NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

1. Corporate Information

Berger Paints India Limited ('BPIL' or 'the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on three stock exchanges in India. The Company is engaged in the manufacturing and selling of paints. The Company caters primarily to domestic market. The registered office of the Company is located at Berger House, 129, Park Street, Kolkata-700 017.

These Ind AS financial statements were approved for issue in accordance with a resolution of the Board of Directors on June 23, 2020.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the financial statements.

These Ind AS financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair values (refer accounting policy regarding financial instruments). The Ind AS financial statements are presented in INR and all values are rounded-off to the nearest crore (₹00,00,000) except when otherwise indicated.

These financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional balance sheet as at 1 April 2018 is presented in these Ind AS financial statements due to the retrospective application of accounting policies as a result of the adoption of Ind AS 116 Leases. See Note no. 3.23.

3. Summary of Significant Accounting Policies

3.1. Current and Non Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Company has identified twelve months as its operating cycle.

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

3.2. Foreign Currencies

Items included in the Ind AS financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Ind AS financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates (i.e., INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the Statement of Profit and Loss are also recognised in OCI or Statement of the Profit and Loss, respectively).

3.3. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.4. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of Goods

Revenue from sale of goods is recognised on transfer of control in the goods to customers at a point of time by performance of obligation towards delivery or as per customers' instruction. The normal credit term is 30 to 90 days upon delivery. The revenue is based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, rights to return or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company provides volume rebates to certain customers once the quantity of products purchased by the customers during the period exceeds a threshold specified in the contract. Generally, rebates are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method.

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS on constraining estimates of variable consideration to are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section "Financial instruments – initial recognition and subsequent measurement". Also refer Note 3.20 below.

3.5. Government Grants

Government grants and subsidies are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant or subsidy relates to revenue and is not relatable to the corresponding costs, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under Other Operating Revenue, over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant or subsidy relates to an asset, it is deducted from the carrying amount of the asset. The grant is recognised in the Statement of Profit and Loss over the useful life of the depreciable asset by way of a reduced depreciation charge.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

i.e., by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.6. Taxes

Current Income Tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Ind AS financial statements at the reporting date. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Goods and Service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of Goods and Service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.7. Property, Plant and Equipment

Property, plant and equipment and Capital work in progress are carried at cost of acquisition, on current cost basis less accumulated depreciation and accumulated impairment, if any. Cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Machinery spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note 28 regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is provided on Straight line method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013 with the exception of the following items for which useful lives as estimated by management based on technical evaluation are different from those specified in aforesaid Schedule II.

- Plant and Machinery: 3 years to 21.05 years
- Motor Vehicles: 6.67 years
- Tinting Machines: Based on useful lives of 60 months
- No depreciation is provided on freehold land

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.8. Intangible Assets

Intangible Assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life ranging from 3 to 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.9. Research and Development

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Expenditure incurred on research of an internal project is recognised as an expense in the Statement of Profit and Loss, when it is incurred.

Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. An intangible asset arising from development is recognised if, and only if, the following criteria are met:

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale.

(b) the Company intends to complete the intangible asset and use or sell it.

(c) the Company has ability to use or sell the intangible asset.

(d) the Company can demonstrate how the intangible asset will generate probable future economic benefits.

(e) the Company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

(f) the Company has ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

3.10. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Discount on Commercial Papers is amortised over the tenor of the underlying instrument. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

3.11. Leases

Ind AS 116, Leases, replaces the existing standard on accounting for leases, Ind AS 17, with effect from April 01, 2019. The Company has elected to apply the full retrospective approach on transition, and accordingly the comparative numbers for all years presented in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors have been restated. Refer Note 3.23 for details. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>As a lessee</u>

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 2 years to 15 years
- Leasehold land 20 years to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 3.20 Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset..

The Company's lease liabilities are included in Note 32.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties taken on rent (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It has not opted for low-value assets recognition exemption. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

<u>As a lessor</u>

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.12. Inventories

Raw materials, stores and spares and packing materials are valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold are at or above cost.

Finished goods and Work-in-process are stated at the lower of cost and estimated net realisable value. Cost of inventories constitutes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is recognised for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

3.13. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.14. Provisions and Contingencies

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

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

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The Company records a provision for decommissioning costs for its certain manufacturing facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements.

3.15. Employee Benefits

I. Defined Contribution Plan

a. Superannuation

Contribution made to Superannuation Fund for certain of employees are recognised in the Statement of Profit and Loss as and when services are rendered by employees. The Company has no liability for future Superannuation Fund benefits other than its contribution.

b. Provident Fund

Contributions in respect of Employees who are not covered by Company's Employees Provident Fund Trust are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to the Statement of Profit and Loss as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional Provident fund.

II. Defined Benefit Plan

a. Gratuity

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. Retirement Gratuity for employees, is funded through a scheme of Life Insurance Corporation of India. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to the Statement of Profit and Loss in subsequent periods. The excess / shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognised as a gain / loss in the Statement of Profit and Loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b. Provident Fund

In respect of the employees covered by the Company's Employee Provident Fund Trust in Point I b above, contributions to the Company's Employees Provident Fund Trust (administered by the Company as per the provisions of Employees'

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Provident Fund and Misc. Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any, determined based on an actuarial valuation as at the balance sheet date, as an expense.

III. Long Term Compensated Absences

The Company treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

3.16. Employees Stock Option

Stock options are granted to the employees under the stock option scheme. The cost of stock options granted to the employees (equity-settled awards) of the Company is the difference between fair value of equity instruments granted and the price at which options may be exercised by concerned employees. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

Aforesaid cost of stock options is recognised, together with a corresponding increase in Employee Stock Options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e., the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

3.17. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3.18. Forward Currency Contracts

The Company uses forward currency contracts to hedge its foreign currency risks. Such forward currency contracts are initially measured at fair value on the date on which a forward currency contract is entered into and are subsequently re-measured at fair value. Forward currency contracts are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of forward contracts are recognized in the Statement of Profit and Loss as they arise.

3.19. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

3.20. Financial Instruments

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

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost other than derivative contracts

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value other than equity investments measured at deemed cost on first time adoption of Ind AS. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowing or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the lender for a loss it incurs because the specified borrower fails to make a payment when due in accordance with the terms of a loan agreement. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.21. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.22. Operating Segments

The Business Process and Risk Management Committee of the Company approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business Process and Risk Management Committee. The financial

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

information presented to the Business Process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the Ind AS financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

3.23. Changes in accounting policies and disclosures

New and amended standards –

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the full retrospective method of adoption, with the date of initial application on April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adoption of Ind AS 116 is as follows:

Impact on standalone balance sheet (increase/(decrease):

₹ in Crores

	March 31, 2020	March 31, 2019	April 01, 2018
Assets			
Right-of-use assets	269.29	246.71	188.81
Property, plant and equipment	(74.91)	(45.11)	(20.31)
Prepayments	(5.51)	(4.62)	(4.35)
Total assets	**188.87**	**196.98**	**164.15**
Equity			
Retained earnings	(22.70)	(17.56)	(14.38)
Total equity	**(22.70)**	**(17.56)**	**(14.38)**
Liabilities			
Lease liabilities	219.20	224.01	186.25
Deferred tax liabilities	(7.63)	(9.44)	(7.72)
Total liabilities	**211.57**	**214.57**	**178.53**

NOTES TO IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the full retrospective method of adoption, the Company applied Ind AS 116 at the date of initial application as if it had already been effective at the commencement date of existing lease contracts.

As at April 1, 2018, March 31, 2019 and March 31, 2020:

- 'Right-of-use assets' were recognised and presented separately in the balance sheet. Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.
- 'Prepayments' related to previous operating leases were derecognised.
- 'Deferred tax liabilities' decreased because of the deferred tax impact of the changes in recognised lease related assets and liabilities.
- 'Retained earnings' decreased due to the net impact of these adjustments.

For the year ended March 31, 2020:

- Depreciation expense increased because of depreciation charged on right of use assets recognised on adoption of Ind AS 116 (net of the decrease in 'Property, plant and equipment' consequent to derecognition of leasehold assets). This resulted in additional depreciation charge of ₹45.51 crores (March 31, 2019: ₹ 43.28 crores) for the year.
- Rent expense included in 'Other expenses', relating to previous operating leases, reduced by ₹55.24 crore (March 2019: ₹52.45 crore)
- 'Finance costs' increased by ₹13.02 crore (March 2019: ₹14.08 crore) relating to the interest expense on additional lease liabilities recognised.
- 'Income tax expense' decreased by ₹0.84 crore (March 2019: ₹1.72 crore) relating to the net tax effect of the aforesaid adjustment.
- Cash outflows from operating activities decreased by ₹ 98.61 crores (March 31, 2019: ₹78.11 crores) and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 4(a) - Property, plant and equipment

₹ in Crores

Particulars	Gross Block at Cost				Accumulated Depreciation				Net Block	
	As at April 1, 2019 (As restated) Refer Note 32	Additions	Deletions	As at March 31, 2020	As at April 1, 2019 (As restated) Refer Note 32	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019 (As restated)
Freehold Land	12.73	-	-	12.73	-	-	-	-	12.73	12.73
Freehold Buildings #	407.54	128.14	0.12	535.56	51.47	16.21	0.03	67.65	467.91	356.07
Plant & Equipment ##	771.75	140.92	2.22	910.45	249.09	87.92	1.08	335.93	574.52	522.66
Furniture and Fixtures	30.38	2.33	0.12	32.59	12.55	3.46	0.08	15.93	16.66	17.83
Computer ##	49.00	5.05	0.14	53.91	23.93	9.49	0.13	33.29	20.62	25.07
Office Equipment	13.50	3.40	0.02	16.88	6.23	2.54	0.02	8.75	8.13	7.27
Vehicles	13.05	2.75	2.46	13.34	3.23	2.40	1.73	3.90	9.44	9.82
TOTAL	**1,297.95**	**282.59**	**5.08**	**1,575.46**	**346.50**	**122.02**	**3.07**	**465.45**	**1,110.01**	**951.45**

\# Partly on leasehold land

\## (i) Includes following assets (together constituting Color Bank) given under operating lease arrangements:

₹ in Crores

Particulars	Gross Block at Cost				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	As at April 1, 2019	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Plant & Equipment	222.19	37.94	0.43	259.70	115.79	40.86	0.41	156.24	103.46	106.40
Computer	20.03	1.56	-	21.59	11.87	3.68	-	15.55	6.04	8.16
Total	**242.22**	**39.50**	**0.43**	**281.29**	**127.66**	**44.54**	**0.41**	**171.79**	**109.50**	**114.56**

(ii) For charge created on Property, plant and equipment refer note 33 (iii).
(iii) Nil amount of Borrowing cost is capitalised during the current & comparative period.
(iv) Nil amount of impairment loss is recognised during the current and comparative period.

