Independent auditor's report

To the Members of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited)

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), Changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of matter

4. We draw your attention to Note 39 to the Financial Statements, which explains the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

   Our opinion is not modified in respect of above matter.

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Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

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

12. As required by Section 143(3) of the Act, we report that:

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

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

    (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2021.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

13. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

ARVIND HARGOPAL DAGA

Digitally signed by ARVIND HARGOPAL DAGA
Date: 2021.05.04 22:02:38 +05'30'

Arvind Daga
Partner
Membership Number: 108290
UDIN: 21108290AAAAAF5565

Mumbai
May 04, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited) on the Financial Statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Financial Statements of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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.

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

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial controls with reference to Financial Statements 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

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited) on the Financial Statements for the year ended March 31, 2021

internal financial controls with reference to Financial Statements 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 with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

ARVIND HARGOPAL DAGA

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Date: 2021.05.04 22:07:42 +05'30'

Arvind Daga
Partner
Membership Number: 108290
UDIN: 21108290AAAAAF5565

Mumbai
May 04, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited) on the Financial Statements as of and for the year ended March 31, 2021.

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 4 on Property, Plant and Equipment in the Financial Statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The physical verification of inventory (including inventory lying with third parties) have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013. The Company has not granted any loan or provided any guarantee or security to the parties covered under Section 185 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs , duty of excise, value added tax, , goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Pidilite Adhesives Private Limited (Formerly known as Huntsman Advanced Materials Solutions Private Limited) on the Financial Statements for the year ended March 31, 2021

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 13 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

ARVIND HARGOPAL DAGA

Digitally signed by ARVIND HARGOPAL DAGA
Date: 2021.05.04 22:09:34 +05'30'

Arvind Daga
Partner
Membership Number: 108290
UDIN: 21108290AAAAAF5565

Mumbai
May 04, 2021

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)

Balance Sheet as at March 31, 2021

(Rs. in crores)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	4	**3.96**	4.30
(b) Right-of-use assets	5A	**2.12**	1.16
(c) Other intangible assets	6	**130.11**	0.11
(d) Income tax assets (Net)	11	**3.37**	3.37
(e) Deferred tax assets (Net)	12	**-**	0.08
Total Non-Current Assets		**139.56**	9.02
2 Current Assets			
(a) Inventories	10	**27.43**	27.14
(b) Financial assets			
(i) Trade receivables	7	**48.02**	60.07
(ii) Cash and cash equivalents	9	**151.21**	115.14
(iii) Other financial assets	8	**-**	41.07
(c) Other current assets	13	**21.87**	0.43
Total Current Assets		**248.53**	243.85
TOTAL ASSETS		**388.09**	252.87
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	**27.49**	27.49
(b) Other equity	15	**246.79**	175.32
Total Equity		**274.28**	202.81
LIABILITIES			
1 Non-Current Liabilities			
(a) Provisions	18	**0.57**	0.30
(b) Deferred tax liabilities (net)	20	**7.27**	-
Total Non-Current Liabilities		**7.84**	0.30
2 Current Liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	5B	**2.09**	1.22
(ii) Trade payables	16		
(a) total outstanding dues of micro and small enterprises		**2.23**	-
(b) total outstanding dues other than (ii) (a) above		**77.46**	17.15
(iii) Other financial liabilities	17	**17.57**	28.53
(b) Other current liabilities	21	**6.01**	2.47
(c) Provisions	18	**0.03**	0.39
(d) Current tax liabilities (net)	22	**0.59**	-
Total Current Liabilities		**105.97**	49.76
TOTAL LIABILITIES		**113.82**	50.06
TOTAL EQUITY AND LIABILITIES		**388.09**	252.87

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number 304026E/E-300009

ARVIND HARGOPAL DAGA
Digitally signed by ARVIND HARGOPAL DAGA Date: 2021.05.04 22:18:59 +05'30'

Arvind Daga
Partner
Membership No:108290

Place: Mumbai
Date : May 04, 2021

For and on behalf of Board of Directors

PRADIP KUMAR MENON
Digitally signed by PRADIP KUMAR MENON Date: 2021.05.04 18:26:45 +05'30'

Pradip Kumar Menon
Director
DIN: 07417530

PUNEET BANSAL
Digitally signed by PUNEET BANSAL Date: 2021.05.04 18:36:43 +05'30'

Puneet Bansal
Director
DIN: 08566147

RENUKA NIKHIL SHITUT
Digitally signed by RENUKA NIKHIL SHITUT Date: 2021.05.04 19:33:46 +05'30'

Rahul Sharma
Chief Financial Officer

SHARMA RAHUL
Digitally signed by SHARMA RAHUL Date: 2021.05.04 17:46:21 +05'30'

Renuka Shitut
Company Secretary

Place: Mumbai
Date : May 04, 2021

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)

Statement of Profit and Loss for the year ended March 31, 2021

(Rs. in crores)

Particulars	Note No.	For the year ended March 31, 2021	For the period from September 27, 2019 to March 31, 2020
INCOME			
Revenue from operations	23	**292.91**	176.39
Other income	24	**2.00**	0.04
Total Income		**294.91**	176.43
EXPENSES			
Cost of materials consumed	25	**115.19**	51.41
Purchases of stock-in-trade		**26.18**	20.55
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	**7.09**	9.27
Employee benefits expense	27	**3.54**	3.03
Finance Cost	28	**0.28**	0.08
Depreciation and amortisation expense	29	**2.95**	1.04
Other expenses	30	**44.49**	43.04
Total Expenses		**199.72**	128.42
Profit before Tax		**95.19**	48.01
Income Tax expenses			
- Current tax	22A	**16.36**	11.98
- Deferred tax	22A	**7.35**	(0.01)
Net Tax expense		**23.71**	11.97
Profit for the year / period		**71.48**	36.04
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans	33	**(0.01)**	(0.01)
(ii) Income tax relating to these items	22A	**0.00**	0.00
Total other comprehensive income, net of tax		**(0.01)**	(0.01)
Total Comprehensive Income for the year / period		**71.47**	36.03
Earnings Per Equity Share:	31		
(1) Basic (in Rs.)		**26.01**	304.02
(2) Diluted (in Rs.)		**26.01**	304.02

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number 304026E/E-300009

ARVIND HARGOPAL DAGA Digitally signed by ARVIND HARGOPAL DAGA Date: 2021.05.04 22:19:59 +05'30'

Arvind Daga
Partner
Membership No:108290

Place: Mumbai
Date : May 04, 2021

For and on behalf of Board of Directors

PRADIP KUMAR MENON Digitally signed by PRADIP KUMAR MENON Date: 2021.05.04 18:27:27 +05'30'

Pradip Kumar Menon
Director
DIN: 07417530

PUNEET BANSAL Digitally signed by PUNEET BANSAL Date: 2021.05.04 18:37:11 +05'30'

Puneet Bansal
Director
DIN: 08566147

RENUKA NIKHIL SHITUT Digitally signed by RENUKA NIKHIL SHITUT Date: 2021.05.04 19:35:01 +05'30'

Rahul Sharma
Chief Financial Officer

SHARMA RAHUL Digitally signed by SHARMA RAHUL Date: 2021.05.04 17:47:05 +05'30'

Renuka Shitut
Company Secretary

Place: Mumbai
Date : May 04, 2021

Pidilite

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)

