236.83
Other expenses	3,196.74	(223.55)	2,973.19
TOTAL EXPENSES (II)	15,719.02	(236.11)	15,482.91
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)	3,756.47	242.11	3,998.58
Finance costs	51.00	54.27	105.27
Depreciation and amortisation expense	428.41	193.73	622.14
PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATE	3,277.06	(5.89)	3,271.17
Share in profit of associate	40.82	(0.09)	40.73
PROFIT BEFORE TAX	3,317.88	(5.98)	3,311.90
Tax expense			
Deferred tax	157.52	(2.21)	155.31
Total tax expense	1,100.27	(2.21)	1,098.06
PROFIT FROM CONTINUING OPERATIONS	2,217.61	(3.77)	2,213.84
Profit before tax from discontinued operations	(7.15)	(0.13)	(7.28)
Tax benefit of discontinued operations	1.45	0.03	1.48
PROFIT FROM DISCONTINUED OPERATIONS	(5.70)	(0.10)	(5.80)
PROFIT FOR THE YEAR	2,211.91	(3.87)	2,208.04
OTHER COMPREHENSIVE INCOME (OCI)			
Exchange Difference arising on translation of foreign operations	3.52	(0.16)	3.36
TOTAL OTHER COMPREHENSIVE INCOME	(13.60)	(0.16)	(13.76)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,198.31	(4.03)	2,194.28

(₹ in Crores)

Effect of Ind AS 116 adoption on the Statement of Cash Flow for the year ended 31st March, 2019	Year 2018-19	Ind AS 116 Adjustments	Post Ind AS 116
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	3,310.73	(6.11)	3,304.62
Depreciation and amortisation expense	430.67	194.95	625.62
Finance costs	51.00	54.65	105.65
Net gain on lease modification	-	(6.00)	(6.00)
Share in profit of associate	(40.82)	0.09	(40.73)
Operating Profit before working capital changes	3,623.67	237.58	3,861.25
(Increase) in Trade and Other receivables	(223.13)	17.69	(205.44)
Cash generated from Operating activities	3,196.27	255.27	3,451.54
Net Cash generated from Operating activities	2,214.27	255.27	2,469.54
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquiring right of use assets	-	(20.77)	(20.77)
Net Cash (used in) Investing activities	(923.72)	(20.77)	(944.49)
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	-	(179.85)	(179.85)
Finance costs paid	(51.22)	(54.65)	(105.87)
Net Cash (used in) Financing activities	(882.96)	(234.50)	(1,117.46)

NOTE 32B: EFFECT OF ADOPTING IND AS 116, LEASES (CONTD.)

Effect of Ind AS 116 adoption on Earnings Per Share*	2018-19 Reported	2018-19 Restated
a) Basic and diluted earnings per share of continuing operations (face value – ₹1 per share) (In ₹)	**22.57**	22.54
b) Profit after tax as per Statement of Profit and Loss of continuing operations (₹ in crores)	**2,165.19**	2,161.72
c) Basic and diluted earnings per share of discontinued operations (face value – ₹1 per share) (In ₹)	**(0.06)**	(0.06)
d) Profit after tax as per Statement of Profit and Loss of discontinued operations (₹ in crores)	**(5.70)**	(5.80)
e) Basic and diluted earnings per share of continuing and discontinued operations (face value – ₹1 per share) (In ₹)	**22.51**	22.48
f) Profit after tax as per Statement of Profit and Loss of continuing and discontinued operations (₹ in crores)	**2,159.49**	2,155.92
g) Weighted average number of equity shares outstanding during the year	**95,91,97,790**	95,91,97,790

Total cash flows for leases including variable lease payments is ₹ 366.37 crores (Previous Year ₹ 364.36 crores) which includes finance cost on lease liability of ₹ 64.56 crores (Previous Year ₹ 54.65 crores).

* Excludes amounts pertaining to Berger Paints Singapore Pte. Ltd. ("Discontinued Operations") (Refer note 32A)

NOTE 33: 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.

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. Certain overseas subsidiaries also operate defined benefit plans for their pensioners. These plans are salary defined benefit plans and are fully funded. The assets of the fund are held separately from those of the subsidiaries in an independently administered fund. The plans are funded by payments from employees and the subsidiaries based on the recommendations of independent qualified actuaries.

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.

Notes to Consolidated Financial Statements (Contd.)

NOTE 33: EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits: (Contd.)

d) Leaving Indemnity plan (Contd.)

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 analysed 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.

For overseas subsidiaries, pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. Investments are reviewed on a periodical basis after taking into account the expected payments and contributions to the fund to ensure liquidity to ensure the funds are able to pay pensioners as and when they are due.

Aforesaid post-employment benefit plans typically expose the Group 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 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, 2020 are as follows: -

1. TransValue Consultants
2. Padma Radya Aktuaria
3. Actuarial & Management Consultants (Pvt) Limited
4. Aon Consulting Private Ltd

NOTE 33: EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits: (Contd.)

d) Leaving Indemnity plan (Contd.)

The following tables summarise the components of net defined benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(₹ in Crores)

		Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity, Medical Plan and Post retirement Medical Plan (Unfunded)	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(i)	**Opening defined benefit obligation**	**178.35**	**168.92**	**27.81**	**25.02**
(ii)	Current service cost	**13.61**	9.85	**3.45**	3.26
(iii)	Interest cost	**13.45**	12.89	**1.91**	1.91
(iv)	Past Service Cost	**0.63**	1.82	**-**	-
(v)	**Sub-total included in statement of profit and loss (ii+iii+iv)**	**27.69**	**24.56**	**5.36**	**5.17**
(vi)	Experience adjustment (Gain) / Loss	**2.67**	5.56	**0.38**	(0.82)
(vii)	Financial (Gain) / Loss	**14.09**	0.10	**0.38**	(0.66)
(viii)	Demographic (Gain) / Loss	**(0.01)**	1.14	**0.04**	(0.05)
(ix)	**Sub-total included in other comprehensive income (vi+vii+viii)**	**16.75**	**6.80**	**0.80**	**(1.53)**
(x)	Benefits paid	**(21.15)**	(21.88)	**(2.39)**	(1.61)
(xi)	Exchange Difference on Foreign Plans	**-**	(0.05)	**1.91**	0.76
(xii)	**Closing defined benefit obligation (i+v+ix+x+xi)**	**201.64**	**178.35**	**33.49**	**27.81**
(xiii)	**Opening fair value of plan assets**	**161.32**	**169.25**	**-**	**-**
(xiv)	Administration Expenses Paid	**-**	**(0.04)**	**-**	**-**
(xv)	Expected return on plan assets	**12.21**	13.08	**-**	**-**
(xvi)	**Sub-total included in statement of profit and loss (xiv+xv)**	**12.21**	**13.04**	**-**	**-**
(xvii)	Actuarial gains	**7.25**	(6.04)	**-**	**-**
(xviii)	**Sub-total included in other comprehensive income (xvii)**	**7.25**	**(6.04)**	**-**	**-**
(xix)	Contributions by employer	**27.84**	6.99	**-**	**-**
(xx)	Exchange Difference on Foreign Plans	**(0.01)**	**(0.04)**	**-**	-
(xxi)	Benefits paid	**(21.13)**	(21.88)	**-**	-
(xxii)	**Closing fair value of plan assets (xiii+xvi+xviii+xix+xx+xxi)**	**187.48**	**161.32**	**-**	**-**
(xxiii)	**Net (Asset)/Liability (xii-xxii)**	**14.16**	**17.03**	**33.49**	**27.81**
	Expense recognised in:				
(xxiv)	Statement of profit and loss (v-xvi)	**15.48**	11.52	**5.36**	5.17
(xxv)	Statement of other comprehensive income (ix-xviii)	**9.50**	12.84	**0.80**	(1.53)