Note 4(a)(v)

Title deeds of immovable properties set out in Note 4(a) above, are in the name of the Company except those mentioned below which is transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

₹ in Crores

Particulars	No. of title deeds	Gross Carrying Amount		Net Carrying Amount		Held in the name of
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Freehold land at Rishra, West Bengal	1	1.36	1.36	1.36	1.36	Berger Auto & Industrial Coatings Limited

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 4(b) - Intangible assets

₹ in Crores

Particulars	Gross Block at Cost				Accumulated Amortisation				Net Block	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	As at April 1, 2019	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	19.20	1.82	0.02	21.00	11.84	2.28	0.05	14.07	6.93	7.36
TOTAL	**19.20**	**1.82**	**0.02**	**21.00**	**11.84**	**2.28**	**0.05**	**14.07**	**6.93**	**7.36**

Note 4(c) - Capital work in progress

₹ in Crores

Particulars	Gross Block at Cost			
	As at April 1, 2019	Additions	Capitalisation	As at March 31, 2020
Buildings	79.64	85.51	128.14	37.01
Plant & Equipment	68.02	199.53	140.92	126.63
Other assets	0.07	9.66	5.08	4.65
TOTAL	**147.73**	**294.70**	**274.14**	**168.29**

Note 4(d) - Property, plant and equipment

₹ in Crores

Particulars	Gross Block at Cost				Accumulated Depreciation				Net Block	
	As at April 1, 2018 (As restated) Refer Note - 32	Additions	Deletions	As at March 31, 2019 (As restated)	As at April 1, 2018 (As restated) Refer Note - 32	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2019 (As restated)	As at March 31, 2019 (As restated)	As at April 1, 2018 (As restated)
Freehold Land	10.07	2.66	-	12.73	-	-	-	-	12.73	10.07
Freehold Buildings #	374.57	32.97	-	407.54	36.38	15.09	-	51.47	356.07	338.19
Plant & Equipment ##	679.89	127.65	35.79	771.75	198.37	84.74	34.02	249.09	522.66	481.52
Furniture and Fixtures	27.32	3.32	0.26	30.38	9.22	3.46	0.13	12.55	17.83	18.10
Computer ##	47.02	8.39	6.41	49.00	19.39	10.64	6.10	23.93	25.07	27.63
Office Equipment	10.57	3.11	0.18	13.50	4.16	2.23	0.16	6.23	7.27	6.41
Vehicles	10.71	3.94	1.60	13.05	1.90	2.27	0.94	3.23	9.82	8.81
TOTAL	**1,160.15**	**182.04**	**44.24**	**1,297.95**	**269.42**	**118.43**	**41.35**	**346.50**	**951.45**	**890.73**

Also refer note 4(a)(v)

Partly on leasehold land

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(i) Includes following assets (together constituting Color Bank) given under operating lease arrangements to the dealers:

₹ in Crores

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at April 1, 2018	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Plant & Equipment	213.91	43.73	35.45	222.19	108.53	41.00	33.74	115.79	106.40	105.38
Computer	23.14	2.53	5.64	20.03	12.11	5.15	5.39	11.87	8.16	11.03
Total	**237.05**	**46.26**	**41.09**	**324.40**	**120.64**	**46.15**	**39.13**	**205.92**	**114.56**	**116.41**

(ii) On account of adoption of Ind AS 116, leasehold lands and buildings have been reclassified to Right to use assets. Refer note 32(b) for details.

(iii) For charge created on Property, plant and equipment refer note 33 (iii).

(iv) Nil Amount of Borrowing cost is capitalised during the current & comparative period.

(v) Nil amount of impairment loss is recognised during the current and comparative period.

Note 4(e) - Intangible assets

₹ in Crores

Particulars	Gross Block at Cost				Accumulated Amortisation				Net Block	
	As at April 1, 2018	Additions	Deletions	As at March 31, 2019	As at April 1, 2018	For the Year	On Deletions (accumulated upto the date of sale)	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Computer Software	13.17	6.20	0.17	19.20	8.88	3.13	0.17	11.84	7.36	4.29
TOTAL	**13.17**	**6.20**	**0.17**	**19.20**	**8.88**	**3.13**	**0.17**	**11.84**	**7.36**	**4.29**

Note 4(f) - Capital work-in-progress

₹ in Crores

Particulars	Gross Block at Cost			
	As at April 1, 2018	Additions	Capitalisation	As at March 31, 2019
Buildings	4.31	108.30	32.97	79.64
Plant & Equipment	82.94	112.73	127.65	68.02
Other assets	0.02	7.31	7.26	0.07
TOTAL	**87.27**	**228.34**	**167.88**	**147.73**

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 5a. Financial assets - Investments

Particulars	Non-Current					
	Nominal Value per unit	Currency	Number of shares		₹ in Crores	
			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Investments						
At fair value through profit and loss						
Equity Shares - Unquoted (Fully Paid)						
Shaktikunj Apartments Limited *	1	`	1,498	1,498	0.00	0.00
At cost:						
Equity Shares - Unquoted (Fully Paid)						
Investment in Subsidiaries						
Beepee Coatings Private Limited	10.00	`	25,00,000	25,00,000	2.50	2.50
Berger Jenson & Nicholson (Nepal) Private Limited	100.00	NEPALESE RUPEE	345,421	345,421	4.46	4.46
Berger Paints (Cyprus) Limited	1.71	EURO	74,40,964	69,69,863	90.12	83.93
Less: Impairment (Refer Note 26.3)					(56.60)	(56.60)
					33.52	27.33
Lusako Trading Limited	1.71	EURO	60,47,149	56,48,639	76.24	70.80
SBL Specialty Coatings Private Limited	10.00	`	29,60,000	29,60,000	83.18	83.18
Berger Hessee Wood Coatings Private Limited	1.00	`	1,03,03,580	1,03,03,580	1.50	1.50
Berger Rock Paints Private Limited	1.00	`	4,08,00,000	4,08,00,000	4.08	4.08
STP Ltd.	10.00		1,88,63,180	-	125.20	-
Investment in Joint Ventures						
Berger Becker Coatings Private Limited	100.00	`	270,850	270,850	2.71	2.71
Berger Nippon Paint Automotive Coatings Private Ltd. (Formerly BNB Coatings India Private Limited/ BNB Coatings India Limited)	1,000.00	`	1,352,400	13,52,400	135.24	135.24
Total					**468.63**	**331.80**
Aggregate book value of Unquoted Investments					**468.63**	**331.80**
Aggregate amount of impairment in value of Investment					**56.60**	**56.60**

Note :

During the year the Company has acquired 95.53% stake in STP Ltd.

* Refer Note 41

Note 5b. Financial assets - Loans and Deposits

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
* Security deposits	18.01	16.42	9.01	7.98
Total	**18.01**	**16.42**	**9.01**	**7.98**

*Refer Note 34 for security deposits given to related parties.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 5c. Financial assets - Other financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Bank deposits with original maturity more than twelve months *	-	-	-	0.07
Advances for Share Application money (to related parties) (Refer Note 34) #	39.12	4.14	-	-
Interest accrued on deposits	-	-	2.37	0.86
Other receivables ##	-	-	4.58	2.34
Total	**39.12**	**4.14**	**6.95**	**3.27**
* includes deposits pledged against bank guarantees				
# Represents share application money pending allotment				
Berger Paints (Cyprus) Limited(wholly owned subsidiary)	-	4.14		
Lusako Trading Limited (wholly owned subsidiary)	39.12	-		
Total	**39.12**	**4.14**		
## includes receivable from related parties (Refer Note 32)				
Berger Paints (Bangladesh) Limited			0.42	0.42
Berger Jenson & Nicholson (Nepal) Private Limited			4.08	1.79
Total			**4.50**	**2.21**

Note 6. Income Tax Assets (net)

₹ in Crores

Particulars	Non-Current	
	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax [net of provision for tax of ₹1313.22 Crores (March 31, 2019 – ₹1,086.75 Crores)]	33.96	19.33
Total	**33.96**	**19.33**

Note 7. Other Assets

(Unsecured, considered good unless otherwise stated)

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Capital advances	15.50	22.21	-	-
Advances other than capital advances	-	-	17.23	12.17
Prepayments *	0.15	0.13	10.67	9.05
Subsidy receivable #	-	-	44.09	51.60
Balances with statutory/government authorities	3.70	6.62	90.45	95.56
Total	**19.35**	**28.96**	**162.44**	**168.38**

\# The Company has subsidy receivable under "Scheme of Budgetary Support under GST Regime to eligible units" located in specified States.

* Restated pursuant to retrospective adoption of Ind AS116, Leases Refer Notes 3.23 and 32.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 8. Inventories
(at the lower of cost and net realisable value)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials [Including in-transit ₹52.96 crores (March 31, 2019 - ₹76.00 crores)]	310.10	317.88
Packing materials [Including in-transit ₹0.12 crores (March 31, 2019 - ₹0.14 crores)]	23.67	20.36
Work in progress	65.55	79.24
Finished goods	671.15	649.31
Traded goods [Including in-transit ₹3.87 crores (March 31, 2019 - ₹2.00 crores)]	82.94	70.81
Stores and Spares	13.83	11.53
Total	**1,167.24**	**1,149.13**

Note 9a. Financial assets - Current Investments

Particulars	Current				
	Nominal Value per unit (₹)	Number of units		₹ in Crores	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At fair value through profit and loss (FVTPL):					
Investments in Mutual Funds - Unquoted					
Aditya Birla Sunlife Low Duration Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Cash Manager)	100	7,72,28.86		3.97	-
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan (formerly known as Aditya Birla Sunlife cash plus)	100	13,20,32.55		4.22	-
Aditya Birla Sunlife Money Manager Fund - Growth Direct Plan (formerly known as Aditya Birla Sunlife Floating Rate Fund Short Term Plan)	100	97,69,18.26		26.47	-
Axis Ultra Short Term Fund - Direct Growth - USDG	10	1,64,50,588	54,81,550	18.66	5.76
DSP Overnight Fund - Dir - Growth	1,000	50,186	-	5.36	-
DSP Savings Fund - Direct Growth Plan	1,000	-	14,39,591	-	5.36
Franklin India Liquid Fund Super Institutional Plan - Direct Growth (formerly known as Franklin India Treasury Management Account - Super Institutional Plan - Direct)	1,000	7,185	27,076	2.14	7.58
Franklin India Short Term Income Plan - Retail Plan - Direct - GROWTH	1,000	-	10,12,506	-	3.56
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct - GROWTH	10	69,68,257		19.27	-
HDFC Low Duration Fund - Direct Plan - Growth Option	10	39,92,044	-	17.65	-
HDFC Ultra Short Term Fund - Direct Growth	10	-	3,18,04,399	-	33.31
ICICI Prudential Ultra Short Term Fund - Direct Growth	10	-	1,60,99,537	-	31.87
Kotak Savings Fund Direct Plan Growth (formerly known as Erstwhile Kotak Treasury Adv)	10	8,27,358	79,00,551	2.72	24.14
UTI Liquid Cash Plan - Direct Growth	1,000	6,182	34,642	2.01	10.60
UTI Ultra Short Term Fund - Direct Growth Plan	10	-	17,674	-	5.55
Kotak Money Market Fund - Direct Plan - Growth (formerly known Erstwhile Kotak Floater ST)	10	10,356	-	3.43	-
Birla Sunlife Savings Fund - Direct Growth	10	-	11,28,744	-	41.96
ICICI Prudential Money Market Fund - Direct Growth	10	-	987,595	-	25.69

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Current				
	Nominal Value per unit (₹)	Number of units		₹ in Crores	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Birla Sunlife Floating Rate Fund Short term - Direct growth	10	-	712,492	-	17.93
Franklin India Short Term Income Plan - Weekly Dividend	10	10,320	10,320	4.18	4.33
Franklin India Ultra Short Term Bond Fund - Direct - Growth	10	-	95,99,250	-	25.33
HDFC Liquid Fund - Direct - Growth	10	-	6,899	-	2.54
LIC MF Liquid Fund - Direct Plan-Growth - LICLF	1,000	20,973	-	7.56	-
SBI Savings Fund - Direct Plan - Growth	10	48,00,312	-	15.54	-
UTI Corporate Bond Fund - Direct Growth Plan	10	25,40,963	-	3.00	-
ICICI Prudential Savings Fund - Direct Plan - Growth	100	11,05,962		43.17	-
Aggregate amount of Unquoted Investments				**179.35**	**245.51**
Aggregate amount of Repurchase price of Unquoted Investments				**179.35**	**245.51**

Refer Note 36 for determination of fair value.