Statement of Cash Flows for the year ended March 31, 2021

(Rs. in crores)

	For the year ended March 31, 2021	For the period from September 27, 2019 to March 31, 2020
A] Cash Flows from Operating Activities		
Profit before tax for the year / period	**95.19**	48.01
Adjustments for:		
Finance costs	**0.28**	0.08
Interest income	**(1.79)**	-
Depreciation and Amortisation Expense	**2.95**	1.04
Loss on disposal of Property, Plant and Equipment	**0.10**	-
Provision for Employee Benefits	**(0.10)**	0.07
Operating profits before Working Capital changes	**96.63**	49.20
Movements in Working Capital:		
(Increase)/Decrease in Operating Assets		
Trade Receivables	**12.05**	8.94
Inventories	**(0.29)**	5.27
Other Current Financial Assets	**41.07**	(41.07)
Other Current Non Financial Assets	**(21.45)**	(0.43)
Increase/(Decrease) in Operating Liabilities		
Trade Payables	**62.51**	(27.51)
Other Current Financial Liabilities	**(10.96)**	28.53
Other Non-Current Financial Liabilities	-	2.48
Other Current Non Financial Liabilities	**3.54**	-
Cash generated from Operations	**183.11**	**25.41**
Taxes paid (net of refunds)	**(15.77)**	(15.35)
Net Cash generated from Operating Activities [A]	**167.34**	**10.06**
B] Cash Flows from Investing Activities		
Payments for purchase of Other Intangible Assets	**(130.11)**	-
Interest received	**1.79**	-
Net cash used in Investing Activities [B]	**(128.32)**	**-**
C] Cash Flows from Financing Activities		
Payment of Lease Liabilities	**(2.70)**	(0.84)
Interest paid	**(0.26)**	(0.08)
Net cash used in Financing Activities [C]	**(2.96)**	(0.92)
Net increase in Cash and Cash Equivalents [A+B+C]	**36.07**	9.14
Cash and Cash Equivalents at the beginning of the year/ period	**115.14**	-
Addition on account of scheme (Refer note 38)	-	106.00
Cash and Cash Equivalents at the end of the year / period (Refer note 9)	**151.21**	**115.14**
Non-cash from financing and investing activities		
Addition on account of scheme (Refer note 38)	-	607.73
Acquisition of Right-of use assets (Refer note 5)	**4.04**	-
Deletion of Right-of use assets (Refer note 5)	**0.47**	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number 304026E/E-300009

ARVIND HARGOPAL DAGA — Digitally signed by ARVIND HARGOPAL DAGA Date: 2021.05.04 22:20:57 +05'30'

Arvind Daga
Partner
Membership No:108290

Place: Mumbai
Date : May 04, 2021

For and on behalf of Board of Directors

PRADIP KUMAR MENON — Digitally signed by PRADIP KUMAR MENON Date: 2021.05.04 18:27:46 +05'30'

Pradip Kumar Menon
Director
DIN: 07417530

PUNEET BANSAL — Digitally signed by PUNEET BANSAL Date: 2021.05.04 18:37:30 +05'30'

Puneet Bansal
Director
DIN: 08566147

RENUKA NIKHIL SHITUT — Digitally signed by RENUKA NIKHIL SHITUT Date: 2021.05.04 19:35:45 +05'30'

Rahul Sharma
Chief Financial Officer

SHARMA RAHUL — Digitally signed by SHARMA RAHUL Date: 2021.05.04 17:47:32 +05'30'

Renuka Shitut
Company Secretary

Place: Mumbai
Date : May 04, 2021

Pidilite

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)

Statement of Changes in Equity for the year ended March 31, 2021

(Rs. in crores)

a. Equity Share Capital	**Amount**
Balance as at September 27, 2019	**-**
Changes in equity share capital during the period	
- Issue of equity shares on account of scheme (Refer note 38)	27.49
Balance as at March 31, 2020	**27.49**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**27.49**

(Rs. in crores)

b. Other Equity	**Reserves and Surplus**		**Total**
	Capital Reserve	**Retained Earnings**	
Balance as at September 27, 2019	**-**	**-**	**-**
Adjustment on account of scheme (Refer note 38)	166.78	-	**166.78**
Issue of Share Capital on Account of Scheme (Refer note 38)	(27.49)	-	**(27.49)**
Profit for the period	-	36.04	**36.04**
Other Comprehensive Income for the period, net of income tax	-	(0.01)	**(0.01)**
Balance as at March 31, 2020	**139.29**	**36.03**	**175.32**
Profit for the year	-	71.48	**71.48**
Other Comprehensive Income for the year, net of income tax	-	(0.01)	**(0.01)**
Balance as at March 31, 2021	**139.29**	**107.50**	**246.79**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number 304026E/E-300009

ARVIND HARGOPAL DAGA Digitally signed by ARVIND HARGOPAL DAGA Date: 2021.05.04 22:21:44 +05'30'

Arvind Daga
Partner
Membership No:108290

Place: Mumbai
Date : May 04, 2021

For and on behalf of Board of Directors

PRADIP KUMAR MENON Digitally signed by PRADIP KUMAR MENON Date: 2021.05.04 18:28:09 +05'30'

Pradip Kumar Menon
Director
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PUNEET BANSAL Digitally signed by PUNEET BANSAL Date: 2021.05.04 18:37:52 +05'30'

Puneet Bansal
Director
DIN: 08566147

RENUKA NIKHIL SHITUT Digitally signed by RENUKA NIKHIL SHITUT Date: 2021.05.04 19:36:26 +05'30'

Rahul Sharma
Chief Financial Officer

Renuka Shitut
Company Secretary

SHARMA RAHUL Digitally signed by SHARMA RAHUL Date: 2021.05.04 17:48:04 +05'30'

Place: Mumbai
Date : May 04, 2021

Notes to the financial statements as at and for the year ended March 31, 2021

1 Corporate information

Huntsman Advanced Materials Solutions Private Limited was incorporated on September 27, 2019. It was a demerged unit of Huntsman International (India) Private Limited of its DIY division (Do It Yourself). Subsequently, the entity was acquired by Pidilite Industries Limited w.e.f. November 4, 2020. Pursuant to the Special Resolution in Extraordinary General Meeting dated January 05, 2021, the Company had filed application with the Ministry of Corporate Affairs (MCA) for name change from Huntsman Advanced Materials Solutions Private Limited to Pidilite Adhesives Private Limited, which is approved by MCA w.e.f. January 13, 2021. The Company has received the approval from MCA for name change. The operations primarily involve the purchase of epoxy resins and hardeners and to a limited extent repacking of quantities purchased and sale to customers.

Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

2 Significant accounting policies

2.1 Basis of preparation of financial statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The specific recognition criteria described below must also be met before revenue is recognised.

2.2.1 Sale of goods

The Company manufactures, trades and sells a range of chemical products in the market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term in consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.2.2 Rendering of services

Service Income

Service income pertains to services provided by the company to overseas group companies for services rendered till November 03, 2020.

2.2.3 Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components andinstead accounts for these as a single lease component. Assets and liabilities arising from a lease are initially measured on a present value basis.
Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable, if any,
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the Company under residual value guarantees
• the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-ofuse asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
• where possible, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and
• makes adjustments specific to the lease, e.g. term, country, currency and security.
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.
The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset whenever:
• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised leasepayments using a revised discount rate.