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

Particulars	As at 31.03.2020	As at 31.03.2019
Government of India Securities (Central and State)	**93.47**	92.26
High quality corporate bonds (including Public Sector Bonds)	**75.87**	55.60
Equity instruments	**5.39**	5.31
Cash (including Bank Balance, Special Deposit Scheme)	**0.75**	0.44
Others	**5.29**	2.77

Notes to Consolidated Financial Statements (Contd.)

NOTE 33: EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits: (Contd.)

d) Leaving Indemnity plan (Contd.)

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group plans are shown below:

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity, Medical Plan and Post retirement Medical Plan (Unfunded)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Discount Rate	**6.46% to 6.71%**	7.4% to 7.7%	**4.5% to 10.5%**	4.5 % to 11%
Salary Escalation Rate	**All Grades- 9% for first 2 years 8% thereafter**	8% to 10%	**4.5% to 11.0%**	4.5 % to 11%

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have 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 and Post retirement Medical Plan	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020#	As at 31.03.2019
Defined Benefit Obligation - Discount Rate + 100 basis points	**(16.09)**	(12.71)	**(0.29)**	(0.28)
Defined Benefit Obligation - Discount Rate - 100 basis points	**17.19**	13.49	**0.31**	0.29
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	**15.89**	12.29	**-**	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	**(15.22)**	(11.70)	**-**	-

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 6.81 years to 11.78 years (31st March, 2019: 10.24 years to 12.41 years.)

The Group expects to make a contribution of ₹ 29.43 crores (Previous Year ₹ 31.45 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, 2020.

NOTE 33: EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits: (Contd.)

e) Provident Fund (Contd.)

The details of benefit obligation and plan assets of the provident funds as at 31st March, 2020 is as given below:

(₹ in Crores)

Particulars	As at 31.03.2020	As at 31.03.2019
Present value of benefit obligation at period end	**580.64**	513.94
Plan assets at period end, at fair value, restricted to asset recognized in balance sheet^	**580.64**	513.94

^The Parent Company has provided ₹ 1.31 crores towards likely shortfall in interest payout at the rate announced by the Central Board of Trustees of EPFO which is yet to be notified by the EPFO. It is included in plan assets of the Fund.

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

Particulars	As at 31.03.2020	As at 31.03.2019
Discounting Rate	**6.67%**	7.57%
Expected Guaranteed interest rate	**8.50%***	8.65%

* Rate mandated by EPFO for the FY 2019-20 and the same is used for valuation purpose.

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, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 28.29 crores (Previous Year ₹ 10.32 crores)

Financial Assumptions

Particulars	As at 31.03.2020	As at 31.03.2019
Discount Rate	**4.50% to 10.50%**	4.50% to 11.00%
Basic salary increases allowing for Price inflation	**4.50% to 11.00%**	4.50% to 11.00%

Demographic Assumptions

Particulars	As at 31.03.2020	As at 31.03.2019
Employee Turnover	**1.80% to 30%**	1.80% to 30%
Leave Availment Ratio	**2% to 5%**	2% to 5%

Notes to Consolidated Financial Statements (Contd.)

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 -'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020

a) Key Managerial Personnel:

Name of the Director	Designation
Shri K. B. S. Anand	Managing Director & CEO (Retired on 31st March, 2020)
Shri Amit Syngle	Managing Director & CEO (w.e.f 1st April, 2020)
Shri Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs (Retired on 26th November, 2019)
Shri R J Jeyamurugan	CFO & Company Secretary (w.e.f 27th November, 2019)

Non-Executive Directors	
Shri. Ashwin Dani	Shri. M.K. Sharma
Shri. Abhay Vakil	Mrs. Vibha Paul Rishi
Shri. Malav Dani	Shri. R Seshasayee
Ms. Amrita Vakil	Shri Jigish Choksi (w.e.f 1st April, 2019)
Shri. Manish Choksi (w.e.f. 22nd October, 2018)	Shri. Suresh Narayanan (w.e.f 1st April, 2019)
Shri. Deepak Satwalekar	Mrs. Pallavi Shroff (w.e.f 1st April, 2019)
Dr. S. Sivaram	Shri. Mahendra Shah (upto 31st March, 2019)
Late Shri. Ashwin Choksi (upto 19th September, 2018)	Shri. S. Ramadorai (upto 31st March, 2019)
Shri. Mahendra Choksi (upto 31st March, 2019)	

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

Shri. Varun Vakil

Shri. Manish Choksi*

* The Board of Directors of the Company at their meeting held on 22nd October, 2018 approved the appointment of Mr. Manish Choksi as a Non-Executive Director, effective immediately. In view of this, Mr. Manish Choksi has stepped down as the President - International, IT, HR and Chemicals.

c) Entities where Directors/Close family members of Directors having control/significant influence:

Addverb Technologies Pvt Ltd	Hiren Holdings Pvt. Ltd.	Pragati Chemicals Ltd.
Advaita Charitable Trust	Hitech Corporation Ltd.	Pratham Education Foundation *
Ankleshwar Industrial Development Society**	Hitech Specialities Solutions Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.
ARI Designs LLP	Jalaj Trading And Investment Company Pvt. Ltd.	Resins and Plastics Ltd.
Ashwin Ina Charitable Trust	Jaldhar Investments And Trading Company Pvt. Ltd	Ricinash Oil Mill Ltd.
Ashwin Suryakant Dani (HUF)	Lambodar Investments And Trading Company Ltd.	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt Ltd	Lyon Investment and Industries Pvt. Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Satyadharma Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Navbharat Packaging Industries Ltd.	Shardul Amarchand Mangaldas & Co. ^
Dani Charitable Foundation	Nehal Trading and Investments Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 -'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020

c) Entities where Directors/Close family members of Directors having control/significant influence: (Contd.)