Note 9b. Financial Assets - Trade receivables
Unsecured

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good #	-	-	558.57	574.33
Trade receivables - credit impaired	6.85	8.57	-	-
	6.85	8.57	558.57	574.33
Impairment allowance (allowance for bad and doubtful debts)				
Trade receivables - credit impaired	(6.85)	(8.57)	-	-
Total	**-**	**-**	**558.57**	**574.33**
# Includes debts due from related parties	-	-		
Berger Jenson & Nicholson (Nepal) Private Limited	-	-	10.51	3.99
Berger Becker Coatings Private Limited	-	-	1.72	0.84
SBL Specialty Coatings Private Limited	-	-	0.64	0.98
Berger Nippon Paint Automotive Coatings Private Ltd.	-	-	16.79	6.57
Berger Paints Overseas Limited	-	-	1.78	2.62
Berger Rock Paints Private Limited	-	-	4.56	6.89
Berger Hesse Wood Coatings Private Limited	-	-	0.02	-

Trade receivables are non-interest bearing and generally has credit period from 30 to 90 days
For terms and conditions relating to related party receivables, refer Note 34.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 9c. Financial assets - Cash and Cash Equivalents

₹ in Crores

Particulars	Non-Current	
	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
– On current accounts	37.20	12.40
– Deposits with original maturity of less than three months #	17.87	-
Cheques/drafts on hand	-	14.24
Cash on hand	0.59	0.60
Total	**55.66**	**27.24**

Note 9d. Financial assets - Other bank balances

₹ in Crores

Particulars	Non-Current	
	As at March 31, 2020	As at March 31, 2019
– Balance with banks in Unpaid Dividend Account	6.69	5.72
– Deposits with original maturity of not less than three months but more than twelve months #	63.20	98.81
Total	**69.89**	**104.53**

Deposits at Banks earn interest between 4.75% to 7.30% (March 31, 2019- 7.95% to 8.65%) and are made for periods between 7 to 366 days (March 31, 2019 - periods between 61 to 215 days).

Note 10. Equity

₹ in Crores

	Non-Current	
	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
1,200,000,000 Equity Shares of ₹1 each (March 31, 2019: 1,200,000,000 Equity Shares of ₹1 each)	120.00	120.00
Issued Share Capital		
971,311,260 Equity Shares of ₹1 each fully paid up (March 31, 2019: 971,221,191 Equity Shares of ₹1 each fully paid up)	97.13	97.12
Subscribed and Paid-up Share Capital		
At April 1, 2019		
971,129,711 Equity Shares of ₹1 each issued,subscribed and fully paid up	97.11	97.10
Add: Issue of Share Capital	0.01	0.01
At March 31, 2020		
971,219,780 Equity Shares of ₹1 each issued, subscribed and fully paid up	97.12	97.11
	97.12	**97.11**

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

a) The reconciliation of share capital is given below:

₹ in Crores

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	97,11,29,711	97.11	97,10,31,428	97.10
Add: Shares issued on exercise of Employee Stock Options (Refer Note 31)	90,069	0.01	98,283	0.01
At the end of the year	**97,12,19,780**	**97.12**	**97,11,29,711**	**97.11**

b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 each. Holder of each equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Equity shares held by the holding company and/or the subsidiaries/associates of holding company

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
U K Paints (India) Private Limited (Holding Company)	48,65,45,399	48,65,45,399
Jenson & Nicholson (Asia) Limited, UK	14,06,56,782	14,06,56,782
Citland Commercial Credits Limited	3,09,15,659	3,09,15,659
Wang Investment & Finance Private Limited	2,99,85,580	2,98,10,580
Bigg Investment & Finance Private Limited	79,52,420	79,52,420

d) Details of shareholders holding more than 5 percent of equity shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
U K Paints (India) Private Limited (Holding Company)	48,65,45,399	50.10%	48,65,45,399	50.11%
Jenson & Nicholson (Asia) Limited, UK	14,06,56,782	14.48%	14,06,56,782	14.48%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as declared under the relevant provisions of the Companies Act, 2013.

e) Shares reserved for issue under Employee Stock Options:

For movement of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 31.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note - 11. Other equity

For the year ended March 31, 2020 ₹ in Crores

Particulars	Securities premium	Share based payment reserve	Retained earnings	Capital Reserve	General Reserve	Capital Redemption reserve	Total Equity
As at April 1, 2019 (Restated)	114.62	2.38	1,850.01	0.02	290.61	0.04	2,257.68
Profit for the year	-	-	699.05	-	-	-	699.05
Other comprehensive income for the year (net of tax)	-	-	(6.52)	-	-	-	(6.52)
Total Comprehensive Income for the year	-	-	692.53	-	-	-	692.53
Share based payments (Note 31)	-	2.04	-	-	-	-	2.04
Exercise of share options (Note 31)	2.15	(2.15)	-	-	-	-	-
Share Options forfeited/lapsed (Note 31)	-	(0.02)	-	-	-	-	(0.02)
Dividends (Note 18)	-	-	(369.04)	-	-	-	(369.04)
Dividend distribution tax on dividend (Note 18)	-	-	(55.27)	-	-	-	(55.27)
As at March 31, 2020	**116.77**	**2.25**	**2,118.23**	**0.02**	**290.61**	**0.04**	**2,527.92**

For the year ended March 31, 2019 ₹ in Crores

Particulars	Securities premium	Share based payment reserve	Retained earnings	Capital Reserve	General Reserve	Capital Redemption reserve	Total Equity
As at April 1, 2018	112.34	2.20	1,641.30	0.02	290.61	0.04	2,046.51
Changes on Account of Ind AS 116 (Refer Note - 3.23)	-	-	(14.38)	-	-	-	(14.38)
As at April 1, 2018 **	112.34	2.20	1,626.92	0.02	290.61	0.04	2,032.13
Profit for the year (Restated)	-	-	435.85	-	-	-	435.85
Other comprehensive income for the year (net of tax)	-	-	(2.05)	-	-	-	(2.05)
Total Comprehensive Income for the year	-	-	433.80	-	-	-	433.80
Share based payments (Note 31)	-	2.51	-	-	-	-	2.51
Share Options forfeited/lapsed (Note 31)	2.28	(2.28)	-	-	-	-	-
Share-based payments	-	(0.05)	-	-	-	-	(0.05)
Dividends (Note 18)	-		(174.78)	-	-	-	(174.78)
Dividend distribution tax on dividend (Note 18)	-	-	(35.93)	-	-	-	(35.93)
As at March 31, 2019 (Restated)	**114.62**	**2.38**	**1,850.01**	**0.02**	**290.61**	**0.04**	**2,257.68**

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

Notes

Securities Premium - Premium received on equity shares issued including those under Employee Stock Option Plan are recognised in the Securities Premium account net of utilization for bonus shares issued.

Retained Earnings - Retained Earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/losses on defined benefit plans.

General Reserve - Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Share based payment Reserve - The Company has an Employee Stock Option Plan (ESOP) under which options to subscribe for the Company's shares have been granted to specific employees.

The Share based payment Reserve is used to recognise the value of equity-settled share-based payments to employees as part of their remuneration. The year end balance is net off options exercised by the concerned employees. Refer to Note 31 for further details of these plans.

Capital redemption Reserve - Represents amount equal to the face value of equity shares transferred at the time of buy-back of shares.

Capital Reserve - Includes profit on re-issue of forfeited shares.

Note 12. Other financial liabilities

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(a) Other financial liabilities at amortised cost				
Interest accrued but not due on borrowings	-	-	0.67	0.04
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	-	-	6.69	5.72
Deposits	25.88	11.94	42.35	44.37
Capital creditors	-	-	42.74	35.03
Accrued employee liabilities	-	-	29.94	40.77
Other payables	-	-	2.86	2.39
(b) Financial guarantee contracts [refer note 33(iii)]	-	-	0.74	2.09
Total	**25.88**	**11.94**	**125.99**	**130.41**

Note 13. Provisions

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
- Provision for gratuity (Refer Note 30)	-	-	8.65	1.43
- Provision for leave encashment	-	-	21.34	17.24
Others			-	-
- Provision for decommissioning [Refer Note (a) below]	3.41	3.16	-	-
Total	**3.41**	**3.16**	**29.99**	**18.67**

(a) Provision for decommissioning

₹ in Crores

At the beginning of the year	3.16	2.92
Discount unwinding for the year	0.25	0.24
At the end of the year	**3.41**	**3.16**

Recognised towards provision for decommissioning/dismantling of Property, Plant and Equipment.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 14a. Deferred tax assets & liabilities (net)

₹ in Crores

Nature - (liability)/asset			Statement of Profit and Loss and Other Comprehensive Income (expense/income)	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax liabilities				
Arising out of temporary differences between tax and book written down values of depreciable assets	49.53	69.33	19.80	(6.29)
Financial Assets at fair value through profit and loss	0.21	2.16	1.95	(0.62)
Total (A)	**49.74**	**71.49**	**21.75**	**(6.91)**
Deferred tax assets				
Expenses allowable on payment basis for tax purposes	8.57	8.69	0.12	(3.18)
Decommissioning liability	0.86	0.58	(0.28)	(0.37)
Others through other comprehensive income	3.54	1.35	(2.19)	(1.10)
Arising out of temporary differences on accounting of lease rentals under Ind AS 116	7.63	9.44	1.81	(1.72)
Total (B)	**20.60**	**20.06**	**(0.54)**	**(6.37)**
Net deferred tax (liabilities)/assets (B-A)	**29.14**	**51.43**	**22.29**	**(0.54)**

Reconciliation of deferred tax liabilities (net)

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	51.43	50.88
Tax expense/(income) during the period recognised in Statement of Profit and Loss	20.10	1.64
Tax expense/(income) during the period recognised in OCI	(2.19)	(1.10)
Closing balance	**29.14**	**51.43**

During the year ended March 31, 2020 and March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 14b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

₹ in Crores

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting Profit before Income tax	905.42	687.35
Profit before income tax multiplied by standard rate of corporate tax in India of 25.168% (March 31, 2019: 34.944%)	227.88	240.19
Impact of reduced tax rate on dividend received from foreign company	(7.42)	-
Reversal of opening deferred tax liability due to change in tax rate	(14.77)	-
Effects of:		
Permanent differences affecting income tax expense:		
Additional deduction allowed in respect of R&D Expenditure	(0.41)	(3.51)
Disallowance of exceptional item (impairment) (refer Note 26.3)	-	10.00
Other miscellaneous disallowances/(allowance)	(1.10)	3.72
Net effective income tax	**204.18**	**250.40**
(i) Tax expense reported in the Statement of Profit and Loss:		
Current tax	226.47	249.86
Deferred tax /(credit)	(20.10)	1.64
(ii) Income tax credit recognised in Other Comprehensive Income	(2.19)	(1.10)
	204.18	**250.40**

Note 14(c) Current Tax Liabilities (Net):

₹ in Crores

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Provision for income tax [net of advance tax of ₹117.42 crores (March 31, 2019: ₹117.42 crores)]	3.54	3.54
Total	**3.54**	**3.54**

Note 15. Other liabilities

₹ in Crores

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance from customers	-	-	14.63	18.18
Statutory liabilities	-	-	26.14	30.60
Other liabilities	2.48	2.45	1.88	1.61
Total	**2.48**	**2.45**	**42.65**	**50.39**

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 16a. Financial Liabilities - Current borrowings

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
From Banks:		
Cash credit	12.36	53.74
Working capital demand loan	210.10	76.60
Unsecured		
Commercial Paper	-	85.00
Total	**222.46**	**215.34**

Cash Credits from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Cash Credit is repayable on demand and carries interest at 7.95% - 10.30 % per annum (March 31, 2019: 7.30%-12.10% per annum).