Right-of-use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any lease incentives received
• any initial direct costs, and
• restoration costs, if any.
They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.5 Foreign currencies

The functional currency of the company is determined on the basis of the primary economic environment in which it operates. The functional currency of the company is indian national rupee (INR).

In preparing the financial statements , transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

2.6 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

2.7 Employee benefits

Defined contribution plan

i) Short term obligation

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Termination benefits are recognised as an expense as and when incurred. These benefits include performance linked incentives.

ii) Compensated Absences

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post employment obligations

a) Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts.
The Company contributes to Provident Fund, Employee’s State Insurance Fund and Employees Deposit Linked Insurance scheme and has no further obligation beyond making its contribution. The Company’s contributions to the above funds are charged to the Statement of Profit and Loss.

b) Defined benefit plans

Gratuity

The Company provide for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company makes contributions to a trust administered and managed by insurance companies to fund the gratuity liabilities. The Gratuity Plan provides a lump sum payment of vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment. The Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

2.8 Taxation

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

2.8.1 Current Tax

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

2.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

2.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.9 Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition or construction less accumulated depreciation and impairment losses. Costs of acquisition comprise all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use.

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

Assets	Estimated Useful life (years)
Plant and Machinery	9-30 years
Furniture , Fixtures and Equipments	5-17 years
Computers	3-5 years

Depreciation on assets acquired /purchased during the year is provided on pro-rata basis from the date of each addition.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.10 Other intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated Useful life (years)
Software	5 years

Intangible assets are amortised so as to reflect the pattern in which the asset's economic benefits are consumed over a period not exceeding five years. The estimated period of benefit is determined based on a technical evaluation thereof by the management

Trade Marks/Intellectual Property represent purchase of "Araldite" Trade Marks/Intellectual Property. The Company has estimated the useful life for its Trade Marks/Intellectual Property as indefinite on the basis of renewal of legal rights and the management's intention to keep it perpetually. The Trade Marks/Intellectual Property with indefinite useful lives are acquired separately are carried at cost less accumulated impairment losses.

2.11 Impairment of tangible and intangible assets other than goodwill

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

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

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

2.12 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is generally arrived at on the following basis:

Raw Material - Weighted average cost of material procured

Work in Process - Materials at weighted average cost and an appropriate absorption of factory overheads

Finished Product - Materials at weighted average cost and an appropriate absorption of factory overheads.

Trading goods - Weighted average cost

Packing materials and stores and spares - Weighted average cost

2.13 Provisions and contingencies

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.13.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.13.2 Contingent Liabilities

Contingent liabilities, if any, are disclosed in the notes to the financial statements.

2.14 Financial instruments

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

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

The company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, which includes foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedging relationship and the nature of hedged item.

2.15 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

2.15.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for fair value through other comprehensive income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

2.15.2 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

A financial asset that meets the amortised cost criteria or debt instruments that meet the B108FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.15.3 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

2.15.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16 Financial Liabilities

2.16.1 Classification as debt or equity

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

2.16.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.16.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.16.4 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16.6 Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.17 Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

2.17.1 Taxes

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2.17.2 Impairment of Other Intangible Assets

Other Intangible Assets (i.e. trademarks / Intellectual Property) are tested for impairment on an annual basis. Recoverable amount of cash-generating units is determined based on higher of value-in-use and fair value less cost to sell. The impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which the intangibles are monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Cash flow projections take into account past experience and represent management’s best estimate

2.18 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)

Notes to the financial statements as at and for the year ended March 31, 2021

4. Property, Plant and Equipment and Capital Work-In-Progress **(Rs. in crores)**

Carrying amounts	As at March 31, 2021	As at March 31, 2020
Plant & Machinery	**3.96**	4.30
Furniture , Fixtures and Equipments*	**0.00**	0.00
TOTAL	**3.96**	4.30

* Since the amounts are less than denominations disclosed, the amount do not appear.

(Rs. in crores)

Gross Carrying Amount	Plant & Machinery	Furniture , Fixtures and Equipments	Computers	TOTAL
Balances as on September 27, 2019	-	-	-	-
Additions on account of scheme	5.60	0.02	0.24	5.86
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at April 1, 2020	**5.60**	**0.02**	**0.24**	**5.86**
Additions	-	-	-	-
Disposals	-	-	(0.24)	(0.24)
Balance as at March 31, 2021	**5.60**	**0.02**	**-**	**5.62**

(Rs. in crores)

Accumulated Depreciation	Plant & Machinery	Furniture , Fixtures and Equipments	Computers	TOTAL
Balances as on September 27, 2019	-	-	-	-
Balances on account of scheme	1.12	0.01	0.24	1.37
Depreciation expense *	0.18	0.00	-	0.19
Balance as at April 1, 2020	**1.30**	**0.01**	**0.24**	**1.56**
Depreciation expense*	0.34	0.00	-	0.34
Eliminated on disposal of assets	-	-	(0.24)	(0.24)
Balance as at March 31, 2021	**1.64**	**0.02**	**-**	**1.66**

* Since the amounts are less than denominations disclosed, the amount do not appear.

(Rs. in crores)

Net Carrying Amount	Plant & Machinery	Furniture , Fixtures and Equipments	Computers	TOTAL
Balance as at April 1, 2020	**4.30**	**0.00**	**-**	**4.30**
Balance as at March 31, 2021	**3.96**	**0.00**	**-**	**3.96**

5A. Right-of-use assets (Rs. in crores)

Carrying Amounts	As at March 31, 2021	As at March 31, 2020
Buildings	**2.12**	1.16
TOTAL	**2.12**	1.16

(Rs. in crores)

Gross Carrying Amount	Buildings	TOTAL
Balances as on September 27, 2019	-	-
Additions on account of scheme	2.01	2.01
Additions	-	-
Disposals	-	-
Balance as at April 1, 2020	**2.01**	**2.01**
Additions	4.04	4.04
Disposals	(0.82)	(0.82)
Balance as at March 31, 2021	**5.23**	**5.24**

(Rs. in crores)

Accumulated Depreciation	Buildings	TOTAL
Balances as on September 27, 2019		
Balances on account of scheme	-	-
Depreciation expense	0.85	0.85
Balance as at April 1, 2020	**0.85**	**0.85**
Depreciation expense	2.61	2.61
Eliminated on disposal of assets	(0.35)	(0.35)
Balance as at March 31, 2021	**3.12**	**3.11**

(Rs. in crores)

Net Carrying Amount	Buildings	TOTAL
Balance as at April 1, 2020	**1.16**	**1.16**
Balance as at March 31, 2021	**2.12**	**2.12**

5B. Lease Liabilities (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Current	**2.09**	**1.22**
Non-current	**-**	-
TOTAL	**2.09**	1.22

Net debt reconciliation (Rs. in crores)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Opening Net Debts	**1.22**	**-**
Additions on account of scheme	-	2.06
Additions	4.04	-
Deletion	(0.47)	0.00
Cash flows	(2.70)	(0.84)
Interest expenses during the period	0.26	0.08
Interest paid	(0.26)	(0.08)
Closing Net Debts	**2.09**	**1.22**

Amount recognised in the statement of profit and loss

Particulars	**For the year ended March 31, 2021**	**For the period from September 27, 2019 to March 31, 2020**
Depreciation charge of Right-of-use assets		
Building	**2.61**	**0.85**
Total	2.61	**0.85**