Dani Finlease Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
Doli Trading and Investments Pvt. Ltd.	Param-Arth Charitable Trust	Suptaswar Investments And Trading Company Ltd.
Elcid Investments Ltd.	Parekh Plast India Ltd.	Tru Trading And Investments Pvt. Ltd.
ELF Trading And Chemicals Mfg. Ltd.	Pious Charitable Trust	Unnati Trading And Investments Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Piramal Swasthya Management and Research Institute	Vikatmev Containers Ltd.
Gujarat Organics Ltd.		

* w.e.f. 18th September, 2019
** w.e.f. 22nd October, 2019
^ w.e.f. 21st January, 2020

d) 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)

e) 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

f) Details of related party transactions during the year ended 31st March, 2020:

(₹ in Crores)

Particulars	Associates		Key Managerial Personnel		Close Family Members of Key Managerial Personnel		Entities Controlled / Significantly influenced by Directors / Close Family Members of Directors		Other entities where significant influence exist	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue from sale of products	12.35	18.40	0.00 *	-	-	-	0.18	0.28	-	-
Processing of goods (Income)	16.70	19.69	-	-	-	-	-	-	-	-
Royalty Income	3.61	3.78	-	-	-	-	-	-	-	-
Other non operating income	11.29	11.28	-	-	-	-	-	-	-	-
Other services – Paid	-	-	-	-	-	-	1.67	0.03	-	-
Reimbursement of Expenses - received	0.92	0.33	-	-	-	-		-	-	-
Purchase of goods	0.30	0.23	-	-	-	-	553.88	537.55	-	-
Purchase of Assets	-	-	-	-	-	-	-	3.73	-	-
Remuneration	-	-	22.76**	16.91	0.54	3.25	-	-	-	-
Retiral benefits	-	-	10.68	0.18	-	3.50	-	-	-	-
Commission to Non-executive Directors	-	-	3.53	3.97	-	-	-	-	-	-
Sitting Fees Paid to Non-executive Directors	-	-	0.56	0.68	-	-	-	-	-	-

Notes to Consolidated Financial Statements (Contd.)

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 -'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

f) Details of related party transactions during the year ended 31st March, 2020: (Contd.)

(₹ in Crores)

Particulars	Associates		Key Managerial Personnel		Close Family Members of Key Managerial Personnel		Entities Controlled / Significantly influenced by Directors / Close Family Members of Directors		Other entities where significant influence exist	
Reimbursement of Expenses - paid	**0.13**	0.12		-	**-**	-	**-**	-	**-**	-
Dividend Paid	**-**	-	**73.99**	35.75	**110.83**	54.91	**734.28**	360.02	**-**	-
Contributions during the year (includes Employees' share and contribution)	**-**	-	**-**	-	**-**	-	**-**	-	**92.87**	96.06
Advance given	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Sale of assets	**0.48**	0.27	**-**	-	**-**	-	**-**	-	**-**	-
Corporate Social Responsibility Expenses	**-**	-	**-**	-	**-**	-	**1.98**	3.17	**-**	-
Others	**-**	0.45	**-**	-	**-**	-	**-**	-	**-**	-
Outstanding as at 31st March										
Trade and other receivables	**4.86**	8.92	**-**	-	**-**	-	**#**	#	**-**	-
Trade and other payables	**0.44**	0.50	**9.73**	9.22	**-**	-	**4.26**	6.20	**5.37**	29.14

Trade and other receivables for Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors- Current year ₹ 20,827/- (Previous Year ₹ 37,858).
* Revenue from sale of goods to Key Managerial personnel - Current year -₹ 42,687.
** Includes remuneration of ₹ 1,75,15,148/- paid to Shri Manish Choksi for his past services in his erstwhile capacity as employee of the company.

Terms and conditions of transactions with related parties

1. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

Compensation of key managerial personnel of the Parent Company:

(₹ in Crores)

	2019-2020	2018-2019
Short-term employee benefits	**25.55**	21.56
Post-employment benefits	**10.68**	0.18
Other long-term benefits	**1.30**	-
Termination benefits	**-**	-
Share-based payments	**-**	-
Total compensation paid to key managerial personnel	**37.53**	**21.74**

Disclosure in respect of significant transactions of the same type with related parties during the year:

(₹ in Crores)

	2019-2020	2018-2019
Revenue from sale of products		
PPG Asian Paints Private Limited	**12.35**	18.40
Others	**0.18**	0.28
	12.53	**18.68**
Processing of Goods (Income)		
PPG Asian Paints Private Limited	**16.70**	19.69
	16.70	**19.69**
Royalty Income		
PPG Asian Paints Private Limited	**3.61**	3.78
	3.61	**3.78**
Other non operating income		
PPG Asian Paints Private Limited	**11.13**	11.11
Others	**0.16**	0.17
	11.29	**11.28**

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 -'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

Disclosure in respect of significant transactions of the same type with related parties during the year: (Contd.)

(₹ in Crores)

	2019-2020	2018-2019
Other Services Paid		
Addverb Technologies Private Limited	**1.38**	-
Shardul Amarchand Mangaldas & Co.	**0.29**	-
ARI Designs LLP	**-**	0.03
	1.67	**0.03**
Reimbursement of Expenses – Received		
PPG Asian Paints Private Limited	**0.92**	0.33
	0.92	**0.33**
Purchase of Goods		
Hitech Corporation Ltd	**350.70**	341.91
Parekhplast India Limited	**119.68**	122.90
Others	**83.80**	72.97
	554.18	**537.78**
Purchase of Assets		
Addverb Technologies Pvt Ltd	**-**	3.73
	-	**3.73**
Remuneration		
Shri. K.B.S. Anand	**14.41**	11.81
Shri. Jayesh Merchant	**5.99**	5.10
Shri. Manish Choksi	**1.75**	2.80
Shri. Varun Vakil	**0.54**	0.45
Shri R J Jeyamurugan	**0.61**	-
	23.30	**20.16**
Retiral Benefits		
Shri. K.B.S. Anand	**6.36**	-
Shri. Jayesh Merchant	**4.18**	-
Shri. Manish Choksi	**-**	3.50
Shri. Ashwin Dani	**0.07**	0.07
Shri. Abhay Vakil	**0.07**	0.08
Late Shri. Ashwin Choksi	**-**	0.03
	10.68	**3.68**
Commission to Non Executive Directors		
Shri. Ashwin Dani	**0.32**	0.35
Shri. Abhay Vakil	**0.25**	0.28
Shri. Malav Dani	**0.27**	0.30
Ms. Amrita Amar Vakil	**0.25**	0.28
Shri. Manish Choksi	**0.29**	0.22
Shri. Jigish Choksi	**0.25**	-
Shri. Mahendra Choksi	**-**	0.28
Late Shri. Ashwin Choksi	**-**	0.18
Others	**1.90**	2.08
	3.53	**3.97**

Notes to Consolidated Financial Statements (Contd.)

