



Corporate Information

Board of Directors

ASHWIN CHOKSI

Chairman

ASHWIN DANI

Vice Chairman

K.B.S. ANAND

Managing Director & CEO

MAHENDRA CHOKSI

AMAR VAKIL

MALAV DANI

(w.e.f. 21st October, 2013)

Ms. AMRITA VAKIL

Additional Director

(w.e.f. 14th May, 2014)

DIPANKAR BASU

MAHENDRA SHAH

DEEPAK SATWALEKAR

R.A. SHAH

DR. S. SIVARAM

S. RAMADORAI

M.K. SHARMA

Mrs. VIBHA PAUL RISHI

Additional Director

(w.e.f. 14th May, 2014)

Company Secretary

JAYESH MERCHANT

Audit Committee

DIPANKAR BASU

Chairman

MAHENDRA SHAH

M.K. SHARMA

Stakeholders Relationship and Investors Grievance Committee

MAHENDRA SHAH

Chairman

K.B.S. ANAND

MAHENDRA CHOKSI

Nomination and Remuneration Committee

DEEPAK SATWALEKAR

Chairman

ASHWIN DANI

DIPANKAR BASU

M.K. SHARMA

Corporate Social Responsibility Committee

MAHENDRA CHOKSI

Chairman

K.B.S. ANAND

MAHENDRA SHAH

MALAV DANI

Shareholders' Committee

ASHWIN DANI

Chairman

ASHWIN CHOKSI

K.B.S. ANAND

JAYESH MERCHANT

Auditors

SHAH & CO.

Chartered Accountants

B S R & ASSOCIATES LLP

Chartered Accountants



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Board of Directors



Ashwin Choksi



Ashwin Dani



K.B.S. Anand



Mahendra Choksi



Amar Vakil



Malav Dani



Amrita Vakil



Dipankar Basu



Mahendra Shah



Deepak Satwalekar



R.A. Shah



Dr. S. Sivaram



S. Ramadorai



M.K. Sharma



Vibha Paul Rishi



Chairman's Letter

Dear Shareholders,

The year 2013-14 marked a subtle turnaround in the fortunes of the global economy. Europe witnessed greater financial stability and there were signs of revival in a number of its constituent nations, led by Germany and U.K. The U.S. too saw better employment numbers and an improvement in its growth prospects which prompted its leaders to consider withdrawing the easy money policies that bolstered the economy. Emerging markets, however, experienced some deceleration in their growth.

On the domestic front, the economy seems to have finally bottomed out. After dipping to 4.5% during the previous year, GDP growth recovered to grow at 4.9%, largely due to the revival in agriculture growth. However, the volatile rupee, stubborn inflation and stagnant industrial production continued to be a drag on the economy. Looking ahead, there are indications of a turnaround on account of better global growth, an improvement in export competitiveness and the implementation of recently approved investment projects. Additionally, the formation of a strong and stable government at the Centre is expected to augur well for India's economy due to speedier implementation of progressive policies.

Until now, stagnant domestic growth hurt consumer sentiments which were reflected in subdued demand and consumption. The paint industry was faced with hardships such as an overall sluggish economy, excessive rainfall in parts of Southern India and slowdown in construction in some states. Further, the inflationary impact on raw material prices, largely due to the depreciation in Rupee, led to frequent price increases.

Domestic demand for your Company's products was comparatively resilient although not as good as expected. Your Company's product mix continued to improve consistently. Demand from the rural areas was relatively better than the urban markets and while retail demand was encouraging, the industrial market remained stagnant.

At the international business level, despite a persistently challenging global environment, some markets where your Company operates showed signs of recovery.

A tight control on expenses and lower raw material inflation helped the international operations of the Group to deliver a strong performance despite difficult market conditions. Your Company's wholly owned subsidiary in Mauritius, Asian Paints (International) Limited, has signed an agreement with shareholders of Kadisco Chemical Industry PLC., Ethiopia to acquire either directly or through its subsidiaries 51% of its share capital.

Your Company always believed that keeping a keen ear to customer's requirement and feedback goes a long way. We have kept the customer at the center of all our strategies and this approach of Customer Centricity is paying rich dividends. 'Your Voice' on our website is the blog where people can interact with the company directly and give feedback. The 'Online Colour Lab' is an excellent interaction cum feedback forum which was started last year, where customers discuss various aspects of the brand with us. This is the unique, first of its kind in India platform which allows the brand to interact with the customer in the digital space other than the social media.

Technology has been the backbone of innovation at Asian Paints. The endeavour at our Research and Technology labs is to provide Technology to solve problems and offer innovative products to customers. Last year, your Company launched a range of new products offering 'new' and 'comprehensive' solutions to customers on dampness, undulations and cracks in various substrates under the 'Smart Care' range. Heralding new technology platforms for top end premium products has been another foray for the Company and most of the top end new products like 'Royale Aspira' and 'Ultima Protek' offer unique possibilities to the customers and clearly stand out to be the best products across the globe. Your Company is continuously investing in Technology both with respect to people and equipment and we feel this will be a strong differentiator in the Industry in future.

Last year, your Company embarked on a new journey of transformation by expanding its offerings to cater to the changing perspectives of home aesthetics. The acquisition



of Sleek Group marked Asian Paints' maiden foray into the contemporary Home Improvement segment. Your Company's endeavour and journey to enable customers fulfil their aspiration of beautiful homes continued during the year and has identified bath and wash segment as another opportunity area. Your Company has entered into a binding agreement in May, 2014 with Ess Ess Bathroom Products Pvt. Ltd. to acquire its entire front end sales business including brands, network and sales infrastructure. Our aim to partner with customers in their endeavour to fulfil their aspirations of transforming their houses into homes, the ordinary into the extraordinary and the me-too into my exclusive spaces, will continue.

The drive for greening of your Company's product portfolio continues and has infact accelerated with the objective of making all our premium range of products compliant to the Green Seal Standard GS-11.

The Companies Act, 2013 applicable now has brought in provisions which require the companies to adhere to stringent corporate governance norms. I am proud to state that your Company has always followed the highest standards of Corporate Governance and considers it as more of an ethical requisite than a regulatory necessity.

With astute guidance from our Board of Directors, the unflinching support of our stakeholders and the loyalty of our customers, we are optimistic of our abilities to avail of the opportunities and address the challenges that the future presents us.

Warm regards,
Yours sincerely,

Ashwin Choksi

Ashwin Choksi

Ten Year Review - Standalone

(Figures in ₹ Crores except per share data, number of employees, number of shareholders and ratios)

RESULTS FOR THE FINANCIAL YEAR	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
REVENUE ACCOUNT										
Gross Revenue	12,042.6	10,405.0	9,064.3	7,202.0	5,753.5	5,003.4	4,062.8	3,360.7	2,777.4	2,338.8
Net Revenue from Operations	10,418.8	8,960.1	7,964.2	6,336.1	5,134.1	4,278.7	3,426.5	2,827.0	2,324.3	1,958.8
Growth Rates (%)	16.3	12.5	25.7	23.4	20.0	24.9	21.2	21.6	18.7	15.3
Materials Cost	5,940.0	5,163.4	4,746.3	3,646.9	2,840.2	2,606.9	1,956.1	1,660.7	1,351.7	1,128.4
% to Net Revenue	57.0	57.6	59.6	57.6	55.3	60.9	57.1	58.7	58.2	57.6
Overheads	2,701.6	2,249.4	1,866.1	1,532.0	1,275.0	1,103.8	908.0	736.7	616.5	532.7
% to Net Revenue	25.9	25.1	23.4	24.2	24.8	25.8	26.5	26.1	26.5	27.2
Operating Profit (EBITDA)	1,950.9	1,673.4	1,493.2	1,232.2	1,153.7	619.4	615.2	464.3	386.8	325.1
Finance Costs	26.1	30.6	30.8	15.4	13.8	10.4	8.3	6.9	3.8	2.8
Depreciation	212.3	127.0	99.5	94.5	60.7	57.2	43.8	45.4	45.5	47.6
Profit Before Tax and Exceptional item	1,712.5	1,515.9	1,362.9	1,122.3	1,079.2	551.8	563.2	412.0	337.5	274.7
% to Net Revenue	16.4	16.9	17.1	17.7	21.0	12.9	16.4	14.6	14.5	14.0
Growth Rates (%)	13.0	11.2	21.4	4.0	95.6	(2.0)	36.7	22.1	22.9	15.4
Exceptional item	(9.9)	-	-	-	25.5	(5.9)	-	-	(33.6)	(4.2)
Profit Before Tax and after Exceptional item	1,702.6	1,515.9	1,362.9	1,122.3	1,104.7	545.9	563.2	412.0	303.9	270.5
% to Net Revenue	16.3	16.9	17.1	17.7	21.5	12.8	16.4	14.6	13.1	13.8
Profit After Tax	1,169.1	1,050.0	958.4	775.2	774.5	362.4	375.2	272.0	186.8	173.5
Return on average capital employed (ROCE) (%)	51.7	54.0	59.3	62.1	78.2	51.3	60.5	52.9	49.7	44.0
Return on average net worth (RONW) (%)	35.3	38.1	42.9	43.9	58.4	35.8	44.9	39.8	31.3	31.4
CAPITAL ACCOUNT										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Reserves and Surplus	3,505.0	2,926.3	2,391.9	1,879.4	1,461.3	998.6	832.6	648.2	526.4	476.3
Deferred Tax Liability (Net)	177.1	143.3	80.8	75.5	47.9	47.9	31.5	22.1	28.5	30.5
Borrowings	47.7	54.1	168.2	65.7	68.6	74.5	94.7	125.7	91.1	88.2
Fixed Assets	2,050.2	2,154.4	1,611.9	1,096.9	1,088.2	711.8	539.2	346.5	324.7	319.5
Investments @	1,671.2	872.5	913.8	1,034.8	703.7	234.8	422.9	334.4	274.6	258.4
Debt-Equity Ratio	0.01:1	0.02:1	0.07:1	0.03:1	0.04:1	0.07:1	0.09:1	0.17:1	0.15:1	0.15:1
Market Capitalisation	52,559	47,139	31,056	24,238	19,593	7,539	11,510	7,336	6,178	3,751
PER SHARE DATA										
Earnings Per Share (EPS) (₹) #	*12.2	10.9	10.0	8.1	*8.1	*3.8	3.9	2.8	*2.0	*1.8
Dividend (%)	530.0	460.0	400.0	320.0	270.0	175.0	170.0	130.0	125.0	95.0
Book Value (₹) #	37.5	31.5	25.9	20.6	16.2	11.4	9.7	7.8	6.5	6.0
OTHER INFORMATION										
Number of Employees	5,870	5,236	4,937	4,640	4,382	4,260	3,924	3,868	3,681	3,550
Number of Shareholders	87,997	54,813	60,537	59,280	48,290	49,074	47,573	49,032	48,820	49,739