Particulars	**For the year ended March 31, 2021**	**For the period from September 27, 2019 to March 31, 2020**
Finance Cost and Other Expenses		
Interest expenses (Included in finance cost)	**0.28**	**0.08**
Total	0.28	**0.08**

6. Other intangible assets (Rs. in crores)

Carrying amounts	As at March 31, 2021	As at March 31, 2020
Trademark/ Intellectual Property	**129.88**	-
Computer Software	**0.23**	0.11
TOTAL	**130.11**	0.11

(Rs. in crores)

Gross Carrying Amount	Trademark/ Intellectual Property	Computer Software	TOTAL
Balances as on September 27, 2019	-	-	-
Additions on account of scheme	-	0.24	0.24
Additions	-	-	-
Disposals	-	-	-
Balance as at April 1, 2020	**-**	**0.24**	**0.24**
Additions	129.88	0.23	130.11
Disposals	-	(0.24)	(0.24)
Balance as at March 31, 2021	**129.88**	**0.23**	**130.11**

(Rs. in crores)

Accumulated Amortisation	Trademark/ Intellectual Property	Computer Software	TOTAL
Balances as on September 27, 2019	-	-	-
Balances on account of scheme	-	0.12	0.12
Amortisation expense	-	0.01	0.01
Balance as at April 1, 2020	**-**	**0.13**	**0.13**
Amortisation expense*	-	0.00	0.00
Eliminated on disposal of assets	-	(0.13)	(0.13)
Balance as at March 31, 2021	**-**	**0.00**	**0.00**

*** Since the amounts are less than denominations disclosed, the amount do not appear.**

(Rs. in crores)

Net Carrying Amount	Trademark/ Intellectual Property	Computer Software	TOTAL
Balance as at April 1, 2020	**-**	**0.11**	**0.11**
Balance as at March 31, 2021	**129.88**	**0.23**	**130.11**

Note:
The Company has estimated the useful life for its trademark/Intellectual Property as indefinite on the basis of renewal of legal rights and the management's intention to keep it perpetually.

Trademark/Intellectual Property

Trademark/Intellectual Property in the books of the Company pertain to the main product "Araldite" of the Company.

At the end of each reporting period, the Company reviews carrying amount of trademark/Intellectual Property to determine whether there is any indication that trademark/Intellectual Property has suffered any impairment loss. Accordingly, recoverable amount of trademark/Intellectual Property is arrived basis projected cash flows of the Company.

Recoverable amount of trademark/Intellectual Property exceeds the carrying amount of trademark/Intellectual Property in the books as on March 31, 2021. Further there are no external indications of impairment of trademark/Intellectual Property. As a result, no impairment loss on trademark/Intellectual Property is required to be recognised.

Projected cash flows of the Company

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management for next year, estimates prepared for the next 4 years thereafter and a discount rate of 13.5% per annum. Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

7. Trade Receivables

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	47.52	58.56
Receivables from related parties (Refer note 32)	0.50	1.66
Less: Loss allowance	-	(0.15)
Total receivables	48.02	60.07
Current	48.02	60.07
Non-current	-	-

	As at March 31, 2021	As at March 31, 2020
- Secured, Considered good	-	-
- Unsecured, Considered good	**48.02**	60.22
- Unsecured, Considered doubtful	-	-
- Unsecured which have Significant Increase in Credit Risk	-	-
- Unsecured, Credit Impaired	-	-
	48.02	60.22
Less: Allowance for expected credit loss	-	(0.15)
TOTAL	**48.02**	60.07

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. To measure the expected credit losses, trade receivable have been group based on shared credit risk characteristics and the days past dues. Specific provision is also recognized in case of following scenarios:
- Bankruptcy
- Potential default risk in specific scenario
- Legal case

Before accepting any new customer, the Company adheres to credit policy to access the potential customer's credit quality and defines credit limits by customer. The credit limits are considered on a net basis after taking into consideration credit protection for 1) cash in advance, 2) letters of credit issued by a bank which maintains investment grade credit ratings, 3) bank acceptance drafts, 4) credit insurance, or 5) non recourse factoring arrangements.
The Company has used a practical expedient by computing the expected credit loss for trade receivables based on its credit policy and considering life time expected credit loss.

Movement in allowance for trade receivables	As at March 31, 2021	As at March 31, 2020
Opening balance	0.15	-
Balances on account of scheme	-	0.15
Add: Loss allowance for trade receivable*	-	0.00
Less: Reversal of Loss allowance	**(0.15)**	-
Balance at the end of the period / year	-	0.15

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.
* Since the amounts are less than denominations disclosed, the amount do not appear.

8. Other Financial Assets - Current

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Receivable from Huntsman International (India) Private Limited (Refer note 32)	-	41.07
TOTAL	-	41.07

9. Cash and Cash Equivalents

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Balance with banks		-
In Current Accounts	**8.71**	115.14
In Fixed Deposit Accounts with original maturity of 3 months or less	**142.50**	-
TOTAL	**151.21**	115.14

10. Inventories

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Inventories (at lower of cost and net realisable value)		
Raw Material and Packing Material [Includes Goods in Transit Rs. Nil (as at March 31, 2020: Rs. 1.01 crores)]	**16.09**	8.71
Finished Goods	**6.21**	12.15
Stock-in-Trade (acquired for trading)	**5.13**	6.28
TOTAL	**27.43**	27.14

During the year, the Company has written down inventories by Rs. 6.35 crores (previous period : 0.51 Crores) in respect provision for slow moving and obsolete items. These are recognized as an expense during the year/ period.

11. Income Tax Asset (net) - Non-Current **(Rs. in crores)**

		As at March 31, 2021	As at March 31, 2020
Advance Payment of Taxes (net of provisions Rs. 12.59 crores) (net of provisions Rs. 12.59 crores as at 31st March 2020)		**3.37**	3.37
	TOTAL	**3.37**	3.37

12. Deferred Tax Assets (net) **(Rs. in crores)**

		As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting Deferred Tax Assets (refer Note 22A)		-	0.30
Tax effect of items constituting Deferred Tax Liabilities (refer Note 22A)		-	(0.22)
	TOTAL	-	0.08

13. Other Current Assets

(Rs. in crores)

		As at March 31, 2021	As at March 31, 2020
Advance to employees		-	0.00
Balances with Government Authorities*		1.78	0.43
Advance to suppliers		19.94	0.00
Prepaid Expenses		0.15	-
	TOTAL	**21.87**	0.43

* Includes input tax credit, GST receivable, etc.

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)
Notes to the financial statements as at and for the year ended March 31, 2021

14. Equity Share Capital

(Rs. in crores)

		As at March 31, 2021	As at March 31, 2020
Authorised Capital :			
2,80,00,000 Equity Shares of Rs. 10 each (2,80,00,000 Equity Shares of Rs. 10 each as at March 31, 2020)		**28.00**	28.00
	TOTAL	**28.00**	28.00
Issued, Subscribed and Paid up Capital :			
27,485,798 Equity Shares of Rs 10 each, fully paid-up (27,485,798 Equity Shares of Rs 10 each as at March 31, 2020)		**27.49**	27.49
	TOTAL	**27.49**	27.49

Note 1: During the previous period ended March 31, 2020, the authorised share capital was increased pursuant to the scheme of demerger. The Company had made relevant filings to Ministry of Corporate Affairs (MCA) to make changes in the authorised share capital, however same is pending to be updated at MCA website.