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 -'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

Disclosure in respect of significant transactions of the same type with related parties during the year: (Contd.)

(₹ in Crores)

	2019-2020	2018-2019
Sitting Fees Paid to Non Executive Directors		
Shri M K Sharma	**0.06**	0.08
Shri Mahendra Shah	**-**	0.07
Shri. Abhay Vakil	**0.06**	0.07
Others	**0.44**	0.46
	0.56	**0.68**
Reimbursement of Expenses – Paid		
PPG Asian Paints Private Limited	**0.13**	0.12
	0.13	**0.12**
Dividend Paid		
Smiti Holding And Trading Company Private Limited	**98.87**	48.13
Sattva Holding and Trading Private Limited	**98.44**	47.07
Others	**721.79**	355.48
	919.10	**450.68**
Contributions during the year (includes Employees' share and contribution)		
Asian Paints Office Provident Fund	**36.44**	51.43
Asian Paints Factory Employees Provident Fund	**29.35**	35.43
Asian Paints Management Cadres Superannuation Scheme	**1.08**	2.20
Asian Paints (India) Limited Employees' Gratuity Fund	**26.00**	7.00
	92.87	**96.06**
Sale of Assets		
PPG Asian Paints Private Limited.	**0.48**	0.27
	0.48	**0.27**
Corporate Social Responsibility Expenses		
Piramal Swasthya Management and Research Institute	**1.55**	-
Pratham Education Foundation	**0.22**	-
Ankleshwar Industrial Development Society	**0.21**	3.17
	1.98	**3.17**
Others		
PPG Asian Paints Private Limited	**-**	0.45
	-	**0.45**

All the amounts reported in note 34 are inclusive of GST, wherever applicable

NOTE 35: INVESTMENT IN AN ASSOCIATE**

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 31.03.2020	As at 31.03.2019
Current Assets	**732.91**	734.38
Non-current Assets	**521.99**	452.23
Current Liabilities	**(298.97)**	(307.28)
Non-current Liabilities	**(42.67)**	(67.67)
Equity	**913.26**	**811.66**
Proportion of the group's ownership interest	**50%**	50%
Carrying amount of the group's interest	**456.63**	405.83

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
Revenue	**1,242.96**	1,350.75
Cost of raw material and components consumed	**(767.36)**	(899.04)
Depreciation & amortization	**(35.34)**	(32.79)
Finance cost	**(4.18)**	(4.20)
Employee benefit	**(106.50)**	(98.34)
Other expenses	**(196.01)**	(200.81)
Profit before tax	**133.57**	**115.57**
Income tax expense	**(32.10)**	(34.11)
Profit for the year	**101.47**	**81.46**
Group's share of profit for the year	**50.74**	40.73
Group's share of other comprehensive income for the year	**0.06**	0.24
Group's total comprehensive income for the year	**50.80**	40.97

The associate had the following contingent liabilities and capital commitments:

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
Contingent liabilities:		
Indirect Tax demands disputed in appeals	**17.78**	19.42
Direct Tax demand disputed in appeals	**110.22**	79.44
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**9.14**	44.30

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Notes to Consolidated Financial Statements (Contd.)

NOTE 36: 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	Operations
Paints	Buying and Manufacturing of Paints and related services
Home Improvement	Buying and Manufacturing of Kitchen products along with related services 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)

	2019-20			2018-19		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
A. SEGMENT REVENUE	**19,753.57**	**457.68**	**20,211.25**	18,831.97	416.48	19,248.45
B. SEGMENT RESULT	**3,890.00**	**(70.39)**	**3,819.61**	3,568.45	(53.20)	3,515.25
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	**707.25**	**11.51**	**718.76**	548.70	11.44	560.14
Interest Income	**24.57**	**0.03**	**24.60**	15.76	0.03	15.79
Net foreign exchange loss	**4.15**	**(0.05)**	**4.10**	4.58	(0.08)	4.50
Finance costs	**96.77**	**3.90**	**100.67**	93.19	5.30	98.49
Dividend Income	**0.53**	**-**	**0.53**	1.20	-	1.20
Share of profit of associate	**50.74**	**-**	**50.74**	40.73	-	40.73
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	**3,890.00**	**(70.39)**	**3,819.61**	3,568.45	(53.20)	3,515.25
Add/(Less):						
Interest Income			**41.11**			23.70
Depreciation and amortisation			**(61.74)**			(62.00)
Net foreign exchange (loss)/gain			**2.87**			(1.40)
Dividend received			**26.60**			38.49
Net gain arising on financial assets measured at FVTPL			**75.26**			52.76
Finance costs			**(1.66)**			(6.78)
Income taxes			**(854.85)**			(1,098.06)
Other Un-allocable Expenses net of Un-allocable Income			**(268.06)**			(248.12)
PROFIT FROM CONTINUING OPERATION AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			**2,779.14**			**2,213.84**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 36: SEGMENT REPORTING** (CONTD.)