Note: From financial year 2010-11 figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956.

* EPS calculated on Net Profit after exceptional items.

@ Includes Investments in Liquid Mutual Funds which is a part of cash and cash equivalents.

With effect from 1st August, 2013 face value of the Company's equity share has been subdivided from ₹ 10 per equity share to ₹ 1 each and accordingly the EPS and book value for all comparative periods have been restated.

Ten Year Review - Consolidated

(Figures in ₹ Crores except per share data and ratios)

RESULTS FOR THE FINANCIAL YEAR	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010 [^]	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
REVENUE ACCOUNT										
Gross Revenue	14,567.2	12,488.1	10,778.0	8,610.8	7,314.5	6,229.8	5,075.9	4,259.9	3,510.0	2,951.5
Net Revenue from Operations	12,714.8	10,938.6	9,632.2	7,722.3	6,680.9	5,463.9	4,407.2	3,670.0	3,021.0	2,573.9
Growth Rates (%)	16.2	13.6	24.7	15.6	22.3	24.0	20.1	21.5	17.4	16.0
Materials Cost	7,340.7	6,413.0	5,795.3	4,474.6	3,758.0	3,370.6	2,577.6	2,199.4	1,792.1	1,502.6
% to Net Revenue	57.7	58.6	60.2	57.9	56.2	61.7	58.5	59.9	59.3	58.4
Overheads	3,376.2	2,793.6	2,328.2	1,919.6	1,695.6	1,425.5	1,170.6	989.9	838.3	736.6
% to Net Revenue	26.6	25.5	24.2	24.9	25.4	26.1	26.6	27.0	27.7	28.6
Operating Profit (EBITDA)	2,132.1	1,846.5	1,616.2	1,396.1	1,367.9	718.8	718.6	518.0	422.7	367.0
Finance Costs	42.2	36.7	41.0	23.2	28.5	26.3	21.2	18.9	11.4	10.8
Depreciation	245.7	154.6	121.1	113.1	83.6	74.4	59.2	61.1	60.6	61.4
Profit Before Tax and Exceptional items	1,844.2	1,655.2	1,454.1	1,259.7	1,255.9	618.1	638.3	437.9	350.6	294.8
% to Net Revenue	14.5	15.1	15.1	16.3	18.8	11.3	14.5	11.9	11.6	11.5
Growth Rates (%)	11.4	13.8	15.4	0.3	103.2	(3.2)	45.8	24.9	18.9	20.0
Exceptional items	(9.9)	-	-	-	1.2	(1.2)	(6.8)	(7.8)	(7.6)	(7.7)
Profit Before Tax and after Exceptional items	1,834.3	1,655.2	1,454.1	1,259.7	1,257.0	616.9	631.4	430.2	343.0	287.1
% to Net Revenue	14.4	15.1	15.1	16.3	18.8	11.3	14.3	11.7	11.4	11.2
Profit After Tax (after Minority Interest)	1,218.8	1,113.9	988.7	843.2	835.6	397.8	409.2	281.0	212.1	174.1
Return on average capital employed (ROCE) (%)	47.6	50.3	54.3	58.9	74.4	46.5	56.3	45.9	42.2	40.6
Return on average net worth (RONW) (%)	32.8	36.3	40.1	43.3	57.4	36.4	46.5	39.5	35.0	31.7
CAPITAL ACCOUNT										
Share Capital	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Reserves and Surplus	3,943.3	3,288.4	2,652.6	2,091.5	1,614.1	1,107.3	886.5	681.9	550.3	471.3
Deferred Tax Liability (Net)	187.8	154.4	92.8	85.2	56.2	53.3	39.1	26.8	34.1	35.3
Borrowings	249.2	251.0	341.1	233.4	229.2	308.6	275.2	306.2	261.3	239.5
Fixed Assets	2,491.8	2,456.0	1,876.1	1,316.0	1,280.1	905.1	691.7	493.2	451.9	437.0
Investments \$	1,423.6	778.8	750.7	922.0	624.1	78.4	276.7	192.7	164.1	113.8
Debt-Equity Ratio	0.06:1	0.07:1	0.12:1	0.11:1	0.13:1	0.26:1	0.28:1	0.39:1	0.4:1	0.42:1
PER SHARE DATA										
Earnings Per Share (EPS) (₹) #	* 12.7	11.6	10.3	8.8	* 8.7	* 4.1	* 4.3	* 2.9	* 2.2	* 1.8
Book Value (₹) #	42.1	35.3	28.7	22.8	17.8	12.5	10.2	8.1	6.7	5.9

Note: From financial year 2010-11 figures have been regrouped as per Revised Schedule VI to the Companies Act, 1956.

* EPS calculated on Net Profit after exceptional items.

^ This period includes 15 months (1st January 2009 to 31st March 2010) of Overseas Subsidiaries.

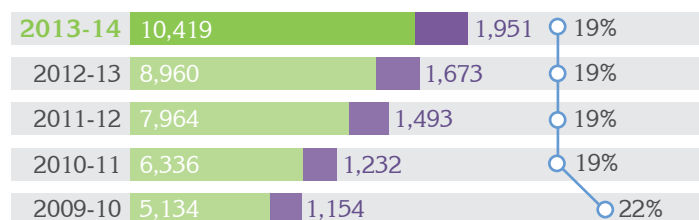
\$ Includes Investments in Liquid Mutual Funds which is part of Cash and Cash equivalents.

With effect from 1st August, 2013 face value of the Company's equity share has been subdivided from ₹ 10 per equity share to ₹ 1 each and accordingly the EPS and book value for all comparative periods have been restated.