Working capital demand loan from banks are secured by way of first charge on book debts and other current assets ranking pari passu between the lenders (first pari passu charge over entire current assets). Working capital demand loan is repayable within April 30, 2020 and carries interest at 8.00 % - 9.15% per annum (March 31, 2019: 9.50% -10.25% per annum).

Commercial paper as at March 31, 2019 carried interest at 9.50% per annum.

Amendments to Ind AS 7 Statement of Cash Flows:

The amendments to Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period as under:

Changes in liabilities arising from financing activities

₹ in Crores

Particulars	April 1, 2019	Cash flows	Exchange difference	March 31, 2020
Current Borrowings				
Cash credit	53.74	(41.38)	-	12.36
Working Capital Demand Loan	76.60	133.50	-	210.10
Commercial paper	85.00	(85.00)	-	-

Particulars	April 1, 2018	Cash flows	Exchange difference	March 31, 2019
Current Borrowings				
Bank overdraft	3.02	(3.02)	-	-
Cash credit	140.25	(86.51)	-	53.74
Working Capital Demand Loan	-	76.60	-	76.60
Commercial Paper	-	85.00	-	85.00

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 16b. Financial Liabilities - Trade Payables

₹ in Crores

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
i) Total outstanding dues of micro enterprises and small enterprises (refer note below)	49.98	46.38
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Acceptances	120.14	146.70
Outstanding dues of creditors other than acceptances [includes ₹45.25 crores (March 31, 2019: ₹ 48.67 crores payable to related parties)]	842.80	775.06
	962.94	**921.76**
Total	**1,012.92**	**968.14**

₹ in Crores

Particulars	Current	
	As at March 31, 2020	As at March 31, 2019
Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under to the extent the Company has received intimation from the suppliers regarding their status under the Act.		
Principal amount remaining unpaid at the end of the year	47.15	44.24
Interest due thereon remaining unpaid at the end of the year	2.83	2.14
	49.98	**46.38**
Delayed payment of Principal amount paid beyond appointed date during the entire financial year	129.24	41.67
Interest actually paid under Section 16 of the Act during the entire accounting year	-	-
Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	0.63	0.24
Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)	0.18	0.30
Interest accrued and remaining unpaid at the end of the year	0.69	0.63
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act	2.83	2.14

Terms and conditions of the above trade payables:

Trade payables are non interest bearing and are normally settled on 45-90 days terms.
For terms and conditions of transactions with related parties, refer Note 34.
Acceptances are payable to bank.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 17 The carrying value and fair value of financial instruments by category as at end of the year are as follows:-

Note 17a. Financial Assets

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets - Non Current		
At Fair Value through profit or loss		
Investments *	0.00	0.00
At Amortised Cost		
(a) Loans and deposits	18.01	16.42
(b) Other financial assets	39.12	4.14
	57.13	**20.56**
At Cost		
Investments	468.63	331.80
Total Non current financial assets (a)	**525.76**	**352.36**
Financial assets - Current		
At fair value through profit or loss		
Investments	179.35	245.51
At Amortised cost		
(a) Trade receivables	558.57	574.33
(b) Cash and cash equivalents	55.66	27.24
(c) Bank balances other than (b) above	69.89	104.53
(d) Loans and deposits	9.01	7.98
(e) Other financial assets	6.95	3.27
Total Current financial assets (b)	**879.43**	**962.86**
Total financial assets (a + b)	**1,405.19**	**1,315.22**

* Refer Note 41

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 17b. Financial liabilities

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Financial liabilities - non current		
At Amortised Cost		
(a) Lease Liabilities	178.43	185.05
(b) Deposits	25.88	11.94
Total Non Current Financial Liabilities (a)	**204.31**	**196.99**
Financial Liabilities - Current		
At fair value through profit & loss		
Financial guarantee contracts	0.74	2.09
At Amortised Cost		
(a) Borrowings	222.46	215.34
(b) Lease liabilities	40.77	38.96
(c) Trade Payables		
i) Total outstanding dues of micro enterprises and small enterprises	49.98	46.38
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	962.94	921.76
(d) Other Financial Liabilities		
Interest accrued but not due on borrowings	0.67	0.04
Unpaid Dividends (to be credited to Investor Education and Protection Fund as and when due)	6.69	5.72
Others		
Deposits	42.35	44.37
Capital creditors	42.74	35.03
Accrued employee liabilities	29.94	40.77
Other payables	2.86	2.39
Total Current Financial Liabilities (b)	**1,402.14**	**1,352.85**
Total Financial Liabilities (a + b)	**1,606.45**	**1,549.84**

* Refer Note 41

Also refer Note 36 for fair value hierarchy.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 18. Distribution made and proposed

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Dividends on equity shares declared and paid:		
Final dividend for March 31, 2019- ₹1.90 per share (March 31, 2018 - ₹1.80 per share)	184.51	174.78
Dividend Distribution Tax on final dividend	25.07	35.93
Interim dividend paid during FY 19 - 20 ₹1.90 per share (March 31,2019 - Nil)	184.53	-
Dividend Distribution Tax on final dividend	30.20	-
	424.31	**210.71**
Proposed dividends on equity shares:		
Final dividend for March 31, 2020- ₹0.30 per share (March 31, 2019 - ₹1.90 per share)	29.14	184.51
Dividend Distribution Tax on proposed dividend	7.33	37.93
	36.47	**222.44**

As at March 31, 2020, proposed dividend on equity shares are subject to approval in the ensuing Annual General Meeting. Pending such approval proposed dividend and dividend distribution tax thereon have not been recognised in these Ind AS financial statements

Note 19. Revenue from Operations

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from sale of products (net off rebates and discounts)	5,608.49	5,457.05
Revenue from sale of services	20.58	3.35
Other operating revenue		
Scrap sales	10.33	10.79
Income from government grant	32..25	25.63
Others	20.04	18.73
Total	**5,691.69**	**5,515.55**

Note 19.1 Disaggregation of revenue from contracts with customers

The Company derives revenue from following major segments:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Revenue from contracts with customers disaggregated based on nature of product or services		
(i) Revenue from contracts with customers		
Revenue from sale of paints and allied products (net of rebates and discounts)*	5,608.49	5,457.05
Revenue from sale of services (supply apply contracts)**	20.58	3.35
	5,629.07	**5,460.40**
(ii) Other operating revenues		
Sale of Scrap	10.33	10.79
Income from government grant	32.25	25.63

* Revenue from sale of goods is recognised on transfer of control in goods to the customers at a point of time by performance of obligation towards delivery or as per customer's instructions

** Revenue from sale of service is recognised over a period of time.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Others	20.04	18.73
	62.62	**55.15**
Total	**5,691.69**	**5,515.55**
B. Revenue from contracts with customers disaggregated based on geography		
India	5,676.44	5,500.43
Outside India	15.25	15.12
Total	**5,691.69**	**5,515.55**

Note 20. Other income

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income:		
Investment in Deposits with banks carried at amortised cost	5.61	4.70
Others	3.74	5.96
Dividend income from subsidiary	100.09	-
Other non operating income:		
Net gain on sale of mutual fund investments measured at FVTPL	15.94	13.87
Fair value gain on mutual fund investments measured at FVTPL	0.83	6.18
Miscellaneous Income	24.61	22.92
Total	**150.82**	**53.63**

Note 21. Cost of materials consumed

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw Materials Consumed		
Opening Stock	317.88	278.79
Purchases	2,484.41	2,762.08
Closing stock	(310.10)	(317.88)
	2,492.19	**2,722.99**
Packing Material Consumed		
Opening Stock	20.36	19.49
Purchases	413.65	427.91
Closing stock	(23.67)	(20.36)
	410.34	**427.04**
Cost of materials consumed*	**2,902.53**	**3,150.03**

* Also refer Note 39 for expenses on research and development

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 22. (Increase) in inventories of finished goods, work-in-progress and traded goods

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock		
Work-in-progress	79.24	62.66
Finished goods	649.31	496.32
Traded goods	70.81	71.71
	799.36	**630.69**
Stock Adjustment	3.47	-
Closing Stock		
Work-in-progress	65.55	79.24
Finished goods	671.15	649.31
Traded goods	82.94	70.81
	819.64	**799.36**
(Increase) in inventories of finished goods, work-in-progress and traded goods	**(16.81)**	**(168.67)**

Note 23. Employee benefits expense

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	293.49	267.28
Contribution to provident and other funds (Refer Note 30)	18.15	15.76
Employee stock option plan (Refer Note 31)	2.02	2.46
Staff welfare expenses	28.86	26.17
Total	**342.52**	**311.67**

Also refer Note no 39 for expenses on research and development.

Note 24. Finance Costs

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on borrowings	19.41	20.54
Interest on lease liabilities *	13.02	14.09
Unwinding of discount on provisions (Refer Note 13)	0.25	0.24
Total	**32.68**	**34.87**

* Restated pursuant to retrospective adoption of Ind AS 116 "Leases". Refer Notes 3.23 and Note 32.

Note 25. Depreciation and amortisation expense

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets (Refer Note 4)*	122.02	118.43
Amortisation of intangible assets (Refer Note 4)	2.28	3.13
Depreciation of right-of-use assets*	46.22	43.89
Total	**170.52**	**165.45**

* Restated pursuant to retrospective adoption of Ind AS 116 "Leases". Refer Notes 3.23 and Note 32.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 26. Other expenses

₹ in Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Freight and Forwarding Charges	367.36	353.65
Power and fuel (also refer Note 39 for expenses on research and development)	47.71	49.48
Consumption of stores	8.58	9.93
Repairs		
- Plant and machinery	20.18	18.05
- Building	0.37	0.28
- Others	3.44	3.01
Rent *	4.96	2.20
Rates and Taxes	3.89	5.19
Travelling	47.49	48.79
Advertisement and Sales Promotion Expenses	236.89	180.01
Insurance	6.78	2.00
Processing Charges	46.07	49.04
Foreign Exchange Loss (net)	7.47	8.41
Commission to Non-Executive Directors	0.61	0.45
Payment to Auditors (Refer Note 26.1)	0.65	0.65
CSR expenditure (Refer Note 26.2)	16.79	13.47
Miscellaneous Expenses (also refer note 39 for expenses on research and development)	204.81	182.81
Total	**1,024.05**	**927.42**

* Restated pursuant to retrospective adoption of Ind AS 116 "Leases". Refer Notes 3.23 and Note 32.