(₹ in Crores)

	31.03.2020			31.03.2019		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
OTHER INFORMATION						
Segment assets	**12,861.98**	**375.18**	**13,237.16**	12,887.95	359.01	13,246.96
Un-allocable assets			**2,917.61**			3,031.14
Total assets			**16,154.77**			**16,278.10**
Segment liabilities	**4,870.60**	**186.51**	**5,057.11**	5,615.18	218.12	5,833.30
Un-allocable liabilities			**563.97**			613.00
Total liabilities			**5,621.08**			**6,446.30**
Capital expenditure	**221.73**	**5.96**	**227.69**	1,279.93	8.58	1,288.51
Un-allocable capital expenditure			**29.57**			65.78
Total			**257.26**			**1,354.29**

(₹ in Crores)

REVENUE FROM OPERATIONS	2019-20	2018-19
Domestic Operations	**17,869.48**	17,016.03
International Operations	**2,341.77**	2,232.42
Total	**20,211.25**	**19,248.45**

(₹ in Crores)

SEGMENT NON CURRENT ASSETS*	31.03.2020	31.03.2019
Domestic Operations	**5,600.13**	5,861.17
International Operations	**1,130.60**	1,054.79
Total	**6,730.73**	**6,915.96**

* 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)

	2019-20			2018-19		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
Revenue from sale of products	**19,583.81**	**442.15**	**20,025.96**	18,621.63	405.92	19,027.55
Revenue from sale of services	**15.95**	**6.41**	**22.36**	37.03	6.12	43.15
Other operating revenues	**37.16**	**9.12**	**46.28**	39.90	4.44	44.34
Add : Items not included in disaggregated revenue						
Subsidy from government	**116.65**	**-**	**116.65**	133.41	-	133.41
Total Segment Revenue	**19,753.57**	**457.68**	**20,211.25**	**18,831.97**	**416.48**	**19,248.45**
Add : Items not included in segment revenue						
i) Royalty received						
-From Associate	**3.22**	**-**	**3.22**	3.34	-	3.34
-Others	**0.29**	**-**	**0.29**	0.28	-	0.28
Less : Items not included in disagrregated revenue						
i) Lease rent	**2.03**	**-**	**2.03**	2.18	-	2.18
ii) Subsidy from government	**116.65**	**-**	**116.65**	133.41	-	133.41
Revenue from contracts with customers (Note 23B)	**19,638.40**	**457.68**	**20,096.08**	**18,700.00**	**416.48**	**19,116.48**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Notes to Consolidated Financial Statements (Contd.)

NOTE 37: 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)		Share in Profit or Loss		OCI		TCI	
	2019-20		2019-20		2019-20		2019-20	
	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	89.7	9,452.43	96.7	2,678.75	86.4	50.40	96.4	2,729.15
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.1	7.76	-	0.29	(0.1)	(0.04)	-	0.25
Maxbhumi Developers Limited	-	0.51	-	(1.11)	-	-	-	(1.11)
Sleek International Private Limited	(0.7)	(71.61)	(1.5)	(41.01)	(0.5)	(0.31)	(1.5)	(41.32)
Asian Paints PPG Private Limited	0.4	44.70	0.4	11.36	(0.1)	(0.05)	0.4	11.31
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited	-	(1.20)	-	(0.53)	-	-	-	(0.53)
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.1	119.37	1.3	36.01	-	-	1.3	36.01
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	3.2	322.68	(1.9)	(56.08)	-	-	(1.9)	(56.08)
Indirect Subsidiaries						-		
Samoa Paints Limited	-	0.26	-	0.52	-	-	-	0.52
Asian Paints (South Pacific) Pte Limited	0.3	36.62	0.2	6.07	-	-	0.2	6.07
Asian Paints (Tonga) Limited	-	(0.19)	-	0.13	-	-	-	0.13
Asian Paints (S I) Limited	-	4.32	0.1	2.29	-	-	0.1	2.29
Asian Paints (Vanuatu) Limited	-	1.17	-	0.70	-	-	-	0.70
Asian Paints (Middle East) LLC	0.4	39.96	0.1	1.99	0.1	0.05	0.1	2.04
Asian Paints (Bangladesh) Limited	0.1	5.91	(0.2)	(4.52)	(0.2)	(0.10)	(0.2)	(4.62)
SCIB Chemicals S.A.E.	0.5	55.79	0.2	6.87	-	-	0.2	6.87
Asian Paints (Lanka) Limited	(0.1)	(5.86)	-	(0.10)	(0.1)	(0.06)	-	(0.16)
Berger Paints Singapore Pte Limited	-	-	(0.1)	(2.71)	-	-	(0.1)	(2.71)
Berger Paints Bahrain W.L.L.	0.3	32.34	0.5	15.06	(0.2)	(0.14)	0.5	14.92
Berger Paints Emirates LLC	1.0	102.80	0.5	14.76	0.3	0.20	0.5	14.96
Nirvana Investments Limited	-	2.24	-	-	-	-	-	-
Enterprise Paints Limited	(0.2)	(20.80)	-	-	-	-	-	-
Universal Paints Limited	-	3.82	0.8	23.16	-	-	0.8	23.16
Kadisco Paint and Adhesive Industry Share Company	(0.2)	(25.52)	0.5	14.49	-	0.01	0.5	14.50
PT Asian Paints Indonesia	(1.7)	(178.21)	(2.0)	(54.31)	0.1	0.03	(1.9)	(54.28)
PT Asian Paints Color Indonesia	(0.1)	(14.69)	-	(0.47)	-	-	-	(0.47)
Causeway Paints Lanka (Private) Limited	(0.6)	(65.26)	1.1	30.56	(0.3)	(0.20)	1.1	30.36
Minority Interests in all subsidiaries	3.8	403.53	2.5	69.02	13.5	7.87	2.7	76.89
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	2.7	280.82	0.8	23.00	0.1	0.06	0.8	23.06
Foreign Currency Translation Reserve (FCTR)	-	-	-	-	1.0	0.59	-	0.59
TOTAL	100.0	10,533.69	100.0	2,774.19	100.0	58.31	100.0	2,832.50

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2020.