Performance Highlights - Standalone

Net Revenue from Operations, EBITDA & EBITDA Margin (%)

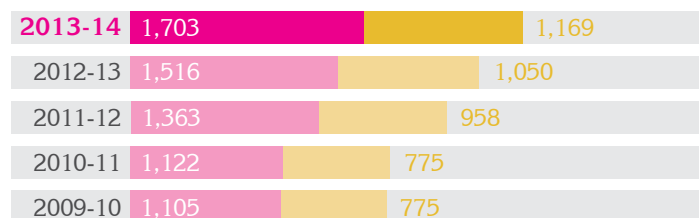
₹ in crores



- Net Revenue from Operations
- EBITDA
- EBITDA Margin (%)

Profit Before Tax & Profit After Tax

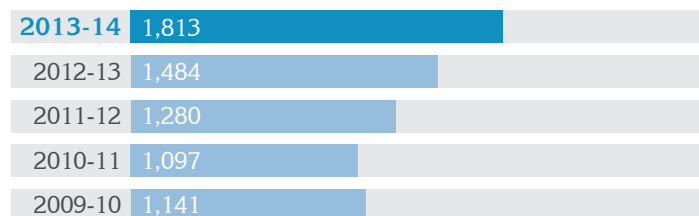
₹ in crores



- PBT after exceptional items
- PAT

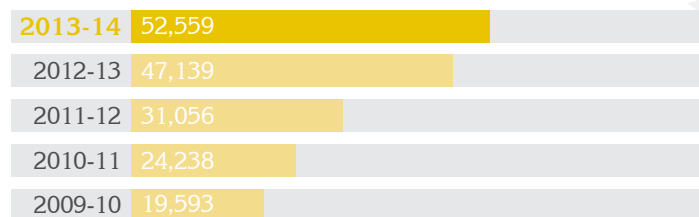
Cash Generated from Operations

₹ in crores

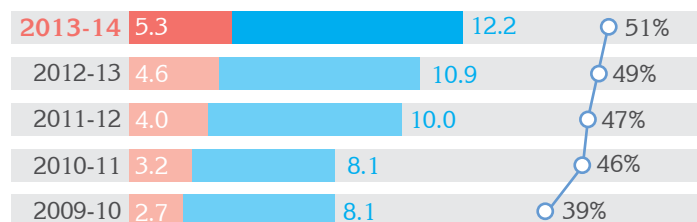


Market Capitalisation

₹ in crores



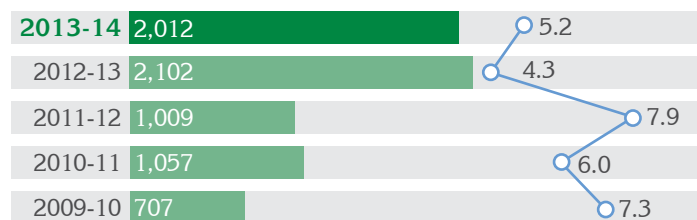
Dividend per share, Earnings per share (EPS) and Dividend pay-out ratio



- Dividend per share (in ₹)
- EPS after Exceptional item (in ₹)
- Dividend payout ratio (%) (including dividend distribution tax)

Note: With effect from 1st August, 2013, face value of the Company's equity share has been subdivided from ₹ 10 per equity share to 10 (Ten) equity shares of ₹ 1 each and accordingly the EPS and Dividend per share for all comparative periods has been restated.

Net Fixed Assets and Asset Turnover Ratio



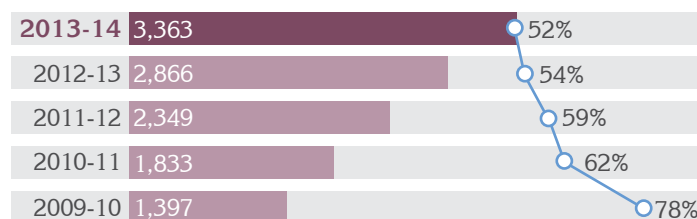
- Net Fixed Assets (₹ in crores) (excluding Capital work-in-progress)
- Asset Turnover Ratio

Employees at the year end and Turnover per Employee



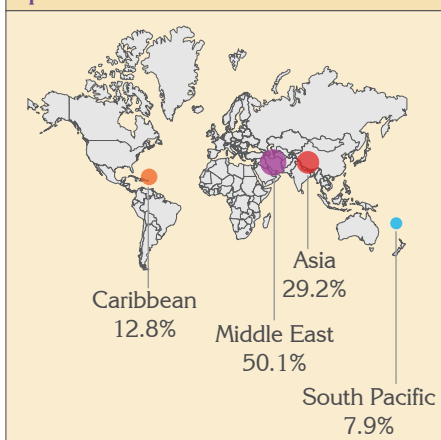
- Number of employees
- Turnover per employee (₹ in crores)

Average Capital Employed and Return on Average Capital Employed



- Average Capital Employed (₹ in crores)
- Return on Average Capital Employed (%)

Percentage of Net Sales contribution of each region to overall International operations for FY 2013-14



Management Discussion And Analysis

OVERVIEW

The fiscal year ended 31st March 2014 proved to be a challenging year with the Indian economy witnessing sustained slowdown across sectors. While the economic growth for the year is expected to have marginally improved to 4.9% from the lows of 4.5% witnessed in 2012-13, it is still a far cry from the above 8% growths witnessed during most part of 2004 to 2011. The recovery in 2013-14 is largely on the back of revival in agriculture growth due to a steady monsoon. However, recovery in the other areas of the economy appears to be feeble with no clear signs of recovery. Industry continued to be in the midst of a slowdown. This was in spite of a push from the Government to clear the hurdles plaguing infrastructure sector projects as this has clearly not resulted in any action on the ground level. On the demand side, the consumption growth remained weak amid elevated inflation and subdued income growth.

The first half of the year also saw the Rupee in a free fall under pressure from the worsening deficits, current account deficit as well as the fiscal deficit. Coupled with fears of large fund outflows due to the expected Fed tapering, the Rupee breached the ₹ 68 level to the US Dollar in August, 2013. A slew of measures taken by RBI and the Central Government

saw the current account situation improving significantly which helped the Rupee to recover from its all time lows during the later part of the year. The elevated levels of inflation since 2010-11 continued to be a cause of concern for the economy and although the inflation levels eased off over the last quarter of the year, the stickiness in inflation did not provide much room for RBI to lower the interest rates and prime pump the economy.

Considering the overall sluggish environment, the domestic paint demand was comparatively resilient although not as good as expected. Demand from the rural areas was relatively better than the urban markets. While, the retail demand was encouraging, the industrial market remained stagnant. Lack of public spending in infrastructure sector and weak private sector investments affected the industrial product demand. Commodity prices remained stable during the year with crude trading in a very narrow range throughout the year. However, sharp volatility in the Rupee affected the overall procurement prices. In the international markets, the environment was equally challenging with some of the markets feeling the continued impact of political unrest, while there were signs of recovery in some markets.



A view of the Colour Ideas Store



With this background, the performance of your Company during the financial year 2013-14 is detailed below:

DECORATIVE INDIA BUSINESS

Decorative paints account for over 75% of the overall paint market in India and include wall finishes for interior and exterior use, enamels, wood finishes and ancillary products such as primers, putties, etc. The retail demand for decorative paints although resilient, was affected by an overall sluggish economy, excessive rainfall in parts of Southern India and slowdown in construction in some states. Inflationary impact on raw material prices, largely due to the depreciation of Rupee, led to frequent price increases.

The product mix offered by your Company has improved consistently over the years and this year was no exception. Continued focus on emulsions has reduced your Company's dependence on enamels and distempers. The premium emulsions category saw a revival with the re-launch of brand 'apcolite' with the proposition of 'dependable performance'. A new product, called 'Apcolite Advanced', was launched to bridge the gap between 'Apcolite Premium Emulsion' and 'Royale'. Alongwith this, a significantly improved packaging and endorsement by a celebrity cricketer created a lot of excitement and sales in the mid segment of interior emulsions. The key highlight in interior emulsion category has been nation-wide launch and subsequent success of ultra luxury 'Royale Aspira'.

The exterior emulsion category continues to grow well. At the top end, 'Apex Ultima' grew extremely well with the support of successful advertising campaign and several field marketing initiatives. This year saw the launch of 'Ultima Protek' at the top end of exterior emulsion category. 'Ultima Protek' is a two coat exterior painting system that offers best in class benefits like anti algal, water proofing and overall durability. It also comes with Teflon co-branding for its top coat. Significant efforts were made to drive the usage of correct painting system on exteriors. As a result, there has been a huge growth in Exterior Primer and Asian Wall Putty. Wood finishes category saw a significant growth in 2013-14. Polyester and Polyurethane (PU) products launched in collaboration with Renner Italia of Italy have performed extremely well across markets. 'Aquadur', water based PU, has grown extremely well.

Your Company continues to expand its network. The 'Colour' Stores (which are Company's Signature Experience Stores) at Mumbai and Delhi continue to attract large number of customers every day who respond favourably to the experience they get in these Stores. Especially noteworthy is a sharp rise in the number of 'in store' colour consultancy customers to more than 5,000 during the year. Your Company worked relentlessly on enhancing the experience at these Stores to delight the customers.



Inspired by the success of the Stores at Mumbai and Delhi, your Company launched first ever 'Ezycolour Store' at Kolkata in August, 2013. This Store is a more functional version of the 'Colour Stores' and focuses mainly on delivering a great colour consultancy experience to customers.

At the top of our retailing hierarchy, your Company increased Colour Ideas Stores to 170 by launching a record 70 new Stores during the financial year. In-store Colour Consultancy is a key feature of these Stores which benefitted more than 80,000 customers across these Colour Ideas Stores during 2013-14. The Stores are successful in promoting the premium smooth and texture paints to their customers.