Note 26.1 Auditor's Remuneration

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Auditor:		
Audit fees and limited review fees	0.45	0.47
Tax audit fee	0.04	0.04
In other capacity:		
Miscellaneous certificates and other matters	0.14	0.08
Reimbursement of expenses	0.02	0.06
Total	**0.65**	**0.65**

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 26.2 Details of CSR expenditure:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	13.48	12.19
(b) Amount spent during the year:		
(i) Construction/Acquisition of an asset	-	-
(ii) Purposes other than (i) above	16.79	13.47
Total	**16.79**	**13.47**

Corporate Social Responsibility expensed ₹16.79 Crores (March 31, 2019: ₹13.47 Crores) includes programme run by the Company for promoting employment enhancing vocational skill programme named 'iTrain'.

Note 26.3. Exceptional Items

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impairment of investments in subsidiary	-	(28.60)
Total	**-**	**(28.60)**

The Company had in previous year provided for impairment amounting to ₹28.60 crores in the carrying value of its investment in its wholly owned subsidiary, Berger Paints Cyprus Limited (BPCL) on account of losses sustained by the ultimate wholly owned subsidiary Berger Paints Overseas Limited (BPOL) due to downturn in Russian economy which were reflected in the consolidated financial position of the Company. During the current financial year, the Company has made an assessment of the fair value less costs to sell of the carrying value of assets and liabilities of the wholly owned subsidiary. Based on the above assessment, no further provision was considered necessary in these financial statements.

Note 27. Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and earning per share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit after tax for calculation of Basic and Diluted Earnings Per Share * (₹ in crores) (I)	699.05	435.85
Weighted average number of shares (II)		
- Basic	97,11,65,394	97,10,61,301
- Diluted (refer note below)	97,13,05,114	97,12,01,378
Earning per equity share [nominal value of ₹1 per share] [(I)/(II)]		
- Basic	7.20	4.49
- Diluted	7.20	4.49
* Net Profit after tax for calculation of Basic and Diluted Earnings Per Share is net off exceptional item (refer note 26.3 for details)		
Effect of dilution:		
Weighted average number of equity shares in calculating Basic Earnings Per Share	97,11,65,394	97,10,61,301
Dilution - Stock options granted under Employee Stock Option Plan	1,39,720	1,40,077
Weighted average number of equity shares in calculating diluted EPS	97,13,05,114	97,12,01,378

Note 28. Significant accounting judgements, estimates and assumptions

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

Judgements, Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the Ind AS Financial Statements.

Defined Employee Benefit plans

The cost and the present value of the defined benefit gratuity plan and other post-employment leave encashment benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These include the determination of appropriate discount rate, estimating future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. For further details refer Note 30.

Fair value measurement of financial instruments and guarantees

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Depreciation on Property, Plant and Equipment

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

Impairment Allowance on Trade Receivable

The Company makes loss allowances for credit impaired debts based on an assessment of the recoverability of trade and other receivables. The identification of credit impaired debt enquires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and credit impaired debt expenses in the period in which such estimate has been changed.

Decommissioning Liability

Decommissioning Liability has been recognised for items of property plant and equipment built or installed on specified leasehold land the terms of which said leases include decommissioning of such assets on expiry of the lease prior to handing over to the lessor. The decommissioning costs as at the end of the lease period have been estimated based on current costs by the Company's own technical experts and have been escalated to the end of the leasehold period using suitable inflation factors. The said escalated cost as at the end of the lease period is now discounted to the present value of such liability by applying Company's weighted average cost of capital.

Impairment of Investment

The carrying amount of the Company's investments are assessed at the end of each reporting period to determine whether there is any indication that an asset may be impaired. If any such indication exists, then the Company estimates the recoverable amount of the asset. The recoverable amount of the asset is computed as the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Such value is derived using valuation techniques (i.e. the Discounted Cash Flow (DCF) model) or management's best estimate of the estimated fair value of the carrying value of assets and liabilities. The inputs to the Discounted Cash Flow models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Key assumptions on which management has based its determination of recoverable amount includes estimated long term growth rates , weighted average cost of capital, estimated operating margins etc. Cash flow projections take into account past experience and represent management's best estimate about future development's. Details about impairment of investments recognised during the previous year has been further explained in Note 26.3.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 29 - COVID - 19 Assessment

The operations of the Company were impacted in the month of March 2020 due to temporary shutdown of all manufacturing units and depots on account of the lockdown announced by the Government of India because of the COVID-19 pandemic. The Company has resumed its operations in a phased manner from the month of May 2020. The Management has made an initial assessment of the Company's liquidity and recoverability of its assets as at the balance sheet date and the likely impact of the lockdown on overall economic environment and paint industry, in particular, based on the current situation. Arising out of such assessment, the Company does not expect a material impact of COVID-19 on the Company's liquidity and future performance, as of the date of this statement. The Company has made detailed disclosure as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will continue to monitor any material changes to future economic conditions.

Note 30. Gratuity and other post-employment benefit plans

(I) Defined benefit plans

(a) Gratuity

(i) The following table summarizes the components of net defined benefit expense towards gratuity recognised in the Statement of Profit and Loss and OCI and the funded status and amounts recognised in the Balance Sheet.

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Changes in the present value of defined benefit obligation		
Present value of defined benefit obligation as at year beginning	37.10	31.53
Current Service Cost	3.16	2.70
Interest Cost	2.65	2.30
Remeasurements (gains)/losses		
-Actuarial (gains)/losses arising from changes in financial assumptions	6.17	0.43
-Actuarial (gains)/losses arising from changes in experience adjustments	1.35	2.83
Benefits Paid	(3.61)	(2.69)
Present value of defined benefit obligation as at year end	**46.82**	**37.10**
Changes in fair value of plan assets		
Fair Value of Plan Assets as at year beginning	35.67	29.41
Interest Income	2.71	2.39
Remeasurements (gains)/losses		
-Return on plan assets (excluding amount included in net Interest expense)	(1.19)	0.11
Employer's Contribution	4.59	6.45
Benefits Paid	(3.61)	(2.69)
Fair Value of Plan Assets as at year end	**38.17**	**35.67**
Amounts recognised in the Balance Sheet		
Present value of defined benefit obligation at the year end	46.82	37.10
Fair Value of the Plan Assets at the year end	38.17	35.67
(Liability) Recognised in the Balance Sheet	**(8.65)**	**(1.43)**

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 30. Gratuity and other post-employment benefit plans (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Expense recognised in the Statement of Profit and Loss:		
Cost of current service and plan amendments	3.16	2.70
Net Interest Cost/(Income)	(0.06)	(0.09)
Net Cost Recognised in the Statement of Profit and Loss	**3.10**	**2.61**
Expense recognised in the Other Comprehensive Income:		
Remeasurements (gains)/losses	8.71	3.15
Net Cost Recognised in the Other Comprehensive Income:	**8.71**	**3.15**

(ii) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

Significant Actuarial Assumptions	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.70%	7.50%
Withdrawal Rate	3.00%	3.00%
Salary increase	6.00%	5.00%
Mortality Rate	Indian Assured Lives (Mortality 2006-08 modified) Ult	Indian Assured Lives (Mortality 2006-08 modified) Ult

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

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Actuary.

The discount rate is based on the government securities yield.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

(iii) Major category of Plan Assets of the fair value of the total plan assets are as follows:-

Particulars	AS at March 31, 2020	As at March 31, 2019
Assets under scheme of insurance	100%	100%

(iv) A quantitative sensitivity analysis for significant assumptions are as shown below:

Assumptions	As at March 31, 2020		As at March 31, 2019	
	Discount rate		Discount rate	
Sensitivity Level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
	(₹ Crores)	**(₹ Crores)**	**(₹ Crores)**	**(₹ Crores)**
Impact on defined benefit obligation	(3.62)	4.19	(2.60)	2.97

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 30. Gratuity and other post-employment benefit plans (Contd.)

(iv) A quantitative sensitivity analysis for significant assumptions are as shown below: (Contd.)

Assumptions	As at March 31, 2020		As at March 31, 2019	
	Future Salary increase		Future Salary increase	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
	(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)
Impact on defined benefit obligation	4.02	(3.56)	2.93	(2.62)

Impact on defined benefit obligation

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) **Risk Exposure**

Since the employees gratuity fund is a defined benefit plan the liability to be provided will be subject to interest rate risk since the future valuation of benefit depends upon the yield of government bonds for matching maturities

(vi) **Defined Benefit Liability and Employer Contributions**

Since the employees gratuity fund is a defined benefit plan maintained by Life Insurance Corporation of India the return is generated from a pool of assets invested by them and any deficit in the liability and return on plan assets is funded by the Company on a yearly basis

(vii) The Company expects to contribute ₹8.65 crores (March 31, 2019: ₹1.43 crores) to gratuity during the subsequent accounting year.

(viii) **Maturity profile of the defined benefit obligation**

Particulars	As at March 31, 2020	As at March 31, 2019
Weighted Average duration of the defined benefit obligation	10 Years	10 Years
	₹ in Crores	₹ in Crores
Within the next 12 months (next annual reporting period)	3.13	2.26
Between 2 and 5 years	18.66	16.89
Between 5 and 10 years	31.43	26.00

(b) Provident Fund

Provident Fund for certain eligible employees is administered by the Company through "Berger Paints Provident Fund (Covered)" as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Rules for such a trust provide that in a provident fund set up by the employer, any shortfall in the rate of interest on member contributions as compared to the relevant rate of interest declared by the Government of India for this purpose will have to be met by the employer. Such provident fund would in effect be a defined benefit plan in accordance with the requirement of Ind AS 19 - Employee Benefits. The Actuary has carried out actuarial valuation of interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Professional Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regards to interest rate guarantee obligation of the Company as at the balance sheet date. Further during the year, the Company's contribution of ₹6.57 crores (March 31, 2019: ₹5.76 crore) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 30. Gratuity and other post-employment benefit plans (Contd.)

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.70%	7.50%
Rate of return on Plan Assets	8.50%	8.65%

(c) Other Defined Benefit Plans

The amounts for "Other Defined Benefit Plans" are below the rounding off norm adopted by the Company (refer Note 41) and hence the disclosures as required under Ind AS 19 - "Employee Benefits" have not been given.

(II) Defined contribution plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss for defined contribution plans:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Provident and Family Pension Fund (applicable for eligible employees whose provident fund accounts are maintained with the Regional Provident Fund Commissioner)	2.09	1.60
Superannuation Fund	2.28	2.11

Note 31. Employee Stock Option Plan

Berger Paints India Limited Employee Stock Option Plan 2016

The Berger Paints India Limited – Employee Stock Option Plan 2016 [‘the Plan’] was approved at the Annual General Meeting of the Company held on 3rd August, 2016. The objective of the plan is to:

1) Attract, retain and motivate Employees,

2) Create and share wealth with the Employees,

3) Recognise and reward employee performance with shares and

4) Encourage employees to align individual performance with the objective of the Company. The terms and conditions of the Plan is reproduced below:

   a) “Vesting Date” means the date on and from which the Option vests with the Participant and thereby becomes exercisable.

   b) “Exercise Date “means the date on which the Participant exercises his Vested Options and in case of partial Exercise shall mean each date on which the Participant exercises part of his Vested Options.

   c) “Vesting Period” means the period during which the Vesting of the Option granted to the Participant in pursuance of the Plan takes place.

   d) “Exercise Period” means a period of 3 years from the Vesting Date as defined above of the Plan within which the Vested Options can be exercised in pursuance of the Plan.

   e) The Exercise Price of an Option shall be the face value of ₹1/- per Share

   f) Cashless exercise of the Options are not permitted under the Plan. Participants to pay full Aggregate Exercise Price upon the Exercise of the Vested Options.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 31. Employee Stock Option Plan (Contd.)

g) Subject to Participant's continued employment as defined in Clause 14 of the Plan the Unvested Options shall vest with the Participant automatically in accordance with the following schedule : a) 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the first anniversary of the Grant Date; b) further 33% of the total Options granted, rounded up to the nearest whole number, shall vest on the second anniversary of the Grant Date and c)balance 34% of the total Options granted, rounded up to the whole number such that the total number of Options vested shall add up to 100%, shall vest on the third anniversary of the Grant Date.

h) The Date of grant of options: 9th November, 2016.