NOTE 37: 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)		Share in Profit or Loss		OCI		TCI	
	2018-19		2018-19		2018-19		2018-19	
	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	89.7	8,842.34	96.4	2,124.85	132.3	(18.18)	96.3	2,106.67
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.1	7.51	-	(0.41)	0.5	(0.07)	-	(0.48)
Maxbhumi Developers Limited	-	(1.89)	-	0.28	-	-	-	0.28
Sleek International Private Limited	(0.6)	(59.99)	(1.0)	(22.88)	0.8	(0.11)	(1.0)	(22.99)
Asian Paints PPG Private Limited	0.3	33.38	0.1	1.50	-	-	0.1	1.50
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited	-	(0.66)	-	(0.51)	-	-	-	(0.51)
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.0	94.94	1.2	25.66	-	-	1.2	25.66
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	3.7	362.11	(1.9)	(42.83)	-	-	(2.0)	(42.83)
Indirect Subsidiaries								
Samoa Paints Limited	-	0.31	-	0.75	-	-	-	0.75
Asian Paints (South Pacific) Pte Limited	0.4	35.29	0.2	7.58	-	-	0.2	7.58
Asian Paints (Tonga) Limited	-	(0.41)	(0.1)	(1.13)	-	-	(0.1)	(1.13)
Asian Paints (S I) Limited	0.1	4.94	0.1	3.02	-	-	0.1	3.02
Asian Paints (Vanuatu) Limited	-	0.31	-	1.10	-	-	0.1	1.10
Asian Paints (Middle East) LLC	0.4	37.43	0.2	5.07	(0.1)	0.01	0.2	5.08
Asian Paints (Bangladesh) Limited	0.1	7.75	(0.7)	(16.09)	1.8	(0.25)	(0.7)	(16.34)
SCIB Chemicals S.A.E.	0.4	40.85	0.3	6.12	-	-	0.3	6.12
Asian Paints (Lanka) Limited	-	(4.87)	-	0.94	(0.8)	0.11	-	1.05
Berger Paints Singapore Pte Limited	(0.8)	(82.85)	(0.4)	(8.07)	-	-	(0.4)	(8.07)
Berger Paints Bahrain W.L.L.	0.4	37.09	0.9	19.81	(1.2)	0.17	0.9	19.98
Berger Paints Emirates LLC	0.8	80.93	0.1	2.21	(3.3)	0.45	0.1	2.66
Nirvana Investments Limited	-	2.19	-	-	-	-	-	-
Enterprise Paints Limited	(0.2)	(20.29)	-	-	-	-	-	-
Universal Paints Limited	-	3.75	1.0	22.44	-	-	1.0	22.44
Kadisco Paint and Adhesive Industry Share Company	(0.2)	(21.25)	0.6	12.63	(1.5)	0.20	0.6	12.83
PT Asian Paints Indonesia	(1.1)	(107.74)	(2.2)	(48.28)	(0.4)	0.05	(2.2)	(48.23)
PT Asian Paints Color Indonesia	(0.1)	(13.74)	-	(0.65)	-	-	-	(0.65)
Causeway Paints Lanka (Private) Limited	(0.7)	(64.64)	1.4	31.68	(0.7)	0.09	1.4	31.77
Minority Interests in all subsidiaries	3.7	361.25	2.4	52.12	(66.8)	9.19	2.8	61.31
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	2.6	257.76	1.4	31.13	(1.7)	0.24	1.4	31.37
Foreign Currency Translation Reserve (FCTR)	-	-	-	-	41.1	(5.66)	(0.3)	(5.66)
TOTAL	**100.0**	**9,831.80**	**100.0**	**2,208.04**	**100.0**	**(13.76)**	**100.0**	**2,194.28**

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019.
**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Notes to Consolidated Financial Statements (Contd.)

NOTE 38: CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities:

(₹ in Crores)

		As at 31.03.2020	As at 31.03.2019
1	Performance Bonds and Immigration Bonds given by Subsidiaries	**13.19**	6.01
2	Claims against the Group not acknowledged as debts		
	i. Tax matters in dispute under appeal	**262.20**	191.55
	ii. Others	**46.67**	33.27

b. Commitments:

(₹ in Crores)

		As at 31.03.2020	As at 31.03.2019
1	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	i. Towards Property, Plant and Equipment	**99.27**	121.08
	ii. Towards Intangible Assets	**4.35**	3.47
2	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March.	**82.67**	74.14
3	For derivative contract related commitments, Refer note 30(C)	**-**	-

NOTE 39: 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 31.03.20	% of Holding as at 31.03.19	Accounting period
Asian Paints (Nepal) Private Limited*	Nepal	**52.71**	51.00	14th Mar, 2019 -13th Mar, 2020
Asian Paints International Private Limited	Singapore	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints Industrial Coatings Limited	India	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Reno Chemicals Pharmaceuticals & Cosmetics Private Limited (Refer note 40C)	India	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Maxbhumi Developers Limited	India	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Sleek International Private Limited	India	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints PPG Private Limited	India	**50.00**	50.00	1st Apr, 2019 -31st Mar, 2020

*A share buyback program to purchase common shares having face value of ₹ 0.13 crores was initiated in July, 2019. Asian paints Nepal Private Limited has immediately cancelled the shares after the repurchase

NOTE 39: DETAILS OF SUBSIDIARIES AND ASSOCIATE (CONTD.)

ii. Indirect Subsidiaries

a) Subsidiaries of Asian Paints (International) Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.20	% of Holding as at 31.03.19	Accounting period
Berger Paints Singapore Pte Limited (Refer note 32A)	Singapore	-	100.00	1st Apr, 2019 -31st Mar, 2020
Enterprise Paints Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Universal Paints Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	**51.00**	51.00	1st Apr, 2019 -31st Mar, 2020
PT Asian Paints Indonesia	Indonesia	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
PT Asian Paints Color Indonesia	Indonesia	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints (Tonga) Limited	Kingdom of Tonga	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints (South Pacific) Limited	Fiji Islands	**54.07**	54.07	1st Apr, 2019 -31st Mar, 2020
Asian Paints (S.I.) Limited	Solomon Islands	**75.00**	75.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints (Bangladesh) Limited	Bangladesh	**89.78**	89.78	1st Apr, 2019 -31st Mar, 2020
Asian Paints (Middle East) LLC	Sultanate of Oman	**49.00**	49.00	1st Apr, 2019 -31st Mar, 2020
SCIB Chemicals S.A.E.	Egypt	**60.00**	60.00	1st Apr, 2019 -31st Mar, 2020
Samoa Paints Limited	Samoa	**80.00**	80.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints(Vanuatu) Limited	Republic of Vanuatu	**60.00**	60.00	1st Apr, 2019 -31st Mar, 2020
Asian Paints (Lanka) Limited	Sri Lanka	**99.18**	99.18	1st Apr, 2019 -31st Mar, 2020
Causeway Paints (Lanka) Pvt Ltd	Sri Lanka	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020

b) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.20	% of Holding as at 31.03.19	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020

c) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.20	% of Holding as at 31.03.19	Accounting period
Berger Paints Emirates LLC	U.A.E.	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020

d) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.20	% of Holding as at 31.03.19	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020

B. Associates:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.20	% of Holding as at 31.03.19	Accounting period
PPG Asian Paints Private Limited	India	**50.00**	50.00	1st Apr, 2019 -31st Mar, 2020
Subsidiaries of PPG Asian Paints Private Limited:				
Revocoat India Private Limited	India	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020
PPG Asian Paints Lanka Private Limited	Sri Lanka	**100.00**	100.00	1st Apr, 2019 -31st Mar, 2020

Notes to Consolidated Financial Statements (Contd.)