Your Company continued to broaden its Colour World network by installing more than 3,200 Colour Worlds taking the tally of Colour World dealers to over 27,000 across the country. Over the years, the Colour World network has fuelled the growth of



emulsions. Your Company continued to implement 'critical retailer program' which empowers these retailers to offer a differentiated experience to their customer using colour and paint application related services. This year, your Company has elevated customer experience by installing self help colour and product consultancy kiosks at around 150 such retailers. These kiosks have received very positive response from customers and dealers.

Several Customer Relationship Management (CRM) campaigns were rolled out during the year to guide the customers interacting with your Company during their process of renovating their homes. The 'SmartCare' range comprising of water proofing and crack bridging products saw frenetic pace of new product launches in the categories of wall levellers and sealants. The overall turnover of the SmartCare range more than doubled in the year 2013-14.

The Asian Paints Home Solutions (APHS) service continued to delight more than 19,000 customers across 13 cities. The service experience was enhanced by introducing mechanization in painting. The Colour Consultancy at Home (CCH) service was extended to 13 cities. More than 10,000 customers availed of this service. The customer experience was enhanced by empowering the Colour Consultants to experiment and show on the spot, various colour combinations for customer's homes on their tablet visualizers.

Paint application tools which were launched in collaboration with Harris Brushes of UK in the last year, were seeded across markets and promoted well during the year resulting in a significant increase in sales of the application tools. Your Company has also during the year made a soft launch of Wallpapers category. Going forward, your Company is going to actively promote its offerings in this category as well.

Your Company continues to invest in 'Colour' in order to be perceived as colour experts by Architects and Interior Decorators (AID) and consumers alike. Colour Next (annual colour trend forecast) has become a strong brand amongst AID. Colour Quotient and Colour Code are some regular popular offerings from your Company that have found good traction amongst the AID. Colourpro, which focuses on business development with architects and interior design firms, spread its presence to 15 cities. Colourpro has delivered significant business impact through the project leads offered by the key account firms.

During the year, the operations at the manufacturing facility at Sriperumbudur, Tamil Nadu were affected due to a strike from December, 2013. Your Company was able to mitigate the impact of this strike by sourcing the products from its other manufacturing facilities. This however, resulted in increased cost of transportation during the last quarter of 2013-14. The strike has ended in April, 2014 and the plant has resumed normal operations.

Your Company discontinued the manufacturing activities at its Bhandup plant in Maharashtra with effect from 5th May, 2014. All the workmen at Bhandup facility have accepted either the offered voluntary retirement / separation scheme or have opted to relocate to other facilities of your Company. This voluntary retirement / separation scheme / relocation expenses would have an approximate impact of ₹ 28 crores in the statement of profit and loss for the year 2014-15.

Going forward, your Company would be initiating the expansion of capacity at its Rohtak plant in Haryana to increase the manufacturing capacity from the current 2,00,000 KL per annum to 4,00,000 KL per annum.

INTERNATIONAL OPERATIONS

The overall global economy continued to be challenging though some markets where your Company operates showed signs of recovery. The political turmoil in Egypt and Bahrain continued for the third year and affected growth in these markets. Egypt was also affected by volatile currency coupled with shortage of foreign exchange. Bangladesh witnessed a series of strikes/blockades in the run up to their general elections while Sri Lanka experienced a slow-down in demand conditions.

Initiatives like focus on customer centricity, increasing the number of Color World activation, introduction of new products, expanding the dealer network, increasing exports and improving service level, were undertaken in the international markets of the group to strengthen the position in the market place.

All these steps coupled with tight control on expenses and low inflation in raw material costs have helped the international operations of the group to deliver a strong performance despite difficult market conditions.

All subsidiaries continued to focus on reducing environmental impact of their operations through initiatives to minimise waste generation and energy usage. During the year the subsidiary in Bangladesh received ISO 9001 and ISO 14001 certification and with this, all overseas manufacturing subsidiaries are ISO 9001 and ISO 14001 certified.

During the year under review, your Company, through its wholly owned subsidiary Asian Paints (International) Limited, Mauritius, increased its stake in Berger International Limited, a subsidiary which was listed on the Singapore Stock Exchange to 96.79%. The stake was increased by acquisition of 25.72% stake from a

minority shareholder and the balance was acquired pursuant to an open offer. Post the increase in stake, the subsidiary has been delisted from the Singapore Stock Exchange.

Net sales of the overseas operations of the group have increased by 15.5% to ₹ 1,659.9 crores. Based on constant exchange rates, as of last year, the net sales show an increase of 9.1%. Profit before tax from the overseas subsidiaries of the group increased by 4.6% to ₹ 142 crores as compared to ₹ 135.7 crores in the previous year. The profits were affected by the lower profitability in Egypt. Excluding Egypt, the Profit before tax growth would be 16.2%. The profits were also affected on account of certain expenses mainly related to acquisition of additional stake in Berger International Limited and impact of pension fund liabilities and medical benefits in Caribbean units due to change in actuarial assumptions.

Your Company received dividends of ₹ 27.8 crores from the overseas subsidiaries as compared to ₹ 1.2 crores during the previous year. Royalty received during the year from overseas subsidiaries amounted to ₹ 24.4 crores as compared to ₹ 20.8 crores during the previous year.

The region-wise performance is detailed below:

Caribbean Region (Barbados, Jamaica, Trinidad and Tobago): During the year under review, the net sales has increased by 7.9% to ₹ 215.4 crores from ₹ 199.6 crores. Profit before tax for the region is ₹ 1.7 crores as compared to ₹ 7.5 crores during the previous year. Profit margins have been impacted due to certain expenses on account of increase in pension fund liabilities and medical benefits. Continuing economic slowdown in the region has affected demand conditions and the paint market has contracted. There is a marginal improvement in the demand conditions in Trinidad.

Middle East Region (Egypt, Oman, Bahrain and UAE): During the year under review, the net sales has increased by 14.5% to ₹ 843 crores from ₹ 736.5 crores during the previous year. Profit before tax for the region is ₹ 80.2 crores as compared to ₹ 77.8 crores during the previous year.

The Middle East region is the largest operating region for the group outside India. The region contributes 51% of the revenue from overseas operations. Demand conditions in the Middle East except for Egypt and Bahrain are showing signs of recovery. The new plant being set up by the subsidiary in Oman at Sohar is expected to be completed by the end of financial year 2014-15.

Asia Region (Bangladesh, Nepal, Sri Lanka and Singapore): During the year under review, the net sales has increased by 21% to ₹ 491.5 crores from ₹ 406.1 crores during the previous year. Profit before tax for the region is ₹ 42.7 crores as compared to ₹ 29 crores during the previous year.



An inside view of Ezycolour Store, Kolkata

Expansion of the manufacturing capacity in Bangladesh from 12,000 KL to 24,000 KL per annum is nearing completion and commissioning is expected by the first quarter of 2014-15. The subsidiary at Sri Lanka has acquired land at Matugama Industrial estate for a new manufacturing facility.

South Pacific Region (Fiji, Solomon Islands, Samoa, Tonga and Vanuatu): During the year under review, net sales has increased by 16.3% to ₹ 133.3 crores from ₹ 114.6 crores. Profit before tax for the region is ₹ 23.4 crores as compared to ₹ 16.3 crores during the previous year.

Your Company continues to evaluate opportunities to increase its presence in the international markets. In April, 2014, your Company's wholly owned subsidiary in Mauritius, Asian Paints (International) Limited (APIL), signed an agreement with shareholders of Kadisco Chemical Industry PLC., Ethiopia to acquire either directly or through its subsidiaries 51% of its share capital. Kadisco is a major paints player in the Ethiopian market and is involved in the manufacturing and selling of paints, other coatings and adhesives in Ethiopia. Your Company is awaiting regulatory approvals for closure of this acquisition.

HOME IMPROVEMENT AND DÉCOR

As emphasized during the last year, your Company had strategically looked at the Home Improvement and Décor sector as an avenue for future growth especially since it has synergy with the existing line of the decorative paints business in India. Last year, modern kitchen was identified as a key opportunity in this sector with the modern kitchen industry poised for greater organized sector play as well as overall growth with greater number of customers opting for modern kitchens.



THE KITCHEN SPECIALIST

In August, 2013 your Company acquired 51% stake in the Sleek group with a total investment of ₹ 119.48 crores. Sleek is a major player in the organized modern kitchen space and is engaged in the business of manufacturing, selling and distribution of modular kitchens as well as kitchen components including wire baskets, cabinets, appliances, accessories, etc., with a pan India presence. It has a retail network of more than 30 showrooms including shop-in-shops and a network of more than 250 dealers.