Note 2: While Form INC 28 has been duly approved by MCA, the effect to the authorized capital transfer from the Demerging Company to the Resulting Company has not been updated in the Master Data. Due to this, the Company has not been able to file form PAS 3 for allotment of shares pursuant to Scheme of Demerger. Further, the Company is not able to file the Annual Forms due to the non-updation of Master data. However the Company has made duly submission of fact with the MCA.

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

	Number of Shares	Rs. In crores
Balance as at September 27, 2019	-	-
Issued during the period	10,000	0.01
Less: Cancellation on account of scheme	(10,000)	(0.01)
Add: Issue of Shares on account of Scheme	27,485,798	27.49
Balance as at March 31, 2020	**27,485,798**	**27.49**
Add/ Less: Movement during the year	-	-
Balance as at March 31, 2021	**27,485,798**	**27.49**

b. Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

c. Details of shares held by the holding company, its subsidiaries and associates

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Limited and their nominees (Holding Company - Refer note below)	27,485,798	**100.00%**	-	**0.00%**
Huntsman Investments (Netherlands) B.V. (Holding Company)	-	**0.00%**	**17,484,765**	**63.61%**
Vantico International S.a.r.l (Entity under common control of the ultimate holding company)	-	**0.00%**	**10,000,000**	**36.38%**
Huntsman Netherlands BV (Entity under common control of the ultimate holding company)	-	**0.00%**	**1,000**	**0.00%**
Huntsman International (India) Private Limited (Entity under common control of the ultimate holding company)	-	**0.00%**	**1**	**0.00%**
Huntsman Textile Effects (Belgium) BVBA (Entity under common control of the ultimate holding company)	-	**0.00%**	**32**	**0.00%**
TOTAL	**27,485,798**	**100.00%**	**27,485,798**	**100.00%**

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

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Limited and their nominees (Holding Company - Refer note below)	27,485,798	**100.00%**	-	**0.00%**
Huntsman Investments (Netherlands) B.V. (Holding Company)	-	**0.00%**	**17,484,765**	**63.61%**
Vantico International S.a.r.l (Entity under common control of the ultimate holding company)	-	**0.00%**	**10,000,000**	**36.38%**

Note:

Pursuant to share purchase agreement, equity shares held by Huntsman Investments (Netherlands) B.V., Vantico International S.a.r.l, Huntsman Netherlands BV, Huntsman International (India) Private Limited and Huntsman Textile Effects (Belgium) BVBA has been transferred to Pidilite Industries Limited w.e.f. November 4, 2020 and accordingly Pidilite Industries Limited has become holding company w.e.f. November 04, 2020.

PIDILITE ADHESIVES PRIVATE LIMITED (FORMERLY KNOWN AS HUNTSMAN ADVANCED MATERIALS SOLUTIONS PRIVATE LIMITED)

Notes to the financial statements as at and for the year ended March 31, 2021

15. Other Equity (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Capital Reserve	**139.29**	139.29
Retained Earnings	**107.50**	36.03
TOTAL	**246.79**	175.32

15.1 Capital Reserve (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year / period	**139.29**	-
Add: Addition on account of Scheme (Refer note 38)	-	166.78
Less: Issue of Shares on account of Scheme (Refer note 38)	-	(27.49)
Closing Balance	**139.29**	139.29

15.2 Retained Earnings (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year / period	**36.03**	-
Net Profit for the year / period	71.48	36.04
Other Comprehensive Income for the year / period, net of income tax	**(0.01)**	(0.01)
Closing Balance	**107.50**	**36.03**

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

16. Trade Payables (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Trade payables: micro enterprises and small enterprises (refer Note 34)	**2.23**	-
Trade payables: other than micro enterprises and small enterprises		
-Others	**36.49**	11.80
-Acceptances	**40.20**	-
-Related parties (Refer Note 32)	**0.77**	5.35
TOTAL	**79.69**	17.15

17. Other Financial Liabilities- Current (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Liabilities for expenses	**10.93**	5.31
Payable to Related parties (Refer Note 32)	-	18.20
Other Liabilities (Refund Liabilities)*	**6.64**	5.02
TOTAL	**17.57**	**28.53**

*Refund liabilities represents liabilities relating to expected volume discounts.

18. Provisions - Non-Current (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (refer Note 33)	**0.40**	0.30
Compensated Absences	**0.17**	-
TOTAL	**0.57**	0.30

19. Provisions - Current (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Gratuity (refer Note 33)	**0.02**	0.03
Compensated Absences	**0.01**	0.36
TOTAL	**0.03**	0.39

20. Deferred Tax Liabilities (net) (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting Deferred Tax Assets (refer Note 22A)	**(0.21)**	-
Tax effect of items constituting Deferred Tax Liabilities (refer Note 22A)	**7.48**	-
TOTAL	**7.27**	-

21. Other Current Liabilities (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Statutory liabilities	**5.78**	0.59
Advance from customers (Contract Liabilities)	**0.23**	1.88
TOTAL	**6.01**	2.47

22. Current Tax Liabilities (net) (Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Provision for Tax (net of Advance Tax Rs. 15.77 crores) (net of Advance Tax Rs. Nil as at March 31, 2020)	**0.59**	-
TOTAL	**0.59**	-

22A. Taxes
1. Deferred Tax

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets (Net)	-	0.08
Deferred Tax Liabilities (Net)	7.27	-

a. 2020- 2021
Deferred Tax (Assets) / Liabilities in relation to:

(Rs. in crores)

	Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment*	(0.20)	0.00	-	**(0.20)**
Intangible Assets	(0.02)	(7.25)	-	**(7.27)**
Allowance for doubtful debts	0.04	(0.04)	-	-
Provision for Employee Benefits*	0.25	(0.04)	0.00	**0.21**
Lease liability (Net of Right-of-use assets)	0.01	(0.02)	-	**(0.01)**
Total	**0.08**	**(7.35)**	**0.00**	**(7.27)**

* Since the amounts are less than denominations disclosed, the amount do not appear.

b. 2019- 2020
Deferred Tax (Assets) / Liabilities in relation to:

(Rs. in crores)

Particulars	Opening Balance	Balance on account of scheme (Refer note 38)	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment	-	(0.17)	(0.03)	-	**(0.20)**
Intangible Assets*	-	(0.02)	0.00	-	**(0.02)**
Allowance for doubtful debts*	-	0.04	0.00	-	**0.04**
Provision for Employee Benefits*	-	0.21	0.04	0.00	**0.25**
Lease liability (Net of Right-of-use assets)*	-	0.01	0.00	-	**0.01**
Total	**-**	**0.07**	**0.01**	**0.00**	**0.08**

* Since the amounts are less than denominations disclosed, the amount do not appear.