NOTE 40A:

During the previous year ended 31st March, 2019, the Parent Company had charged ₹ 34.00 crores, being the change in remeasurement of the defined benefit plans, in Other Comprehensive Income due to impairment in the value of investments made in securities of IL&FS limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Parent Company.

NOTE 40B:

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 has received a notice on 22nd June, 2020 from the office of the DG requesting the Parent Company to provide certain information and documents. The Parent Company is in the process of furnishing the same.

NOTE 40C:

The Board of Directors of the Parent Company and of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ('Reno'), a wholly owned subsidiary of the Parent Company at their meetings held on 22nd January, 2020 and 20th January, 2020 respectively, had approved the Scheme of Amalgamation of Reno with the Parent Company, subject to necessary statutory and regulatory approvals, including approval of the National Company Law Tribunal (NCLT) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Parent Company is in the process of complying with the directions of the NCLT as specified in their Order dated 22nd April, 2020. Pending the approval by NCLT and other regulatory approvals, no accounting effect has been given for the scheme in the financial statements.

NOTE 41: EARNING PER SHARE**

	Year 2019-20	Year 2018-19
Basic and diluted earnings per share from continuing operations in rupees (face value – ₹ 1 per share)	**28.25**	22.54
Profit after tax from continuing operation attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	**2,710.12**	2,161.72
Weighted average number of equity shares outstanding	**95,91,97,790**	95,91,97,790
Basic and diluted earnings per share from discontinuing operations in rupees (face value – ₹ 1 per share)	**(0.05)**	(0.06)
Profit after tax from discontinuing operation attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	**(4.95)**	(5.80)
Weighted average number of equity shares outstanding	**95,91,97,790**	95,91,97,790
Basic and diluted earnings per share from continuing and discontinuing operations in rupees (face value – ₹ 1 per share)	**28.20**	22.48
Profit after tax from Profit after tax from continuing and discontinuing operation attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	**2,705.17**	2,155.92
Weighted average number of equity shares outstanding	**95,91,97,790**	95,91,97,790

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.

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 42: PURSUANT TO IND AS-17 - 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 varies between four to nine 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, 2020 as per the lease agreements:

(₹ in Crores)

Particulars	As at 31.03.2020	As at 31.03.2019
Not Later than 1 year	**1.83**	0.01
Later than 1 year and not later than 5 years	**0.35**	0.04
Later than 5 years	**-**	0.85
Total	**2.18**	**0.90**

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 capitalized.

(d) The information on gross amount of leased assets, depreciation and impairment is given in Note 2.

II. Assets given on finance lease

(a) Certain subsidiaries have leased some of their 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 on 31st March, 2020 is as under:

(₹ in Crores)

	As at 31.03.2020			As at 31.03.2019		
	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	**0.26**	**-**	**-**	0.22	0.10	0.12
Later than 1 year and not later than 5 years	**-**	**-**	**-**	0.02	-	0.02
Later than 5 years	**-**	**-**	**-**	-	-	-
Total	**0.26**	**-**	**-**	**0.24**	**0.10**	**0.14**

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

Notes to Consolidated Financial Statements (Contd.)

NOTE 43: PURSUANT TO THE IND AS 37 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS, THE DISCLOSURE RELATING TO PROVISIONS MADE IN THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020 IS AS FOLLOWS:

(₹ in Crores)

	Provision for Excise[1]		Provision for Sales Tax[2]		Provision for Warranties[3]		Other Provisions[4]	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Opening Balance	**0.63**	0.71	**30.51**	31.16	**2.62**	2.33	**0.14**	0.14
Additions	**2.16**	-	**3.60**	10.90	**0.40**	1.00	**0.01**	-
(Utilizations)	**-**	-	**(0.42)**	(0.37)	**(0.24)**	(0.30)	**-**	-
(Reversals)	**(0.55)**	(0.08)	**(10.74)**	(11.18)	**(0.41)**	(0.48)	**-**	-
Disposal of Subsidiary (Refer note 32A)	**-**	-	**-**	-	**(1.64)**	-	**-**	-
Currency Translation		-	**-**	-	**0.01**	0.07	**-**	-
Closing Balance	**2.24**	**0.63**	**22.95**	**30.51**	**0.74**	**2.62**	**0.15**	**0.14**

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 Parent Company 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 towards 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 44: CHANGES IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES:**

(₹ in Crores)

				Non-cash changes				
	As at 31.03.2019	Cash flows	Other Changes	Net Additions	Fair value changes	Current/ Non-current classification	Foreign currency translation differences	As at 31.03.2020
Borrowings- Non current (Refer note 15)	19.06	17.91	-	-	(4.35)	(14.58)	0.59	**18.63**
Borrowings- Current (Refer note 15)	596.53	(268.79)	(14.10)	-	-	-	7.85	**321.49**
Lease Liabilities (Refer note 16)	693.02	(179.07)	(9.95)*	257.42	-	-	2.39	**763.81**
Other liabilities (Refer note 19)	2.58	-		-	4.31	-	-	**6.89**
Other Financial Liabilities (current portion of non-current borrowings) (Refer note 17)	10.99	(10.49)	-	-	-	14.58	(0.50)	**14.58**

*Refer note 32A

(₹ in Crores)

				Non-cash changes				
	As at 31.03.2018	Cash flows	Other Changes	Net Additions	Fair value changes	Current/ Non-current classification	Foreign currency translation differences	As at 31.03.2019
Borrowings- Non current (Refer note 15)	27.90	(9.46)	-	-	1.02	(11.02)	10.62	19.06
Borrowings- Current (Refer note 15)	492.42	74.19	(16.82)	-	-	-	46.74	596.53
Lease Liabilities (Refer note 16)	561.19	(179.85)	0.03	310.80	-	-	0.85	693.02
Other liabilities (Refer note 19)	3.67	-	-	-	(1.09)	-	-	2.58
Other Financial Liabilities (current portion of non-current borrowings) (Refer note 17)	12.68	(12.68)	(0.03)	-	-	11.02	-	10.99

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 32B)

NOTE 45: The Consolidated Financials Statements are approved for issue by the Audit Committee and the Board of Directors at their meetings conducted on 23rd June, 2020.

Form AOC-I : Statement containing salient features of the financials statements of subsidiaries and joint ventures.