Bangladesh Plant

Your Company has worked out plans for the future growth of Sleek business. The plans include expansion of the kitchens business across geographies where Sleek's presence has been limited, streamlining of operations, configuring the IT systems and enhancement of manpower and process capabilities. The expansion of the network and synergies with the paints dealer network has also been attempted in a few markets.

Your Company is also exploring other home improvement categories wherever opportunities exist. Alongwith the entry into kitchens, your Company has identified bathroom fittings as an opportunity area. Your Company has entered into a binding agreement in May, 2014 to acquire the entire front end sales business of Ess Ess Bathroom Products Pvt. Ltd., including brands, network and sales infrastructure.

INDUSTRIAL COATINGS

Non-Auto Industrial Coatings: Asian Paints PPG Private Limited

Against the backdrop of contraction in the industrial sector marred by slowdown in infrastructure investment and tight liquidity, the demand for industrial coatings continued to remain weak through the year leading to contraction in revenues generated by Asian Paints PPG Private Limited (AP-PPG), the second 50:50 non-auto industrial coatings joint venture of your Company with PPG Industries Inc., USA. In spite of the challenging business environment, AP-PPG's strategy to focus on the high-end Protective Coatings and Powder Coatings business helped in a substantial improvement in the product mix and margins. Cost reduction, better working capital management, superior technical service and technology support were the major focus areas during the year.

During the year, Asian Paints Industrial Coatings Ltd. (APICL), the wholly owned subsidiary of your Company closed down the

manufacturing operations of its Powder Coatings facility at Baddi in Himachal Pradesh due to significant decline in the processing volume of powder coatings in the last two years. APICL's manufacturing facility in Sarigam, Gujarat, however, will continue its normal operations.

Automotive Coatings: PPG Asian Paints Private Limited

PPG Asian Paints Private Limited (PPG-AP), the first 50:50 Joint Venture of your Company with PPG Industries Inc., USA for manufacturing Automotive, OEM, Refinish, Marine, Packaging and certain Industrial Coatings is the second largest automotive coatings supplier in the country and the largest auto-refinish coatings company.

Continuing poor demand, devaluation of rupee, rising fuel prices and high interest rates adversely affected the growth of the automobile market. All the vehicle segments, barring the two-wheeler segment, registered negative growth in the year. Even the two-wheeler segment reported low single digit growth. This naturally had an adverse impact on the Automotive coatings market. In spite of the challenging environment, PPG-AP did exceedingly well to increase margins in the business and grow despite all the structural factors affecting the economy. Sluggish demand posed challenges in passing on any price increases as well. However, PPG-AP did manage to secure price increases in the auto OEM business during the second half of the year. In the Auto Refinish business, PPG-AP was able to pass on the cost increases to its customers and was also able to secure market share gain in the refinish premium segment.

OTHERS

Your Company's other production facilities for manufacturing intermediates at Ankleshwar, Gujarat for Phthalic Anhydride and at Cuddalore, Tamil Nadu for Pentaerythritol were set up as backward integration initiatives, primarily to cater to the in-house demand for these materials.

During the financial year 2013-14, 58% of Phthalic Anhydride and 48% of Pentaerythritol produced was transferred for internal consumption. During the year, prices of raw material used in the manufacturing of both these materials showed an increasing trend. The profits from the Phthalic Anhydride business and Pentaerythritol business were in line with expectations.

During the year, your Company's Pentaerythritol facility at Cuddalore undertook programs to improve the process efficiency. These programs would be completed in first half of 2014-15 and would enable the plant to produce value added grades to service segments like PVC stabilizer, lubricant additives and intumescent coatings. Energy efficiency improvement

programs implemented at your Company's Phthalic Anhydride facility at Ankleshwar have enabled your Company to save natural gas usage by up to 30% during peak operating conditions resulting in reduction of carbon dioxide emissions.

HUMAN RESOURCES

As always, people development continues to be an extremely important area in your Company. Anchoring developmental conversations at every level and ensuring that all managers are skilled in holding developmental conversations has been an area of focus. Your Company now has a pool of internal coaches, trainers and facilitators, and employees across functions dip into this resource for their development. A 360 degree feedback mechanism was launched for Senior Leadership team. Additionally mid-level managers have had the opportunity to learn from academia around the world in well placed Development Program in collaboration with the Indian Institute of Management (Calcutta) and The Strategy Academy.

Your Company continued its engagement programme with students at the campuses through 'Canvas', an initiative to increase connect, and create awareness about the Company and the career opportunities available within.

The Employee Relations/Engagement Agenda continues to be the key focus of your Company and several initiatives were rolled out for promoting the core value of being a trusted, fair and caring employer.

ENVIRONMENT, HEALTH & SAFETY

Environment, Health and Safety (EHS) is one of the primary focus areas for your Company. Your Company's EHS policy is to consider compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate.

Your Company's paint manufacturing facilities and the two intermediates manufacturing facilities have the ISO 14001 environmental certification. Minimisation of water consumption, effluents generation and hazardous waste through reduction at source has been a key focus area in all the factories of your Company. This has resulted in reduction in the metrics of specific water consumption, specific generation of effluents and specific generation of hazardous waste. Your Company endeavors to educate its customers and the public on safe use of its products on a continuous basis. Your Company also gives priority and attention to the health and safety of its employees and trains all the employees to work as per prescribed procedures designed to meet all EHS requirements of the Company.

INFORMATION TECHNOLOGY

Your Company continues to be in forefront of leveraging relevant Information Technology trends to better facilitate the business and enhance the value proposition to its customers.

Your Company has always believed in deploying innovative technologies to improve the engagement with customers thereby earning their lifetime loyalty. Your Company has been early to identify the power of relevant technologies in areas of digital, social, mobile and in-memory databases and its potential in terms of understanding customer preferences and helping them choose the right products and services.

Your Company's corporate website has now become a sought after destination for our customers as they go about creating a beautiful home. More features would be added which will keep this channel relevant, vibrant and engaging for the customers.

The Customer Relationship Management Platform has been strengthened by upgrading it to the latest in-memory database technology. This has given your Company an ideal platform to target products and services to the right audience and at the right time. During the year, the Customer Relationship Management systems were deployed for your Company's operations in UAE, Nepal, Bangladesh, Bahrain and Egypt. These implementations will help your Company deliver consistent service to customers in these markets.

As the services offerings from your Company increases, digital technology has an increasing role to play in creating a differentiating experience for the customer. The technical architecture for the Next Generation Colour Engagement Platform has now been put in place. This will attempt to unify the digital experiences and allow the customer to seamlessly move across multiple touch points viz physical to human to digital.

Mobile technology has been a focus area and this year the focus has been to mobile enable the services business in a big manner. The services business has been able to scale up operations with the use of mobile technologies as it has become easier to conduct business activities like colour consulting at home, providing painting estimates, etc.

RESEARCH & DEVELOPMENT

Your Company's Technology function continues to support the Company's growth strategy with focus on new capabilities/technology development, development for substantially new products, feature enhancement of existing products and productivity improvement and cost reduction. During the year, your Company has launched 16 new products in the decorative segment. In the exterior wall coating segment, your Company

has launched the top end new product 'Ultima Protek' based on in house developed acrylic-nanosilica hybrid emulsion which comes with ten years warranty. Few other products worth mentioning here are Marvelloplast - an innovative wall leveler against traditional gypsum plaster and wall putties, Apcolite advanced - an interior mid segment emulsion paint with excellent stain cleanability and burnish resistance, high performance anticorrosive red oxide primer for window grills and shutters. Several new products have been commercialized in the waterproofing segment.

The drive for greening of your Company's product portfolio continues and the year has seen accelerated efforts in this direction with an objective of making all the premium range of products compliant to the Green Seal Standard GS-11. Green Seal's GS-11 standard recommends VOC (Volatile Organic Compounds) levels in paints and restrict the use of some specific toxic materials.

To build new capabilities, your Company has initiated a number of research programs. Two such domains on new capability development where work has begun are microencapsulation and nanoprocessing.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company is committed to ensuring that its operations are carried out within a well defined internal control framework. Good governance, well defined systems and processes, a vigilant finance function and an independent internal audit function are the foundation of the internal control systems.

The internal audit function of the Company independently audits critical areas of operations based on an audit plan approved by the Audit Committee. The audit plan is drawn up on the basis of a risk evaluation exercise so that areas assessed to be relatively riskier are focused upon. Significant audit findings are presented to the Audit Committee which meets regularly to review the findings and status of corrective actions taken by the management.

A culture of self governance has been cultivated through various initiatives. Some of the initiatives undertaken by your Company are:

- ▶ Self certification documents have been rolled out to key operating functions and at defined intervals. These functions report the status of compliance to key internal processes. These reports are reviewed and necessary actions are taken to correct any aberrations.
- ▶ Reports and dashboards have been created to enable business monitor, on real time basis, the status of compliance to key processes further promoting the culture of self governance.