2. Income Taxes
a. Income Tax recognised in profit or loss

(Rs. in crores)

	As at March 31, 2021	As at March 31, 2020
Current Tax		
In respect of the current year / period	**16.36**	11.98
	16.36	11.98
Deferred Tax		
In respect of the current year / period	**7.35**	(0.01)
	7.35	(0.01)
Total Income Tax expense recognised in the current year / period	**23.71**	11.97

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

(Rs. in crores)

	For the year ended March 31, 2021	For the period from September 27, 2019 to March 31, 2020
Profit Before Tax	**95.19**	48.01
Income Tax Rate (%)	25.17	25.17
Income Tax expense	23.96	12.08
Others	(0.25)	(0.11)
Income tax expense recognised in profit or loss	**23.71**	11.97

* The Tax rate used for the above reconciliation is the corporate tax rate of 25.168% (25.168% for the period ended March 31, 2020) payable by corporate entities in India on taxable profits under Indian Tax Law.

Income Tax recognised in Other Comprehensive Income

(Rs. in crores)

	For the year ended March 31, 2021	For the period from September 27, 2019 to March 31, 2020
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	**(0.00)**	(0.00)
Total Income Tax recognised in Other Comprehensive Income	**(0.00)**	(0.00)

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23. Revenue From Operations **(Rs. in crores)**

		For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
Revenue From Operations			
Sale of Products - recognised at a point of time		**292.04**	175.89
Sale of Services:			
Service income - recognised over a period of time		**0.56**	0.47
	TOTAL (A)	**292.60**	176.36
Other Operating Revenue			
Scrap Sales		**0.31**	0.03
	TOTAL (B)	**0.31**	0.03
Revenue from operations (A+B)		**292.91**	176.39

24. Other Income **(Rs. in crores)**

		For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
Interest on:			
Bank Deposit (at amortised cost)		**1.79**	-
Other Non-Operating Income:			
Liabilities no longer required written back		**0.06**	0.00
Reversal of allowance for doubtful debts		**0.15**	-
Foreign exchange fluctuation (net)		**-**	0.04
	TOTAL	**2.00**	0.04

25. Cost of Materials Consumed **(Rs. in crores)**

		For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
Inventory at the beginning of the year / period		**8.71**	-
Add: Addition on account of scheme		**-**	4.72
Add : Purchases		**122.57**	55.40
		131.28	60.12
Less : Inventory at the end of the year/ period		**(16.09)**	(8.71)
	TOTAL	**115.19**	51.41

26. Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(Rs. in crores)

		For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
Inventories at end of the year / period			
Stock-in-Trade		**5.13**	6.28
Finished Goods		**6.21**	12.15
	(A)	**11.34**	18.43
Inventories at beginning of the year / period			
Stock-in-Trade		**6.28**	9.38
Finished Goods		**12.15**	18.32
	(B)	**18.43**	27.70
	TOTAL	**7.09**	9.27

27. Employee Benefits Expense

	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
		(Rs. in crores)
Salaries and Wages	**3.16**	2.74
Contribution to Provident and Other Funds (refer Note 44)	**0.33**	0.21
Staff Welfare Expenses	**0.05**	0.08
TOTAL	**3.54**	3.03

28. Finance Costs

	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
		(Rs. in crores)
Interest expense on:		
Lease Liability (refer Note 51)	**0.26**	0.08
Others	**0.02**	-
TOTAL	**0.28**	0.08

29. Depreciation and Amortisation Expense

	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
		(Rs. in crores)
Depreciation on Property, Plant and Equipment (refer Note 5)	**0.34**	0.18
Depreciation on Right of Use of Assets (Refer Note 51)	**2.61**	0.85
Amortisation of Intangible Assets*	**0.00**	0.01
TOTAL	**2.95**	1.04

* Since the amounts are less than denominations disclosed, the amount do not appear.

30. Other Expenses

	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
		(Rs. in crores)
Clearing and Forwarding Charges	**4.81**	1.67
Contract Labour	**6.32**	6.45
Rent*	**0.00**	0.04
Rates & Taxes	**0.12**	0.08
Insurance	**0.37**	0.14
Advertisement and Publicity	**11.01**	12.17
Legal, Professional and Consultancy fees	**0.61**	1.09
Communication Expenses	**0.04**	0.29
Service Charges	**14.27**	11.91
Printing and Stationery	**0.04**	-
Travelling and Conveyance Expenses	**0.94**	0.61
Royalty	**1.54**	5.95
Allowance for Doubtful Debts	-	0.00
Processing and Packing Charges	**2.47**	2.50
Payments to Auditor (Refer Note a)	**0.25**	-
Corporate Social Responsibility Expenses (Refer note b)	**0.96**	-
Loss on scrape of Fixed Assets	**0.10**	-
Foreign exchange fluctuation (Net)	**0.08**	-
Miscellaneous Expenses	**0.57**	0.13
TOTAL	**44.50**	43.04

* Since the amounts are less than denominations disclosed, the amount do not appear.

a. **Payments to auditors**	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
a) As auditors	**0.15**	0.14
b) As tax auditor	**0.03**	0.04
c) For other services	**0.08**	0.00
TOTAL	**0.25**	0.18

b. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.
The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
Amount required to be spent as per Section 135 of the Act	**0.96**	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	**0.96**	-

31. Earnings Per Share (EPS)

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

	For the year ended March 31, 2021	For the Period from September 27, 2019 to March 31, 2020
Basic and Diluted earning per share		
Profit for the year / Period (Rs. In crores)	**71.48**	36.04
Weighted average number of equity shares in calculating basic and diluted EPS	**27,485,798**	1,185,435
Par value per share (Rs.)	**10.00**	10.00
Earning per share (Basic / Diluted) (Rs.)	**26.01**	**304.02**

32. Related Party Disclosures

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

(i) Relationships:

Ultimate Holding Company

Huntsman Corporation (US) (upto November 03, 2020)
Pidilite Industries Limited (w.e.f. November 04, 2020)

Holding Company

Huntsman International (India) Private Limited (Refer note 38)
Huntsman Investments (Netherlands) BV (From March 24, 2020 to November 03, 2020)
Pidilite Industries Limited (w.e.f. November 04, 2020)

Entity under common control

Huntsman (Europe) BVBA. (upto November 03, 2020)
Huntsman Advanced Material (Guangdong) Co., Ltd (upto November 03, 2020)
Huntsman Advanced Materials Licensing (Switzerland) GmBH (upto November 03, 2020)
Huntsman International (India) Private Limited (upto November 03, 2020)
Huntsman International LLC (upto November 03, 2020)
Huntsman Advanced Materials (Singapore) Pte Ltd. (upto November 03, 2020)

(ii) Key Management Personnel (KMP):

Rayomand Sabawalla - Director (upto November 04, 2020)
Sunil Kukreja - Director (upto November 04, 2020)
Pradip Kumar Menon - Director (w.e.f. November 03, 2020)
Puneet Bansal - Director (w.e.f. November 03, 2020)
Apurva Parekh - Director (w.e.f. November 03, 2020)
Punit Mehra - Director (w.e.f. January 25, 2021)

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32. Related Party Disclosures

Details of transactions between the company and the related parties are disclosed below:

32.1 Trading transactions
During the year / period, the company entered into the following trading transactions with related parties:

(Rs. in crores)

Particulars	Sales of goods	Purchases of goods	Sales of goods	Purchases of goods
	For the year ended March 31, 2021		For the period from September 27, 2019 to March 31, 2020	
Pidilite Industries Limited	0.43	0.07	-	-
Huntsman Advanced Material (Guangdong) Co., Ltd	-	-	-	0.34
Huntsman International (India) Private Limited	1.34	16.91	1.53	1.46
Huntsman Advanced Materials (Europe) BVBA	0.37	-	0.85	-
Total	**2.14**	**16.98**	**2.38**	**1.80**

The following balances were outstanding at the end of the reporting year / period:

(Rs. in crores)

Particulars	Amounts owed by related parties as at	Amounts owed to related parties as at	Amounts owed by related parties as at	Amounts owed to related parties as at
	March 31, 2021		March 31, 2020	
Pidilite Industries Limited	0.50	0.77	-	-
Huntsman Advanced Materials Licensing (Switzerland) GmBH	-	-	-	1.94
Huntsman International (India) Private Limited	-	-	1.53	3.41
Huntsman Advanced Materials (Europe) BVBA	-	-	0.13	-
Total	**-**	**-**	**1.66**	**5.35**
Non-Trade				
Huntsman International (India) Private Limited	-	-	41.07	18.20
Total	**-**	**-**	**41.07**	**18.20**

Sales and purchases of goods to related parties were made at arm's length prices.