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of 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
			Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	Current Period	
1	Asian Paints (Bangladesh) Ltd	Taka	0.90	Apr 19 to Mar 20	79.50	(16.43)	172.62	235.69	-	323.84	1.45	(6.87)	(5.41)	-	89.78
2	Asian Paints (Middle East) LLC	OMR	194.53	Apr 19 to Mar 20	21.83	73.00	111.70	206.52	2.92	213.51	5.04	(0.74)	4.30	5.84	49
3	Asian Paints (Nepal) Pvt Ltd	Nepal Rs	0.63	14 Mar 19 to 13 Mar 20	3.87	225.69	100.31	329.86	-	344.82	84.68	(16.35)	68.33	15.47	52.71
4	Asian Paints (S.I.) Ltd	SI $	9.04	Apr 19 to Mar 20	0.57	9.17	5.14	14.87	-	12.56	2.84	0.36	3.20	4.48	75
5	Asian Paints (South Pacific) Pte Ltd	Fiji $	32.84	Apr 19 to Mar 20	4.72	75.58	22.32	102.62	-	88.11	13.80	(2.49)	11.30	10.92	54.07
6	Asian Paints (Tonga) Ltd	$ Top	32.03	Apr 19 to Mar 20	0.38	2.86	0.55	3.79	-	4.99	0.15	(0.01)	0.14	-	100
7	Asian Paints (Vanuatu) Ltd	Vatu	0.66	Apr 19 to Mar 20	2.05	5.17	1.80	9.02	-	7.36	1.23	-	1.23	-	60
8	Asian Paints Industrial Coatings Ltd	₹	1.00	Apr 19 to Mar 20	30.45	7.76	5.59	43.80	17.90	14.25	0.29	-	0.29	-	100
9	Asian Paints (Lanka) Ltd	LKR	0.40	Apr 19 to Mar 20	31.10	(2.92)	34.61	62.79	-	87.40	0.21	(0.31)	(0.10)	-	99.18
10	Asian Paints International Private Ltd	SG$	52.60	Apr 19 to Mar 20	790.57	164.25	231.49	1,186.31	-	-	21.54	(4.73)	16.81	-	100
11	Berger Paints Bahrain W.L.L.	BHD	198.43	Apr 19 to Mar 20	8.29	30.40	25.85	64.55	-	115.02	15.87	-	15.87	23.81	100
12	Berger Paints Emirates LLC	AED	20.39	Apr 19 to Mar 20	36.29	99.31	138.04	273.64	-	333.18	15.95	-	15.95	-	100
13	Berger Paints Singapore Pte Ltd (Refer note 32A)	SG$	51.65	Apr 19 to Mar 20	-	-	-	-	-	53.01	(4.68)	0.79	(3.89)	-	100
14	Kadisco Paint and Adhesive Industry Share Company	Ethiopian Birr	2.27	Apr 19 to Mar 20	48.22	32.60	61.50	142.31	1.14	155.72	37.81	(12.35)	25.47	12.69	51
15	Enterprise Paints Ltd	GBP	92.68	Apr 19 to Mar 20	1.35	(15.71)	14.37	#	-	-	-	-	-	-	100
16	Maxbhumi Developers Limited	₹	1.00	Apr 19 to Mar 20	0.42	12.14	1.26	13.81	-	-	(1.10)	#	(1.10)	-	100
17	Nirvana Investments Ltd	GBP	92.68	Apr 19 to Mar 20	#	1.75	-	1.75	-	-	-	-	-	-	100
18	Samoa Paints Ltd	WST $	27.00	Apr 19 to Mar 20	0.24	4.42	1.76	6.42	-	6.51	0.90	(0.24)	0.66	0.73	80
19	SCIB Chemicals S.A.E.	EGP	4.75	Apr 19 to Mar 20	8.56	121.90	120.71	251.16	53.84	429.00	18.14	(4.79)	13.35	8.08	60
20	Universal Paints Ltd	GBP	92.68	Apr 19 to Mar 20	3.98	13.07	-	17.05	-	-	23.78	-	23.78	23.78	100
21	PT Asian Paints Indonesia	IDR	0.005	Apr 19 to Mar 20	271.31	(143.59)	38.04	165.76	-	57.01	(49.08)	-	(49.08)	-	100
22	PT Asian Paints Color Indonesia	IDR	0.005	Apr 19 to Mar 20	13.59	(12.95)	0.13	0.77	-	-	(0.43)	-	(0.43)	-	100
23	Sleek International Private Limited	₹	1.00	Apr 19 to Mar 20	0.20	82.80	119.95	202.96	#	238.25	(41.01)	-	(41.01)	-	100
24	Causeway Paints Lanka (Pvt) Ltd	LKR	0.40	Apr 19 to Mar 20	54.03	91.01	50.93	195.96	-	257.82	42.65	(12.07)	30.58	15.83	100
25	Reno Chemicals Pharmaceuticals and Cosmetics Pvt Ltd	₹	1.00	Apr 19 to Mar 20	0.05	(0.68)	8.50	7.87	-	-	(0.52)	(0.01)	(0.53)	-	100
	1. Names of subsidiaries which have been liquidated or sold during the year.	Berger Paints Singapore Pte Ltd													

~ Investments other than in subsidiary companies
# Amounts less than ₹ 1 Lac
Note - Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31.03.2020.

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, 2020	31st March, 2020
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	Networth attributable to Shareholders as per latest audited Balance Sheet	₹ 75.16 Crores	₹ 456.63 Crores
6	Profit for the year		
	i. Considered in Consolidation	₹ 22.73 Crores	₹ 50.74 Crores
	ii. Not Considered in Consolidation	NIL	₹ 50.74 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

Ashwin Dani
Chairman
DIN:00009126

Amit Syngle
Managing Director & CEO
DIN:07232566

M.K. Sharma
Chairman of Audit Committee
DIN:00327684

R.J.Jeyamurugan
CFO & Company Secretary

Mumbai
23rd June, 2020

SALUTE THE SPIRIT OF SCIENTIFIC ENQUIRY

The Lunar Dome, popularly known as the #MooninMumbai at the Nehru Planetarium, Worli in Mumbai. Not the real moon surely, but an equally surreal art installation.
The Lunar Dome is a tribute to the team of Indian Space Research Organisation (ISRO) and their Chandrayaan missions that put India in the elite league of spacefaring nations.

Credits: Lodhi Art District, New Delhi. Artist - Sam LO (Singapore)

Asian Paints is India's leading paint company with a group turnover of ₹ 202.1 billion.

Asian Paints operates in 15 countries and has 26 paint manufacturing facilities in the world serving consumers in over 60 countries. Besides Asian Paints, the group operates around the world through its various brands viz. Asian Paints Berger, Apco Coatings, SCIB Paints, Taubmans, Causeway Paints and Kadisco Asian Paints.

@asianpaints /AsianPaintsIndia

asianpaints

Asian Paints Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400 055. CIN: L24220MH1945PLC004598

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