- ▶ Detailed review of IT access controls is being conducted using the services of an external agency. Actions are being taken in line with suggestions provided which will help in improving IT access controls.
- ▶ The Whistle Blower mechanism of your Company has been further upgraded by tying up with a leading service provider in this field. The upgraded mechanism enables a complainant to register an issue with a trained third party service provider with the option of maintaining complete anonymity.
- ▶ Workshops on risks identification and mitigation plans thereof have been conducted across various functions of your Company. This has heightened the awareness of risks associated with various aspects of business and provoked thinking of the mitigation plans.

OUTLOOK

The macro economic environment has shown offshoots of recovery, specifically in the second half of 2013-14. Most of the indicators in the developed markets point to growth stability,

which in turn should support the developing and emerging markets. Even in India, there are signs that the growth has bottomed out with the marginal improvement recorded in the later half of 2013-14. Going forward, the key to a sustainable recovery would be reviving the investments especially in the private sector through continued efforts to clear the stalled projects. It would be interesting to watch out for the key policy actions from the new Central Government as this would be crucial for reviving the critical growth drivers in the economy. A matter of concern on the horizon is the latest set of reports on possibility of increased chances of weak 'El Nino conditions' in India leading to deficient rainfall. This could consequently pose a downward risk to the agricultural output and thereby impact the recovery. In the international markets, political stability would be crucial for recovery in some of the key markets where your Company operates.

As always, your Company looks forward to do well in the year ahead and is optimistic of its abilities to address the set of opportunities and challenges that the coming year will present.



Corporate Social Responsibility

As a responsible organisation focused on inclusive growth, Asian Paints has steadfastly followed a proactive policy of Corporate Social Responsibility (CSR). Your Company has been engaged in focused initiatives aimed at upliftment of the communities residing in the vicinity of its facilities.

During the year, your Company has constituted a CSR Committee to implement its CSR initiatives. Your Company is also in the process of formulating a CSR policy which shall focus on the identified thrust areas viz. Education, Health and hygiene and Water management.

In line with our CSR philosophy, we undertook several initiatives during the year towards building a sustainable CSR model.

Education

- Adoption and infrastructure development for schools
- Provision of educational items to students
- Development of underprivileged and differently abled children
- Mobile vans for education programmes



Number of individuals
benefitted from
educational activities

25,000+



Health and hygiene

- Free medical camps for the people residing in villages
- Development of hospital labs
- Provision of mobile medicare units and ambulances
- Implementation of sanitation projects

Number of individuals
benefitted from the Health &
Hygiene activities

35,000+



Community development

- Self defense camps for women
- Donation of mosquito foggers
- Activities towards development of village youth & children
- Medical camps for truck drivers



Number of individuals
benefitted from Community
Development Initiatives

7,000+

CSR Initiatives

Education, health and hygiene,
community development and
water management

Water management

- Rain water harvesting
- Water conservation

Number of
individuals
benefitted from the
Water and Water
Management
Initiatives

10,000+



Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 68th Annual Report of your Company and the Audited financial statements for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2014 is summarised below:

	Asian Paints Limited			Asian Paints Limited Group Consolidated		
	2013-14	2012-13	Growth	2013-14	2012-13	Growth
Revenue from Operations (Net)	10,418.78	8,960.07	16.3%	12,714.81	10,938.61	16.2%
EBITDA	1,950.93	1,673.42	16.6%	2,132.11	1,846.46	15.5%
Less: Finance Costs	26.08	30.56		42.22	36.65	
Less: Depreciation	212.32	126.98		245.66	154.60	
Profit Before Exceptional Item & Tax	1,712.53	1,515.88	13.0%	1,844.23	1,655.21	11.4%
Exceptional Item	9.96	-		9.96	-	
Profit Before Tax	1,702.57	1,515.88	12.3%	1,834.27	1,655.21	10.8%
Less: Tax expense	533.51	465.88		571.51	495.69	
Profit After Tax	1,169.06	1,050.00	11.3%	1,262.76	1,159.52	8.9%
Less: Minority Interest	-	-		43.95	45.64	
Profit attributable to shareholders of the Company	1,169.06	1,050.00	11.3%	1,218.81	1,113.88	9.4%
Opening balance in Statement of Profit and Loss	1,000.00	700.00		1,000.00	700.00	
AMOUNT AVAILABLE FOR APPROPRIATION	2,169.06	1,750.00		2,218.81	1,813.88	
That the Directors recommend for appropriation as under:						
Dividend - Interim	105.51	91.13		105.51	91.13	
- Proposed Final	402.86	350.10		402.86	350.10	
Tax on Dividend	82.02	74.29		82.02	74.29	
Transfer to General Reserve	578.67	234.48		628.42	298.36	
Closing balance in Statement of Profit and Loss	1,000.00	1,000.00		1,000.00	1,000.00	

RESULTS OF OPERATIONS

Net revenue from Operations on standalone basis increased to ₹ 10,418.78 crores as against ₹ 8,960.07 crores in the previous year - a growth of 16.3%. The profit after tax for the current year is ₹ 1,169.06 crores as against ₹ 1,050.00 crores in the previous year - a growth of 11.3%.

On Consolidated basis your Company achieved net revenue of ₹ 12,714.81 crores as against ₹ 10,938.61 crores - a growth of 16.2%. Net profit after minority interest for the current year is ₹ 1,218.81 crores as against ₹ 1,113.88 crores in the previous year - a growth of 9.4%.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2013-14 are prepared in compliance with applicable Accounting Standards and applicable clauses of the Listing Agreement as prescribed by the Securities and Exchange Board of India. The consolidated accounts have been prepared on the basis of audited financial statements received from subsidiaries and joint venture companies, as approved by their respective Boards.

A separate statement containing the salient features of all subsidiaries of your Company which includes capital, reserves,

total assets, total liabilities, details of investment, turnover, etc., forms part of this report in compliance with the General Circular No. 2/ 2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs granting a general exemption from the provisions of Section 212(8) of the Companies Act, 1956. The annual accounts and financial statements of the subsidiary companies and related detailed information shall be made available to members on request and are open for inspection at the Registered Office of your Company.

SUB-DIVISION OF SHARES

Pursuant to the approval of the members at the 67th Annual General Meeting of the Company held on 24th June, 2013 to the sub-division of the equity shares of the Company, each equity share of nominal face value of ₹ 10 (Rupees ten) each was sub-divided to 10 (ten) equity share of the face value of ₹ 1 (Rupee one) each. The effective date for the said sub-division was 1st August, 2013.

The paid up equity share capital of your Company after sub-division of the face value of equity shares is ₹ 95,91,97,790 (Rupees ninety five crores ninety one lakhs ninety seven thousand and seven hundred ninety only) divided into 95,91,97,790 of the face value of ₹ 1 (Rupee one) each.

DIVIDEND

During the financial year 2013-14, your Company declared and paid an interim dividend of ₹ 1.10 (Rupee one and paise ten only) per equity share of the face value of ₹ 1 (Rupee one) each in the month of October, 2013. In addition, your Directors recommend payment of ₹ 4.20 (Rupees four and paise twenty only) per equity share as the final dividend for the financial year 2013-14. If approved, the total dividend (interim and final dividend) for the financial year 2013-14 will be ₹ 5.30 (Rupees five and paise thirty only) per equity share of the face value of ₹ 1 (Rupee one) each.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 578.67 crores to the general reserve. An amount of ₹ 1,000 crores is proposed to be retained in the statement of profit and loss.

CORPORATE GOVERNANCE

In compliance with the requirements of Clause 49 of the Listing Agreement, a separate Report on Corporate Governance along with the Auditors Certificate on its compliance forms an integral part of this Report.

BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Clause 55 of the Listing Agreement with the Stock Exchanges, detailing the various initiatives of the Company forms part of this Report.

SECRETARIAL AUDIT

Dr. K.R. Chandratre, Practicing Company Secretary, conducted Secretarial Audit pursuant to the provisions of Section 383A of the Companies Act, 1956, for the financial year 2013-14. Dr. K.R. Chandratre has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities for corporate law.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this report.

HOME IMPROVEMENT & DÉCOR

As informed in the last year's Annual Report, your Company as a part of its strategic initiative in the direction of Home Improvement & Décor, identified modern kitchen space as a key opportunity to be explored in synergy with the existing line of the decorative paints business in India. In August, 2013 your Company acquired 51% stake in Sleek group, which is a major player in the organized kitchen space with a pan India presence and is engaged in the business of manufacturing, selling and distribution of modular kitchens as well as kitchen components including wire baskets, cabinets, appliances, accessories, etc.