	Particulars	As at March 31, 2020	As at March 31, 2019
a	Number of Stock Options outstanding (ESOP Plan 2016: Grant I)	-	42,163
	Number of Stock Options outstanding (ESOP Plan 2016: Grant II)	47,968	98,496
		47,968	140,659
b.	Number of Options granted during the year		
	ESOP Plan 2016: Grant III	94,224	-
c.	Number of Options vested (ESOP Plan 2016: Grant I)	41,701	43,472
	Number of Options vested (ESOP Plan 2016: Grant II)	48,368	50,608
		90,069	94,080
d.	Number of Options exercised (ESOP Plan 2010 : Grant III)	-	1,390
	Number of Options exercised (ESOP Plan 2010 : Grant IV)	-	1,172
	Number of Additional Grant Options exercised in lieu of bonus issues from ESOP Plan 2010 balances on 21.11.2016	-	1,025
	Number of Options exercised (ESOP Plan 2016: Grant I) [Number of ESOP exercised from vested options on 09.11.2017 : 616 and Number of ESOP exercised from vested options on 09.11.2018 : 43,472]	41,701	44,088
	Number of Options exercised (ESOP Plan 2016: Grant II)	48,368	50,608
		90,069	98,283
e.	Number of Shares arising on exercise (ESOP Plan 2010 : Grant III)	-	1,390
	Number of Shares arising on exercise (ESOP Plan 2010 : Grant IV)	-	1,172
	Number of Additional Shares arising as result on exercise from ESOP Plan 2010 balances on 21.11.2016	-	1,025
	Number of Shares arising on exercise (ESOP Plan 2016: Grant I)	41,701	44,088
	Number of Shares arising on exercise (ESOP Plan 2016: Grant II)	48,368	50608
		90,069	98,283
f.	Number of Options lapsed (ESOP Plan 2016: Grant I)	462	1,771
	Number of Options lapsed (ESOP Plan 2016: Grant II)	2,160	7,280
	Number of Options lapsed (ESOP Plan 2016: Grant III)	2,086	-
		4,708	9,051
g.	Variation of terms of Option	None during the period	None during the period
h.	Total Number of Options in force (ESOP Plan 2016: Grant I)	-	42,163
	Total Number of Options in force (ESOP Plan 2016: Grant II)	47,968	98,496

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

	Particulars		As at March 31, 2020	As at March 31, 2019
	Total Number of Options in force (ESOP Plan 2016: Grant III)		92,138	-
			1,40,106	1,40,659
i.	Weighted Average exercise price of the Share Options			
	Outstanding at the beginning of the year		1	1
	Granted during the year		1	1
	Forfeited during the year		-	-
	Exercised during the year		1	1
	Expired during the year		1	1
	Outstanding at the end of the year		1	1
	Exercisable at the end of the period		1	1
j.	Weighted Average share price of options exercised during the year on the date of exercise		₹1	₹1
k.	Weighted Average fair value of the Options granted during the year			
	i. ESOP Plan 2016 Grant I (Fair value as on 31.03.2019)		NA	NA
	ii. ESOP Plan 2016 Grant II (Fair value as on 31.03.2019)		NA	NA
l.	A description of the method and significant assumptions used during the year to estimate the fair value of Options granted, including the following weighted average information:-			
	The Black Scholes Option Pricing Model for dividend paying stock has been used to compute the fair value of the Options. The significant assumptions are:			
	i.	Date of grant		
		a. ESOP Plan 2016	09.11.2019	NA
	ii.	Weighted average share price	₹497.95	₹323.75
	iii.	Exercise Price	₹1	₹1
	iv.	Risk Free Interest rate	6.14%	7.35%
		a. For options vested on 01.08.2016	-	0.33 years
		b. For options vested on 09.11.2017	0.61 years	1.61 years
		c. For options vested on 09.11.2018	1.61 years	2.61 years
		d. For options yet to be vested	3 years from the vesting day	-
	vi.	Expected Volatility	22%	22%
	vii.	Expected dividend yield	0.34%	0.47%
	viii.	Weighted Average fair value as on grant date		
		a. ESOP Plan 2016 (Grant date: 09.11.2016)	₹229.10	₹229.10
		b. Additional grant in lieu of bonus issues from ESOP Plan 2010 balances (Grant date: 21.11.2016)	-	₹218.21
		c. ESOP Plan 2016 (Grant II) - 09.11.2017	₹247.75	₹247.75
		d. ESOP Plan 2016 (Grant II) - 09.11.2019	₹479.59	-

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	As at March 31, 2020	As at March 31, 2019
	ix. The price of the underlying share in the market at the time of option grant:		
	a. Additional grant on 21.11.2016 in lieu of bonus issues from ESOP Plan 2010 balances- 18.11.2016	-	₹187.10
	b. ESOP Plan 2016 Grant I - 08.11.2016	₹234.85	₹234.85
	c. ESOP Plan 2016: Grant II - 09.11.2017	₹253.70	₹253.70
	d. ESOP Plan 2016: Grant III - 09.11.2019	₹479.59	-
	x. Time to maturity		
	a. Additional grants vested on 21.11.2016	-	NA
	b. ESOP 2016 Plan Grant I vested on 09.11.2017	0.61 years	1.61 years
	c. ESOP 2016 Plan Grant II vested on 09.11.2018	1.61 years	2.61 years
	d. ESOP 2016 Plan Grant III vested on 09.11.2019	3 years from the vesting day	NA

Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the ESOP.

The fair values of our ESOP are based on the market value of our stock on the date of grant.

m. The following table summarizes information about Share Options outstanding as at year end:-

Range of exercise prices per option (₹)	As at March 31, 2020		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (₹)
1	-	0.61 years	1
1	47,968	1.61 years	1
1	92,138	Yet to be vested	1

Range of exercise prices per option (₹)	As at March 31, 2019		
	No. of options outstanding	Weighted average remaining contractual life	Weighted average exercise price (₹)
1	42,163	1.61 years	1
1	98,496	2.61 years	1

Note 32. (a) Company as Lessee

The Company has lease contracts for various depots, head office and leasehold lands used in its operations. Leases of building generally have lease terms between 2 and 15 years, while leasehold lands generally have lease terms between 20 and 99 years.

The Company also has certain leases of buildings with lease terms of 12 months or less. The Company applies the ‘short-term lease’ recognition exemptions for these leases.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

(i) **Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period**:

₹ in Crores

Particulars	Buildings	Leasehold land	Total
As at April 1, 2018 (restated)	**180.50**	**8.31**	**188.81**
Additions	78.80	25.40	104.20
Deletions	2.41	-	2.41
Depreciation charge	43.55	0.34	43.89
As at March 31, 2019 (restated)	**213.34**	**33.37**	**246.71**
Additions	58.34	30.51	88.85
Deletions	20.05	-	20.05
Depreciation charge	45.78	0.44	46.22
As at March 31, 2020	**205.85**	**63.44**	**269.29**

Title deeds of immovable properties mentioned above, are in the name of the Company except those mentioned below which were transferred to and vested in the Company pursuant to the respective Schemes of Arrangement in earlier years.

Particulars	No. of title deeds	Gross Carrying Amount		Net Carrying Amount		Held in the name of
		As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	
Leasehold land at Panaji, Goa	1	0.35	0.35	0.27	0.28	Rajdoot Paints Private Limited
Leasehold land at Sikandrabad, Uttar Pradesh	1	0.27	0.27	0.14	0.14	Rajdoot Paints Private Limited
Leasehold land at Chandigarh	1	0.05	0.05	0.03	0.03	Rajdoot Paints Private Limited

(ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

₹ in Crores

Particulars	Year Ended March 31,2020	Year Ended March 31,2019 (Restated)
As at April 1	224.01	186.25
Additions	95.87	101.99
Accretion of interest	13.02	14.09
Deletions/ termination	20.05	2.41
Payments	93.65	75.91
As at March 31	**219.20**	**224.01**
Current	40.77	38.96
Non-current	178.43	185.05

The effective interest rate for lease liabilities is 10%, with maturity between 2020-2031.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The following are the amounts recognised in Statement of Profit or Loss:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019 As restated
Depreciation expense of right-of-use assets	46.22	43.89
Interest expense on lease liabilities	13.02	14.48
Expense relating to short term leases (included in other expenses)	4.96	2.20
Total amount recognised in the Statement of Profit and Loss	**64.20**	**60.57**

The Company had total cash outflows for leases of ₹98.61 crores (March 31, 2019: ₹78.11 crores).

The Company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligation related to the lease liabilities as and when they fall due.

Rental Expenses recorded for the short term leases is ₹4.96 crores (March 31,2019: ₹2.20 crores).

The table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Less than one year	54.76	51.93
More than one year but less than five years	155.86	153.46
More than five years	61.56	57.20

b. Company as Lessor

The Company has given Color Bank (tinting machines) on operating lease to its dealers. The Company enters into 3- 5 years cancellable lease agreements. However the corresponding lease rentals may be receivable for a shorter period or may be waived off/refunded on achievement of certain sales targets by the concerned dealers. The minimum aggregate lease payments to be received in future is considered as ₹Nil. Accordingly the disclosure of the minimum lease payments receivable at the Balance Sheet date is not made. The amounts received from customers pending to be refunded back are recognised as liabilities and are included in "Deposits" under "Other financial liabilities" in Note 12. Also refer Note 4.

Note 33. Commitments and Contingencies

a. Commitments

₹ in Crores

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	45.49	86.14

b. Contingent Liabilities

(i) Claims against the Company not acknowledged as debts:

₹ in Crores

Legal claim contingency	As at March 31, 2020	As at March 31, 2019
Sales Tax	42.11	28.53
Excise Duty, Service Tax, Customs	18.50	21.05
Income Tax	0.71	-
	61.32	**49.58**

The Company has been advised by its lawyers that none of the claims are tenable and is therefore contesting the same and hence has not been provided for in the books. The future cash flows on account of the above cannot be determined unless the judgements/decisions are received from the ultimate judicial forums. No reimbursements is expected to arise to the Company in respect of above cases.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Guarantees excluding financial guarantees		
ii. Outstanding Bank Guarantees	95.43	30.23
Financial guarantees		
iii. Corporate guarantees issued by the Company to certain banks for loans taken by certain subsidiaries and a joint venture. Total value of guarantee provided by the Company is ₹363.39 cores (March 31, 2019: ₹318.98 crores) and the outstanding balance of loan in the books of subsidiaries and joint venture is ₹268.67 crores (March 31, 2019: ₹268.86 crores) which has been disclosed under contingent liabilities. (Refer Notes a and b below)	268.67	268.86

a) The Company has mortgaged certain immovable properties with Standard Chartered Bank and has also created charge on certain fixed moveable assets with DBS Bank in relation to loan extended to its subsidiary, M/s Lusako Trading Limited.

b) The loan is utilised by the said subsidiaries and joint ventures for their business purposes. Also refer Notes 12 and 34.

iv. Others

The Company continues to provide such support as may be necessary to its subsidiaries (Berger Rock Paints Private Limited and Lusako Trading Limited) and joint venture (Berger Nippon Paint Automotive Coatings Pvt. Ltd.) to enable them to continue with their present scale of operations and meet their commitments.