The amount outstanding are unsecured and will be settled in cash. No guarantee have been given or received. No expense has been recognized in the current period for bad or doubtful debts in respect of the amounts owed by related parties.

32.2 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year / period was as follows:

(Rs. in crores)

Particulars	For the year ended March 31, 2021				For the period from September 27, 2019 to March 31, 2020			
	Short-term benefits	Post-employment benefits	Other long-term benefits	Total	Short-term benefits	Post-employment benefits	Other long-term benefits	Total
Rayomand Sabawalla	0.28	0.03	0.05	**0.36**	0.16	0.02	0.03	**0.20**
Sunil Kukreja	-	-	-	-	0.11	0.01	0.02	**0.14**

The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individual and market trends.

32.3 Other related party transactions
Transactions with above mentioned related parties

(Rs. in crores)

Particulars	For the year ended March 31, 2021	For the period from September 27, 2019 to March 31, 2020
1. Reimbursement of Expenses paid		
Pidilite Industries Limited	0.68	-
2. Service Income		
Huntsman Advanced Materials (Switzerland) Gmbh, Basel	0.55	0.34
Huntsman International (India) Private Limited	0.01	-
Total	**0.56**	**0.34**
3. Service Charges		
Huntsman International LLC	-	3.06
Huntsman Advanced Materials (Switzerland) Gmbh, Basel	4.94	3.49
Huntsman International (India) Private Limited	9.33	3.64
Total	**14.26**	**10.19**
4. Royalty		
Huntsman Advanced Materials Licensing (Switzerland) GmBH	1.54	5.95
5. Purchase of Intangible Assets		
Huntsman Advanced Materials (Europe) BVBA	9.74	-
Huntsman Advanced Materials (Singapore) Pte Ltd.	19.77	-
Huntsman Advanced Materials Licensing (Switzerland) GmBH	96.19	-
Total	**125.70**	**-**
6. GST Balance Transfer		
Huntsman International (India) Private Limited	0.08	-

Notes to the financial statements as at and for the year ended March 31, 2021

33. Employee benefit plans

33.1 Defined contribution plans

The Company makes contributions towards provident fund and superannuation fund to defined contribution retirement benefit plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The provident fund contributions are made to Government administered Employees Provident Fund. The superannuation fund is administered by the Life Insurance Corporation of India (LIC).

The total expense recognised in Statement of Profit and Loss for the year ended March 31, 2021 is Rs. 0.14 Crores (for the period from September 27, 2019 to March 31, 2020 is Rs. 0.18 crores) represents contributions to these plans by the Company at rates specified in the rules of the plans.

33.2 Defined benefit plans

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2021	As at March 31, 2020
Discount rate(s)	6.50%	6.50%
Expected rate(s) of salary increase	8.50%	8.50%
Expected rate of return on plan assets (%)	6.50%	6.50%

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

(Rs. in Crores)

Particulars	For the year ended March 31, 2021	For the period from September 27, 2019 to March 31, 2020
Service cost:		
Current service cost	0.05	0.02
Past service cost - plan amendments	0.01	-
Net interest cost	0.02	0.01
Components of defined benefit costs recognised in profit or loss	**0.08**	**0.03**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from DBO experience	(0.02)	0.01
Actuarial (gains) / losses arising from changes in DBO assumptions	0.03	0.00
Components of defined benefit costs recognised in other comprehensive income	**0.01**	**0.01**
Total	**0.09**	**0.04**

The current service cost and the net interest expense for the period are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

(Rs. in Crores)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(0.42)	(0.33)
Fair value of plan assets	-	-
Funded status (Surplus/(Deficit))	**(0.42)**	**(0.33)**

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Movements in the present value of the defined benefit obligation are as follows. **(Rs. in Crores)**

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	0.33	-
Amount transferred on account of scheme (Refer note 38)	-	0.29
Current service cost	0.05	0.02
Past service cost - plan amendments	0.01	-
Interest cost	0.02	0.01
Remeasurement (gains)/losses:	-	-
Actuarial (gains) / losses arising from DBO experience	(0.02)	0.01
Actuarial (gains) / losses arising from changes in DBO assumptions	0.03	0.00
Benefit paid	-	-
Closing defined benefit obligation	**0.42**	**0.33**

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses 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.

(Rs. in Crores)

Particulars	Year ended March 31, 2021 Increase / (decrease)	Period ended March 31, 2020 Increase / (decrease)
Discount Rate:		
Effect on DBO due to 0.5% increase in Discount rate	(0.02)	(0.01)
Effect on DBO due to 0.5% Decrease in Discount rate	0.02	0.01
Salary Escalation Rate:		
Effect on DBO due to 0.5% increase in salary escalation rate	0.02	0.01
Effect on DBO due to 0.5% decrease in salary escalation rate	(0.02)	(0.01)
Withdrawal Rate:		
Effect on DBO due to 3% increase in Withdrawal Rate	(0.01)	(0.01)
Effect on DBO due to 3% decrease in Withdrawal Rate	0.01	0.01

Under the PUC method a "projected accrued benefit" is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the Plan. The "projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the period, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the period for active members.

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34. The information required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and interest outstanding during the year / period is given below:

(Rs. In Crores)

Particulars	For the year ended March 31, 2021	From September 27, 2019 to March 31, 2020
Principal amount remaining unpaid to any supplier as at the end of the year / period	2.21	-
Interest due and payable on principal amount unpaid at the year / period end	0.02	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of Interest due and payable for the year / period	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year / period	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

35. Financial instruments

35.1 Categories of financial instruments **(Rs. In Crores)**

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(b) Foreign exchange forward contracts	-	-
Measured at amortised cost		
(a) Cash and bank balances	151.21	115.14
(b) Trade receivables	48.02	60.07
(c) Other financial assets at amortised cost	-	41.07
Financial liabilities		
Measured at amortised cost		
(a) Trade Payables	79.69	17.15
(b) Other financial liabilities at amortised cost	17.57	28.53

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative contracts are over-the-counter short term foreign exchange forwards that are not traded in an active market. Their fair valuation is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific. Since all significant inputs required to fair value these equity instruments and derivative contracts are observable, the derivative foreign exchange forward contracts related assets and liabilities are classified as level 2.

All financial assets and liabilities measured at amortised cost are classified as level 3 in fair valuation hierarchy.

For all the financial assets and liabilities referred above that are measured at amortised cost, their carrying amounts are reasonable approximations of their fair values. The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets and other financial liabilities are considered to be the same as their fair values due to their short term nature.