Your Company is also exploring other home improvement segments and has identified bath and wash business segment as another opportunity area. In early May 2014, your Company has entered into a binding agreement with Ess Ess Bathroom Products Private Limited (Ess Ess) for acquisition of its entire front end sales business including Brands, Network and Sales infrastructure, subject to the satisfaction of certain condition precedents and applicable statutory approvals. Ess Ess is a prominent player in this space, with high quality products across consumer segments.

Your Company strongly believes that these business/ventures will offer significant opportunities and synergy to your Company in Home Improvement & Décor segment.

ACQUISITION OF SHARES IN BERGER INTERNATIONAL LIMITED, SINGAPORE

During the year, your Company, through its wholly owned subsidiary – Asian Paints (International) Limited, Mauritius acquired a 25.72% stake from a minority shareholder in Berger International Limited (BIL), a subsidiary which was listed on the Singapore Stock Exchange. Thereafter, a voluntary cash offer was made to all the shareholders of BIL. Post such offer, the stake in BIL increased to 96.79% and consequently, BIL has

been delisted from the Singapore Stock Exchange. BIL has no operations in India.

AGREEMENT TO ACQUIRE SHARES IN KADISCO CHEMICAL INDUSTRY PLC, ETHIOPIA

Asian Paints (International) Limited, Mauritius, your Company's wholly owned subsidiary signed an agreement with the shareholders of Kadisco Chemical Industry PLC., Ethiopia (Kadisco) in April, 2014 to acquire either directly or through its subsidiaries 51% of the equity share capital of Kadisco, subject to necessary regulatory approvals and documentation. Kadisco is engaged in the manufacturing and selling of paints, other coatings and adhesives in Ethiopia.

INDUSTRIAL RELATIONS

In December, 2013 a strike was called by the Asian Paints Employees Union, Sriperumbudur and workmen at your Company's plant situated at Sriperumbudur, Tamil Nadu which affected the operations of that plant. The strike has ended in April, 2014 and the plant has resumed normal operations.

Your Company has discontinued manufacturing activities at its Bhandup plant with effect from 5th May, 2014. A "Voluntary Retirement/Separation Scheme" along with an alternate option of relocation to other facilities of your Company was offered to all the workmen at the Bhandup plant in Mumbai. All workmen have accepted either the Voluntary Retirement/Separation Scheme or relocation to other facilities of your Company.

Asian Paints Industrial Coatings Limited (APICL), your Company's wholly owned subsidiary has closed down the operations at its powder coatings plant at Baddi, Himachal Pradesh in November, 2013, due to significant decline in the processing volume of powder coatings in the last two years. APICL's plant at Sarigam, Gujarat will continue its normal operations and is sufficient to cater to the future requirements.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information on Conservation of Energy and Technology Absorption by your Company as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given as Annexure to this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of expenditure and earnings in foreign currencies are given under Note 33 and 34 to the financial statements.

PERSONNEL

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, names and other particulars of employees are required to be attached to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of your Company sent to the shareholders do not contain the said annexure. Any member desirous of obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- in preparation of the annual accounts for the year ended 31st March, 2014 the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956 have been followed;
- the accounting policies have been selected and applied consistently and the judgements and estimates made, are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as on 31st March, 2014 and of the profit of the Company for the year ended that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent applicable, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.

DIRECTORS

During the year 2013-14, Shri Abhay Vakil and Mrs. Ina Dani resigned as Non-Executive Directors of your Company on 24th September, 2013 and 21st October, 2013, respectively. Ms. Tarjani Vakil retired as a Director of your Company at the last year's Annual General Meeting. In terms of Section 152 of the Companies Act, 2013, Shri Amar Vakil, liable to retire by rotation at the ensuing Annual General Meeting, does not wish to seek re-appointment at the ensuing Annual General Meeting and wishes to retire as Director of your Company. Shri R.A. Shah, Independent Director on the Board of Directors of your Company does not wish to be appointed at the ensuing Annual General Meeting on the Board of your Company pursuant to the provisions of Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. The Board places on record its appreciation for their valuable contribution to

your Company as Directors during their association with your Company.

The Board of Directors appointed Shri Malav Dani as a Non-Executive Director of your Company with effect from 21st October, 2013 due to the casual vacancy created by resignation of Mrs. Ina Dani. In terms of Section 161 of the Companies Act, 2013, Mrs. Ina Dani would have held office up to the date of the ensuing Annual General Meeting and accordingly, the term of Shri Malav Dani as a Director appointed in casual vacancy will expire at the ensuing Annual General Meeting. Shri Malav Dani is being appointed as the Director of your Company at the ensuing Annual General Meeting.

The Board of Directors at their meeting held on 14th May, 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting, considered and approved the re-appointment of Shri K.B.S. Anand as the Managing Director & CEO of your Company for a further term of three (3) years commencing from 1st April, 2015 to 31st March, 2018.

The Board of Directors of your Company at the aforementioned meeting also appointed Ms. Amrita Vakil and Mrs. Vibha Paul Rishi as an Additional/Non-Executive Director and Additional / Independent Director, respectively, on the Board of Directors of your Company.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Shri Dipankar Basu, Shri Mahendra Shah, Shri Deepak M. Satwalekar, Dr. S. Sivaram, Shri S. Ramadorai, Shri M.K. Sharma and Mrs. Vibha Paul Rishi as Independent Directors of your Company up to 5 (five) consecutive years up to on 31st March, 2019.

Appropriate resolutions for the appointment/ re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their appointment/re-appointment as Directors of your Company.

AUDITORS

M/s. Shah & Co., Chartered Accountants and M/s. B S R & Associates LLP, Chartered Accountants, Joint Statutory Auditors are due for retirement in accordance with the provisions of the Companies Act, 1956 at the ensuing Annual General Meeting. M/s. Shah & Co., Chartered Accountants and M/s. B S R & Co., LLP, Chartered Accountants are being appointed as the Joint Statutory Auditors of your Company at the ensuing Annual

General Meeting. Your Directors recommend their appointment for the ensuing year.

The Company has received letters from M/s. Shah & Co., Chartered Accountants and M/s. B S R & Co., LLP, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from being appointed as the Joint Statutory Auditors of the Company.

COST AUDITOR

Your Company had appointed M/s. RA & Co., Cost Accountants as the Cost Auditor of your Company for the financial year 2013-14 to conduct the audit of the cost records of your Company.

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 the Board of Directors of your Company has appointed M/s. RA & Co., Cost Accountants as the Cost Auditor of your the Company for the financial year 2014-15 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be ₹ 6,00,000 (Rupees six lacs only) excluding out of pocket expenses, if any.

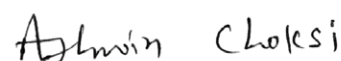
The Cost Audit report for the financial year 2012-13 was filed within the due date. The due date for submission of the Cost Audit Report for the year 2013-14 is within 180 days from 31st March, 2014.

APPRECIATION

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board



Ashwin Choksi
Chairman

Mumbai
14th May, 2014

Annexure to Directors' Report

CONSERVATION OF ENERGY

a) Energy conservation measures taken

All manufacturing units continued their efforts to reduce specific energy consumption. Specific and Total energy consumption indicators are tracked on monthly basis at the individual factory level and also at the consolidated manufacturing level. Your Company's manufacturing units regularly undergo Energy Audits to identify areas of improvement. In addition to the existing Energy Conservation measures, the Engineering and Production departments in each manufacturing unit work closely towards improving the efficiency of generation and also in the reduction in energy consumption. The measures taken in all the Company's manufacturing units can be briefly enumerated as below:

1. Replacement of Old Equipments with new/energy-efficient Equipment

- Old Air-Conditioners and Lighting System at many locations are being replaced with Solar Power Air-Conditioners to reduce the power consumption of these equipments
- All the trade blenders agitators were replaced with hydrofoil type energy efficient agitators
- Replacement of induced draft cooling tower with fan less cooling towers in Paint House
- Replacement of reciprocating air compressor with Variable Frequency Drive (VFD) based screw compressor to achieve energy conservation

2. Reduction in Specific Fuel Consumption for Electricity generation

Most of your Company's manufacturing units utilize electricity supplied by the State Government or its Electricity Board. However, some of the manufacturing units had to operate Diesel or Gas based Generating Sets to generate electricity. A good amount of focus and effort has resulted in improved generation efficiency, thereby requiring lesser amount of fuel for equivalent amount of electricity.