34a. Disclosure in respect of Related Parties pursuant to Ind AS 24

List of Related Parties

I. Parent and Subsidiary Companies:

Name of related parties	Nature of relationship	Principal Place of business
U K Paints (India) Private Limited *	Holding Company	India
Berger Jenson & Nicholson (Nepal) Private Limited	Wholly Owned Subsidiary	Nepal
Beepee Coatings Private Limited	Wholly Owned Subsidiary	India
Berger Paints (Cyprus) Limited	Wholly Owned Subsidiary	Cyprus
Lusako Trading Limited	Wholly Owned Subsidiary	Cyprus
SBL Specialty Coatings Private Limited (Formerly known as Saboo Coatings Private Limited) (w.e.f. June 5, 2017)	Wholly Owned Subsidiary	India
Berger Rock Paints Private Limited (w.e.f. September 25, 2018)	Subsidiary	India
Berger Hesse Wood Coatings Private Limited (w.e.f. January 28, 2019)	Subsidiary	India
STP Ltd. (w.e.f. November 6, 2019)	Subsidiary	India
Berger Paints Overseas Limited	Wholly Owned Subsidiary of Berger Paints (Cyprus) Limited	Russia
Bolix S.A.	Wholly Owned Subsidiary of Lusako Trading Limited	Poland
BUILD-TRADE sp. z. o.o.	Wholly Owned Subsidiary of Bolix S.A.	Poland
Bolix UKRAINA sp. z. o.o.	Wholly Owned Subsidiary of Bolix S.A.	Ukraine
Soltherm External Insulations Limited	Wholly Owned Subsidiary of Bolix S.A.	United Kingdom
Soltherm Insolations Thermique Exterieure SAS	Wholly Owned Subsidiary of Bolix S.A.	France
Surefire Management Services Limited (w.e.f. November 17, 2017)	Joint Venture of Bolix S.A.	United Kingdom

The Principal activities of all entities mentioned above are "Manufacturing Paints and other related product"

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

II. Other related parties with whom transactions have taken place during the year:

a) Key Management Personnel

Name of related parties	Nature of relationship
Mr Kuldip Singh Dhingra	Director
Mr Gurbachan Singh Dhingra	Director
Mr Kanwardip Singh Dhingra	Executive director and relative of Mr Gurbachan Singh Dhingra
Ms Rishma Kaur	Executive director and relative of Mr Kuldip Singh Dhingra
Mr Abhijit Roy	Managing Director & CEO
Mr Srijit Dasgupta	Director - Finance & Chief Financial Officer
Mr Aniruddha Sen	Senior Vice President & Company Secretary
Mr Kamal Ranjan Das	Independent Director till March 31, 2020
Mr Naresh Gujral	Independent Director
Mr Dhirendra Swarup	Independent Director till June 13, 2019
Mr Gopal Krishna Pillai	Independent Director till September 12, 2019
Mrs Sonu Halan Bhasin	Independent Director
Mr Anoop Hoon	Independent Director
Dr Anoop Kumar Mittal	Independent Director w.e.f. March 19, 2020

b) Others

Name of related parties	Nature of relationship
Berger Becker Coatings Private Limited	Joint Venture of the Company
Berger Nippon Paint Automotive Coatings Private Limited	Joint Venture of the Company
Jenson & Nicholson (Asia) Limited *	Fellow Subsidiary
Berger Paints (Bangladesh) Limited	Fellow Subsidiary
Citland Commercial Credits Limited	Fellow Subsidiary
Wang Investment & Finance Private Limited	Fellow Subsidiary
Kanwar Properties Private Limited	Fellow Subsidiary
Berger Paints Provident Fund (Covered)	Post-employment benefit plan of the Company
Berger Paints Officers (Non-Management Category) Superannuation Fund	Post-employment benefit plan of the Company
Berger Paints Management Staff Superannuation Fund	Post-employment benefit plan of the Company
Berger Paints India Limited Employees Gratuity Fund	Post-employment benefit plan of the Company
BAICL Employees Superannuation Fund	Post-employment benefit plan of the Company
BAICL Employees Gratuity Fund	Post-employment benefit plan of the Company
Seaward Packaging Private Limited	Entity controlled by Key Managerial Personnel
Flex Properties Private Limited	Entity controlled by Key Managerial Personnel
Wazir Estates Private Limited	Entity controlled by Key Managerial Personnel
Bigg Investment & Finance Private Limited	Entity controlled by Key Managerial Personnel
KSD Family Trust	Mr Kuldip Singh Dhingra - Settlor Trustee
GBS Dhingra Family Trust	Mr Gurbachan Singh Dhingra - Settlor Trustee
Mrs Meeta Dhingra	Spouse of Mr Kuldip Singh Dhingra
Mrs Vinu Dhingra	Spouse of Mr Gurbachan Singh Dhingra

* The parties hold more than 10% of the equity shares in the Company (refer Note 10d).

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Name of related parties	Nature of relationship
Mrs Jessima Kumar	Daughter of Mr Kuldip Singh Dhingra
Ms Dipti Dhingra	Daughter of Mr Kuldip Singh Dhingra
Mrs Sunaina Kohli	Daughter of Mr Gurbachan Singh Dhingra
Mrs Anshna Sawhney	Daughter of Mr Gurbachan Singh Dhingra

34b. Disclosure in respect of Related Parties pursuant to Ind AS 24

A. During the year the following transactions were carried out with the related parties in the ordinary course of business:

₹ in Crores

Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Goods (includes sale of raw materials, packing materials, intermediates, traded goods and stores)	Berger Becker Coatings Private Limited	2.22	0.70
	Berger Jenson & Nicholson (Nepal) Private Limited	17.61	14.09
	Berger Nippon Paint Automotive Coatings Private Limited	24.44	21.23
	Berger Rock Paints Private Limited	6.51	4.52
	Berger Paints (Bangladesh) Limited	0.06	0.07
	Berger Paints Overseas Limited	0.62	2.90
	U K Paints (India) Private Limited	0.26	0.37
	SBL Specialty Coatings Private Limited	2.45	2.67
	STP Ltd.	0.02	-
	Berger Hesse Wood Coating Private Limited	0.16	-
	Mr Kuldip Singh Dhingra	0.07	0.03
	Mr Gurbachan Singh Dhingra *	0.01	0.00
	Seaward Packaging Private Limited	0.05	-
Royalty Income	Berger Jenson & Nicholson (Nepal) Private Limited	2.69	1.97
Consultancy Income	Berger Paints (Bangladesh) Limited	-	0.21
Software License Income	Berger Nippon Paint Automotive Coatings Private Limited	-	2.53
	Berger Jenson & Nicholson (Nepal) Private Limited	1.48	-
Purchase of Goods (includes purchase of raw materials, packing materials and traded goods)	U K Paints (India) Private Limited	82.16	73.56
	Berger Becker Coatings Private Limited	0.42	0.05
	SBL Specialty Coatings Private Limited	0.28	0.67
	STP Ltd	1.39	-
	Seaward Packaging Private Limited	51.73	45.99
	Berger Nippon Paint Automotive Coatings Private Limited	2.27	1.84
Processing Charges	U K Paints (India) Private Limited	21.31	22.00
	Beepee Coatings Private Limited	24.20	25.29
Rent Expenses	U K Paints (India) Private Limited	1.68	2.45
	Flex Properties Private Limited	0.16	0.15
	Beepee Coatings Private Limited	0.07	0.07
	Kanwar Properties Private Limited	0.61	0.55
	Berger Nippon Paint Automotive Coatings Private Limited	0.06	0.06

* Refer Note 41

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
	Mrs Meeta Dhingra	0.05	-
	Mrs Vinu Dhingra	0.05	-
	Mr Kuldip Singh Dhingra	0.19	0.21
	Mr Gurbachan Singh Dhingra	0.19	0.21
Security Deposit Refunded	U K Paints (India) Private Limited	-	0.11
Sale of Machineries	Berger Rock Paints Private Limited	0.03	0.62
	Berger Paints Overseas Limited	-	0.02
Corporate Guarantee Income	Lusako Trading Limited	1.35	1.39
Processing Income	Berger Nippon Paint Automotive Coatings Private Limited	3.82	3.09
Shared Services Income	Berger Rock Paints Private Limited	0.53	0.06
Rendering of Manpower Services	U K Paints (India) Private Limited	0.16	0.02
	Berger Becker Coatings Private Limited	0.17	0.17
Machinery Rental Income	Beepee Coatings Private Limited	0.43	0.43
Warehouse Rental Income	Berger Rock Paints Private Limited	0.37	0.10
	STP Ltd. *	0.00	-
Contribution to Provident Fund	Berger Paints Provident Fund (Covered)	17.17	15.21
Contribution to Gratuity Fund	BAICL Employees Gratuity Fund	0.17	0.06
Contribution to Superannuation Fund	Berger Paints Officers (Non-Management Category) Superannuation Fund	0.61	0.64
	Berger Paints Management Staff Superannuation Fund	1.64	1.61
	BAICL Employees Superannuation Fund	0.06	0.08
Directors Commission & Fees	Mr Kuldip Singh Dhingra	0.20	0.10
	Mr Gurbachan Singh Dhingra	0.12	0.10
	Mr Kamal Ranjan Das	0.04	0.03
	Mr Naresh Gujral	0.08	0.07
	Mr Dhirendra Swarup	0.01	0.07
	Mrs Sonu Halan Bhasin	0.09	-
	Mr Anoop Hoon	0.09	-
	Mr Gopal Krishna Pillai	0.01	0.07
Equity Contribution	Berger Nippon Paint Automotive Coatings Private Limited	-	39.20
	Berger Rock Paints Private Limited	-	4.08
	Berger Paints (Cyprus) Limited	6.20	10.12
	Lusako Trading Limited	5.44	0.53
	STP Ltd	125.20	-
Corporate Guarantee Obligation	Lusako Trading Limited	-	1.46
Share Application Money Pending Allotment	Berger Paints (Cyprus) Limited	-	4.14
	Lusako Trading Limited	39.12	-
Key Management Personnel Compensation	Mr Abhijit Roy	4.03	3.08
	Mr Srijit Dasgupta	1.74	1.54
	Mr Aniruddha Sen	1.27	1.11

* Refer Note 41

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Transaction	Related Party	Year ended March 31, 2020	Year ended March 31, 2019
	Mr Kanwardip Singh Dhingra	0.50	0..45
	Ms Rishma Kaur	0.50	0.45
Dividend Payment	U K Paints (India) Private Limited	184.89	87.58
	Jenson & Nicholson (Asia) Limited	53.45	25.32
	Others	38.52	18.22
Dividend Receipt	Berger Jenson & Nicholson (Nepal) Private Limited	92.69	-
	SBL Specialty Coatings Private Limited	7.40	-
Impairment of Investment	Berger Paints (Cyprus) Limited	-	28.60