35.2 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using forward contracts to hedge risk exposures. The use of forward contrat is governed by the company's policies approved by the board of directors, which provide written principles on foreign exchange risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

35.3 Market risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates .

35.4 Foreign currency risk management

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.
The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

35.4.1 Unhedged foreign currency exposure:
Foreign Currency Exposures that have not been hedged by a derivative instrument or otherwise are as below :

Particulars	Foreign Currency	As at March 31, 2021		As at March 31, 2020	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Receivables	USD	-	-	0.00	0.13
Payables	USD	-	-	0.04	3.14

(i) Valuation processes
The finance department of the Company includes a team that carries out the valuation of financial assets and liabilities required for financial reporting purposes.

(ii) Capital Management
The Company determines the capital requirements based on its financial performance, operating and long term investment plans.The funding requirements are met through operating cash flows generated. For the purpose of Company's Capital Risk Management, "Capital" includes issued equity share capital and all other equity reserves attributable to it's shareholders.
The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to maximise shareholder's values.
The capital structure of the Company is based on management's assessment of the appropriate balance of key elements in order to meet its strategic and day-to day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue new shares.
The Company maintains a stable and strong capital structure with a focus on total equity so as to maintain shareholders and creditors confidence and to sustain future development and growth of its business. The Company takes appropriate steps in order to maintain, or if necessary adjust, its capital structure.
The management monitors the return on capital as well as the level of dividends to shareholders.

35.5 Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The credit limits are considered on a net basis after taking into consideration credit protection for 1) cash in advance, 2) letters of credit issued by a bank which maintains investment grade credit ratings, 3) bank acceptance drafts, 4) credit insurance, or 5) non recourse factoring arrangements.

Credit department assigns a customer a rating of very high, high, medium, or low risk using proprietary financial analysis models where applicable to ensure consistency of credit risk. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition or qualitative factors of accounts receivable that would cause deterioration in credit quality.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due. Specific provision is also recognized in case of following scenarios:
- Bankruptcy
- Potential default risk in specific scenario
- Legal case

Exceptions are considered when a customer is performing under an agreed and documented payment plan.

36. Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term, and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company judiciously deploys its periodical surplus funds in short term investments in line with the corporate treasury policy. The company constantly monitors the liquidity levels, economic and capital market conditions and maintains access to the lowest cost of sourcing liquidity through banking lines, trade finance and capital markets.

36.1 Liquidity and interest risk tables
The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. Financial liabilities disclosed below are largely trade payables in nature.

1-3 YR	Less than 1 Year	Between 1 and 5 years	More than 5 years	Total
March, 31, 2021				
Lease liabilities	2.09	-	-	2.09
Trade payables	79.69	-	-	79.69
Other financial liabilities	17.57	-	-	17.57
Total	**99.36**	**-**	**-**	**99.35**
March, 31, 2020				
Lease liabilities	1.22	-	-	1.22
Trade payables	17.15	-	-	17.15
Other financial liabilities	28.53	-	-	28.53
Total	**46.90**	**-**	**-**	**46.90**

37. Segment Reporting
In accordance with Indian Accounting Standard - 108, "Operating Segments", the Company has determined its business segment as DIY Do it Yourself) and there are no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year / period, is as reflected in the Financial Statements as at and for the year ended March 31, 2021. The Company is considered to be operating majorly in one geographical segment.

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38. Scheme of Demerger of DIY unit (Do it Yourself) of HAM division of Hunstman International (India) Private Limited to the Company:

(a) Description

Pursuant with the scheme of demerger approved by the National Company Law Tribunal (NCLT), Mumbai Bench, DIY unit of HAM Division of Huntsman International (India) Private Limited (HIPL) has been demerged into the Company as per the NCLT order received on February 27, 2020. The assets and liabilities of the DIY unit of HAM Division of HIPL have been transfered to the Company at their book values with effect from September 27, 2019 ("Appointed Date") as per Appendix C of Ind AS 103 "Business Combinations". The excess of net assets (Rs. 1,66.77 crores) of the DIY unit of HAM Division of HIIPL over the purchase consideration (by way of issuance of shares of Rs. 27.49 crores) given by the Company aggregating to Rs. 139.22 crores has been accounted in Capital Reserve by the Company. As per the Scheme approved by NCLT, the Company issued shares in the ratio of 1 equity share of the Company of INR 10/- each fully paid up for every 10 equity share held in HIPL of INR 10/- each fully paid up, to the shareholders of HIPL vide its Board Resolution dated March 24, 2020 and cancelled the equity shares held by HIPL aggregating to Rs. 0.10 millions.

All compliances relating to laws and regulations for the period from September 27, 2019 (date of incorporation) to March 31, 2020 have been done by HIPL on behalf of the Company.

The carrying amount of assets and liabilities as at September 27, 2019 were as follows:

(Rs. in crores)

Particulars	As at September 27, 2019
Non-current assets	
Property, plant and equipment	4.49
Right-of-use assets	2.01
Other intangible assets	0.12
Deferred tax assets (net)	0.07
Current Assets	
Inventories	32.41
Financial assets	
(i) Trade receivables	69.01
(ii) Cash and cash equivilents	106.00
Total assets	**214.10**
Current liabilities	
Financial liabilities	
(i) Lease liabilities	2.06
(ii) Trade payables	44.66
Provisions	0.61
Total liabilities	**47.33**
Net assets	**166.77**
Issue of Shares	27.49
Capital reserve	**139.28**

39. The Company has considered the possible effects that may result from COVID-19 In assessing the carrying value of property, plant and equipment, other intangible assets, right-of-use assets, inventories, trade receivables and other assets as at March 31, 2021. The Company has considered internal and external information Including the economic forecasts available, and based on such Information and assessment, the Company expects lo recover the carrying amount of these assets. The Impact of the pandemic may differ from that estimated as at the date of approval of these special purpose financial information. The Company will continue to closely monitor any material changes to future economic conditions.

40. Previous year's figures have been regrouped / reclassified, wherever necessary to conform to current year's classification.

41. The Financial Statements were approved for issue by the board of directors on May 04, 2021.

Signature to note 1 to 41

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number 304026E/E-300009

ARVIND HARGOPAL DAGA — Digitally signed by ARVIND HARGOPAL DAGA Date: 2021.05.04 22:23:24 +05'30'

Arvind Daga
Partner
Membership No:108290

Place: Mumbai
Date : May 04, 2021

For and on behalf of the Board of Directors

PRADIP KUMAR MENON — Digitally signed by PRADIP KUMAR MENON Date: 2021.05.04 18:29:02 +05'30'

Pradip Kumar Menon
Director
DIN: 07417530

PUNEET BANSAL — Digitally signed by PUNEET BANSAL Date: 2021.05.04 18:38:55 +05'30'

Puneet Bansal
Director
DIN: 08566147

RENUKA NIKHIL SHITUT — Digitally signed by RENUKA NIKHIL SHITUT Date: 2021.05.04 19:38:23 +05'30'

Rahul Sharma
Chief Financial Officer

Renuka Shitut
Company Secretary

SHARMA RAHUL — Digitally signed by SHARMA RAHUL Date: 2021.05.04 17:48:35 +05'30'

Place: Mumbai
Date : May 04, 2021