B. Balances outstanding at the year end (including commitments):

₹ in Crores

Outstanding	Related Party	As at March 31, 2020	As at March 31, 2019
Payable	U K Paints (India) Private Limited	24.31	25.22
	Beepee Coatings Private Limited	5.84	10.35
	Seaward Packaging Private Limited	14.48	12.93
	STP Limited	0.62	-
	Berger Paints Officers (Non-Management Category) Superannuation Fund	0.05	0.05
	Berger Paints Management Staff Superannuation Fund	0.14	0.12
	BAICL Employees Superannuation Fund	0.01	0.01
	Flex Properties Private Limited	-	0.01
	Wazir Estates Private Limited *	0.00	0.00
	Mr Abhijit Roy	0.57	0.62
	Mr Srijit Dasgupta	0.08	0.04
	Mr Aniruddha Sen	0.04	0.04
	Mr Kanwardip Singh Dhingra	0.01	0.03
	Ms Rishma Kaur	0.01	0.02
	Mr Kamal Ranjan Das	0.03	-
	Mr Naresh Gujral	0.07	-
	Mr Anoop Hoon	0.07	-
	Mrs Sonu Halan Bhasin	0.07	-
	Mr Kuldip Singh Dhingra *	0.18	0.00
	Mr Gurbachan Singh Dhingra	0.10	0.01
Receivable	Berger Becker Coatings Private Limited	1.72	0.84
	Berger Jenson & Nicholson (Nepal) Private Limited	14.59	5.78
	Berger Nippon Paint Automotive Coatings Private Limited	16.79	6.57
	Berger Rock Paints Private Limited	4.56	6.89
	SBL Specialty Coatings Private Limited	0.64	0.98
	Berger Hesse Wood Coatings Private Limited	0.02	-

* Refer Note 41

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Outstanding	Related Party Related Party	As at March 31, 2020	As at March 31, 2019
	Berger Paints (Bangladesh) Limited	0.42	0.42
	Berger Paints Overseas Limited	1.78	2.62
Security Deposit Receivable	U K Paints (India) Private Limited	0.22	0.22
	Kanwar Properties Private Limited	0.08	0.08
	Mr Kuldip Singh Dhingra	0.01	0.01
	Mr Gurbachan Singh Dhingra	0.01	0.01
Share Application Money Pending Allotment	Berger Paints (Cyprus) Limited	-	4.14
	Lusako Trading Limited	39.12	-
Corporate Guarantee Obligation	Lusako Trading Limited	0.74	2.09
Corporate Guarantee outstanding (Also Refer Note 33 for details of security given)	Lusako Trading Limited	248.96	264.23
	Berger Becker Coatings Private Limited	4.45	4.63
	STP Ltd.	14.00	-
	Berger Hesse Wood Coatings Private Limited	1.26	-

C. Details of remuneration to Key Managerial Personnel is given below:

₹ in Crores

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
- Short-term employee benefits	7.05	5.87
- Post employment benefits	0.73	0.61
- Share based payment	0.27	0.17
	8.05	6.65

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. No share options have been granted to the non-executive members of the Board of Directors under this scheme. Refer to Note 31 for further details of the scheme.

Notes:

Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except as otherwise mentioned.

Note 35. Segment Information

The Company is engaged in the business of manufacturing and selling of paints. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Paints". The Business Process and Risk Management Committee of the Company, approved by the Board of Directors and Audit Committee performs the function of allotment of resources and assessment of performance of the Company. Considering the level of activities performed, frequency of their meetings and level of finality of their decisions, the Company has identified that Chief Operating Decision Maker function is being performed by the Business Process and Risk Management Committee. The financial information presented to the Business Process and Risk Management Committee in the context of results and for the purposes of approving the annual operating plan is on a consolidated basis for various products of the Company. As the Company's business activity falls within a single business segment viz. 'Paints' and the sales substantially being in the domestic market, the Ind AS financial statement are reflective of the information required by Ind AS 108 "Operating Segments".

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

Note 36. Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value. The different levels have been defined below:-

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (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).

a) Financial assets and liabilities measured at fair value through profit and loss at March 31, 2020

₹ in Crores

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	-	179.35	-	179.35
Investment in unquoted equity instruments *	-	-	0.00	0.00
Financial Liabilities				
Financial Guarantee Contracts	-	-	0.74	0.74

Financial assets and liabilities measured at fair value through profit and loss at March 31, 2019

₹ in Crores

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investment in Mutual Funds	-	245.51	-	245.51
Investment in unquoted equity instruments*	-	-	0.00	0.00
Financial Liabilities				
Financial Guarantee Contracts	-	-	2.09	2.09

* refer Note 41

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable techniques
Financial Guarantee Contracts -Also refer note 33(iii)	DCF Method	Interest saved approach

(b) **Financial instruments at amortised cost**

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

(c) During the year there has been no transfer from one level to another.

(d) Also refer Notes 17a and 17b.

Note 37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's working capital requirements. The Company has various financial assets such as trade receivables, loans, investments, short-term deposits and cash & cash equivalents, which arise directly from its operations. The Company enters into derivative transactions by way of forward exchange contracts to hedge its payables.

(i) Risk Management Framework

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the Business Process and Risk Management Committee (BPRMC) that advises on financial risks and the appropriate financial risk governance framework for the Company. The BPRMC provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by personnels that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board has been monitoring the risks that the Company is exposed to, due to the outbreak of Covid-19 closely. The Board has taken all necessary actions to mitigate the risks identified on the basis of information and situation present. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(ii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk , liquidity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and financial derivative. The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2020. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations. The following assumptions have been made in calculating the sensitivity analyses:

- ► The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019
- ► The sensitivity of equity is calculated as at March 31, 2020 for the effects of the assumed changes of the underlying risk

(iii) Interest rate risk

The Company has incurred short term debt to finance its working capital , which exposes it to interest rate risk. Borrowings issued at variable rates expose the Company to interest rate risk. Borrowing issued at fixed rates expose the Company to fair value interest rate risk. The Company's interest rate risk management policy includes achieving the lowest possible cost of debt financing, while managing volatility of interest rates, applying a prudent mix of fixed and floating debt through evaluation of various bank loans and money market instruments.

Some of the Company's borrowings are index linked, that is their cost is linked to changes in the London inter-bank offer rate (Libor).

Although the Company has significant variable rate interest bearing liabilities at March 31, 2020, there would not be any material impact on pretax profit and pre tax equity of the Company on account of any anticipated fluctuations in interest

(iv) Foreign currency risk

The Company has a policy of entering into foreign exchange forward contracts to manage risk of foreign exchange fluctuations on borrowings and payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency . The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities by way of direct imports or financing of imports through foreign currency instruments.

The Company proactively hedged its currency exposures in case of a significant movement in exchange rates for imports and in case the hedged cost of foreign currency instrument is lower than the domestic cost of borrowing in case of short term import financing.

There are no outstanding derivative contract as at March 31, 2020 and March 31,2019.

Foreign currency sensitivity

The tables in the next page demonstrate the sensitivity to a reasonably possible change in USD/Euro/JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Crores

		Change in USD rate(%)	Effect on profit before tax	Effect on pre-tax equity
March 31, 2020	USD	5%	(4.14)	(4.14)
	USD	-5%	4.14	4.14
	EURO	5%	(0.01)	(0.01)
	EURO	-5%	0.01	0.01
March 31, 2019	USD	5%	(5.84)	(5.84)
	USD	-5%	5.84	5.84
	EURO	5%	(0.07)	(0.07)
	EURO	-5%	0.07	0.07
	JPY	5%	(0.03)	(0.03)
	JPY	-5%	0.03	0.03

(v) Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

(vi) Equity price risk

The Company does not have any investments in listed securities or in Equity Mutual Funds and thereby is not exposed to any Equity price risk.

(vii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

The concentration of Credit Risk is limited as the customer base is large. There is no customer representing more than 5% of the total balance of trade receivable. As a practical expedient, the company computes credit loss allowances based on a provision matrix. The provision matrix is prepared based on historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. Additionally, considering the Covid-19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/recoverable value.

₹ in Crores

Movement in expected credit loss allowance on trade receivable	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	8.57	4.29
Loss allowance measured at lifetime expected credit losses (net of bad debts)	(1.72)	4.28
Balance at the end of the year	6.85	8.57

Trade receivables and contract assets if any

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored by BPRMC and corrective actions taken.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in Note 12 except for financial guarantees .The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 36 and the liquidity table below.

(viii) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and buyers' credit facilities. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

₹ in Crores

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2020						
Financial Liabilities						
Borrowings	12.36	210.10	-	-	-	222.46
Lease Liabilities	-	9.88	30.89	163.09	15.34	219.20
Other financial liabilities	6.69	75.82	42.74	25.88	-	151.13
Trade payables	2.83	1,010.09	-	-	-	1,012.92
Financial Guarantee	268.67	-	-	-	-	268.67
	290.55	**1,305.89**	**73.63**	**188.97**	**15.34**	**1,874.38**
Year ended March 31, 2019						
Financial Liabilities						
Borrowings	53.74	161.60	-	-	-	215.34
Lease Liabilities	0.00	9.67	29.29	155.85	29.19	224.00
Other financial liabilities	5.72	87.57	35.03	11.94	-	140.26
Trade payables	2.14	966.00	-	-	-	968.14
Financial Guarantee	268.86	-	-	-	-	268.86
	330.46	**1,224.84**	**64.32**	**167.79**	**29.19**	**1,816.60**

For maturity profile of lease liabilities, refer Note 32

Note 38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company only avails short term borrowings to bridge its working capital gap and finances its capital expenditure through internal generation of funds. The Company has a generally low debt equity ratio.

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (Note 16a)	222.46	215.34
Less: cash and cash equivalents (note 9c)	(55.66)	(27.24)
Net debt	**166.80**	**188.10**
Total capital	2,625.04	2,354.79
Capital and net debt	**2,791.84**	**2,542.89**
Gearing ratio	6%	7%

NOTES TO STANDALONE IND AS FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Note 39 Expenditure on Research & Development

a. Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefits expense	12.47	10.96
Cost of materials consumed	1.11	1.20
Power and fuel	0.40	0.39
Depreciation of tangible assets	2.32	2.04
Miscellaneous expenses	1.01	1.14
	17.31	**15.73**

b. Details of Capital expenditures incurred for Research & Development are given below:

Capital Expenditures	1.61	3.75
	1.61	**3.75**
Total	**18.92**	**19.48**

Above includes allowable expenditure under section 35(2AB) of the Income Tax Act for a research & development unit situated in Howrah, Kolkata which focuses on research on new and existing paint products, reformulation for cost optimization, environment friendly products etc.

Details are mentioned below :

Capital expenditure Nil (March 31, 2019 ₹2.20 crores)

Revenue expenditure Nil (March 31, 2019 ₹10.41 crores)

Note 40

The figures of previous year have been regrouped/rearranged wherever considered necessary.

Note 41

All figures are in Rupees Crores. Figures marked with (*) are below the rounding off norm adopted by the Company.

As per our report of even date
For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
Firm Registration Number 301003E/E300005

per **Bhaswar Sarkar**
Partner
Membership Number : 055596
Place: Kolkata
Dated: June 23, 2020

For and on behalf of Board of Directors of Berger Paints India Limited

Kuldip Singh Dhingra – Chairman
Gurbachan Singh Dhingra – Vice - Chairman
Abhijit Roy – Managing Director & CEO
Srijit Dasgupta – Director - Finance & CFO
Arunito Ganguly – VP & Company Secretary