- Vacuum Absorption Machine operation with heaters thereby reducing consumption of Natural Gas in Cogen Engines

- Installation of APFC (Automatic Power Factor Correction) Panel and Active Filters throughout the plant on various Motor Control Center and PCC Panels to improve Power Factor, reduce Harmonics, and line losses
- Installation of Capacitor bank on Administration and Engineering Block Power Supply Feeder to improve the Power Factor and save energy

3. Lighting

Efforts have been put to reduce or optimize the lighting requirements at the manufacturing units. Some of the initiatives are enumerated as under:

- Timer-controllers that put off the lights during day-time
- LED-based view-lamps in the manufacturing equipment vessels
- Replacement of Conventional Light fittings with LED light fitting inside the manufacturing blocks and along staircases
- Energy savings through lighting
 - Provision of timer for vessel lamps to avoid excessive running
 - Limit switch provided for Air Curtains in plant
 - Conversion of lamp in several areas from 70W to 23 W based on illumination survey
- Installation of motion sensors in shop floor cabins and conference rooms (20 Nos) for automatic switch off
- Installation of Astronomical timers to optimise the usage time of lighting

4. Control Instrumentation /Process Optimisation

Your Company's engineering department has been consistently using process control instrumentation to optimize the use of energy during the production operations. A few notable activities include:

- Timer based interlock was provided to optimised the for operation of Paint House Mixer's agitator
- Optimization of Twin Shaft Disperser batch sizing for energy efficient hydrodynamics during processing of batches
- Pressure boosting system for treated water to Manufacturing block
- Impeller trimming for diesel generator cooling tower pump & for utility cooling tower pump
- Arresting leakages in compressed air lines thereby reducing energy consumption in the compressed air system
- Run hour reductions of utilities and accessories
 - Reduced running of vacuum pump and reactors (reduction of stripping time) by provision of chilling coil in water tank
 - Reduction in run hours of air compressor by reduction of air pressure and continuous leakages monitoring / plugging
 - Reduction of running of Nitrogen Plant compressor by providing external Air supply

5. Optimisation of Electrical Equipment

In addition to the existing controls on prime production equipment and existing prime utilities equipment, some electrical equipment modifications/ additions being done are:

- VFD for resin house cooling tower circulation pumps – installation of VFD for cooling water circulation pumps (3 X 22 KW) in resin house
- Conversion of 1 (No) sand mill high capacity motors starter to run sand mill in only star mode

b) Additional investments/proposals being implemented for reduction of consumption of energy

All manufacturing units will continue to put in efforts to reduce specific energy consumption. Some key ideas that are planned to be implemented for energy conservation include:

- LED-based view-lamps in the manufacturing equipment vessels
- VFD on the packing machines
- Replacement of capacitor panels
- Pump capacity reduction for additives
- Mill for continuous paint processing
- New type of cowl disc to eliminate stator /Rotor setup in equipment
- Procurement of Screw shaft and Liner for TSD and Mixer pump

c) Impact of measures for reduction of energy consumption

Although a lot of efforts have been put in, the metric “specific power consumption” tracked as a measure of the performance of Energy Management, for the whole Manufacturing setup, has increased in the past year. The primary reason for this increase has been the stabilisation of operations at the newly setup Khandala facility though the production at this facility is being stabilized in steps, the energy consumption necessary to stabilize the production equipment, utility equipment and storage facilities has increased in a higher proportion. The energy consumption is expected to proportionately increase with production volumes in the coming year, though the specific power consumption for the whole manufacturing setup is expected to come down.

FORM A

Particulars	2013-14	2012-13
A. Power and fuel consumption		
1 Electricity		
a. Purchased		
Units ('000 KWH)	58,445.92	40,804.00
Total Amount (₹ in Crores)	44.82	29.51
Rate per unit (₹)	7.67	7.23
b. Own Generation		
Through diesel Generator		
Units ('000 KWH)	12,393.87	14,808.00
Units per ltr of diesel oil	3.66	3.53
Cost/unit (₹)	17.15	13.48
Natural Gas		
Units ('000 KWH)	2,636.70	5,329.00
Units per nm3	3.40	3.38
Cost/unit (₹)	10.64	8.90
2 Coal		
Quantity (in MTs)	18,538.00	20,046.00
Total Amount (₹ in Crores)	10.12	10.94
Average rate/MT (₹)	5,461.26	5,457.00
3 Diesel		
Quantity (in KL)	1,395.38	1,772.00
Total Amount (₹ in Crores)	8.39	7.77
Average rate/Ltr. (₹)	60.10	43.87
4 Furnace Oil		
Quantity (in KL)	110.13	625.00
Total Amount (₹ in Crores)	0.55	2.64
Average rate/Kg. (₹)	49.82	42.23
5 Natural Gas		
Quantity (in '000 cubic m.)	3,707.53	3,167.00
Total Amount (₹ in Crores)	14.29	10.05
Average rate/cubic m (₹)	38.53	31.71
6 LPG		
Quantity (in MTs)	996.65	606.00
Total Amount (₹ in Crores)	5.57	2.91
Average rate/MT (₹)	55.90	48.00

B. Consumption per unit of production

	Electricity		Furnace Oil		Natural Gas		LPG		Coal		Diesel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Paints	121	104	2	9	16	15	14	9	-	-	3	3
Phthalic	91	117	-	-	39	69	-	-	-	-	-	1
Penta	74	76	-	-	-	-	-	-	3	4	-	-

FORM B

Disclosure of particulars with respect to technology absorption:

Research and Development (R&D)

1. Specific area in which R&D is carried out by the Company

1.1 The R&D Unit of your Company is carrying out the following activities to support the business goals of your Company:

- Development of new products and processes related to surface coatings and intermediates
- Value engineering through formula modification and use of new and alternate raw materials
- Upgrade of existing product and processes for value creation
- Technology support to all overseas units to enable business growth
- Optimization of products and processes to minimize waste generation and address environmental and safety concerns
- Development of new application techniques for various substrates
- Import substitution and identification of new raw materials for development
- Development of new analytical test methods, characterization techniques
- Collaborative development with vendors, academia and institutes
- Development of domain expertise to support product development
- Development of laboratory simulation techniques for faster resolution of product complaints
- Development of nano composites for coatings application
- Research focus on building new capability such as nano processing and microencapsulation
- Focus on providing waterproofing solution

2. Benefits derived as a result of above R&D:

2.1 New products developed and commercialized during the year. Some of the key products launched during the year are:

- Ultima Protek exterior emulsion
- Apcolite Advanced

- Royale Sensation Galaxy
- Royale Sensation Glide
- Premium Gloss Enamel – Silver and Gold
- High Performance anticorrosive Red Oxide Primer and Yellow Primer
- Professional Emulsion Super White
- AP Smart Care Marvelloplast - wall leveler
- AP Smart care Vitalia - admixture
- Touchwood Oak Yellow

2.2 During the year, following products were developed:

- Potable water Epoxy Tank Lining meeting BS 6920:2000 standard
- Solvent free EPN tank lining having resistance to crude at 93 deg C meeting international standard
- 2K PU gloss paint meeting VOC level of < 250 g/L
- Aspa supreme refinish paint
- Heat resistant paint for mufflers for two wheeler segment
- Cost effective inorganic zinc silicate coating for refineries

2.3 Energy savings achieved in manufacture of machine colorants using different processing equipment.

3. Further plan of action:

Your Company believes that development of new capabilities and strengthening of existing capabilities are of paramount importance for sustained value creation. Therefore, while effort has been in developing new products, continual investment has also been made in developing new technology platforms to enrich new product pipeline, improve its manufacturing capabilities for automated mega scale plant and open new business segments for future growth. In order to address the changing needs of customers and proliferation of application substrates with immense diversity, your Company has planned to strengthen its technical capabilities and knowhow by building new application research cell in the area of waterproofing and decorative application. A new research group has been created to focus on development of new products for waterproofing, sealant, construction chemicals and tile segments.

4. Expenditure on R & D during the year is as follows:

Particulars	₹ in Crores)	
	2013-14	2012-13
Capital	4.48	4.91
Recurring	52.12	45.64
TOTAL	56.60	50.55
Net Revenue from Operations	10,418.8	8,960.1
R & D expenditure as % of Net Revenue from Operations	0.54%	0.56%

5. Technology absorption, adaptation and innovation:

Technology acquisition of Intumescent Coating for cellulosic fire from M/s. Neutron Fire Technology Inc., UK having 90 minute fire rating has been completed.

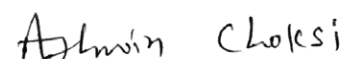
Most developments were done indigenously, some of which were with international partners. Collaborative research programs were pursued with academia on specific areas where knowledge development on new science platform is required.

A new internal group named 'Joint Value Creation' group has been formed to strengthen partnership and collaborative work with prospective vendors on new ideas and opportunities.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company's exports primarily consist of Dipentaerythritol and Monopentaerythritol to American and European markets. The Dipentaerythritol is used mainly as an additive in the manufacture of lubricant additives and the Monopentaerythritol is mainly used in the manufacture of high energy material. Your Company also exports items to its overseas units and licensees. Specific products or special products which are of low volume for domestic manufacture by the overseas units are also produced and exported to the units from India. Support is extended to overseas units through export of marketing materials and machinery parts. Export queries received in India from countries where your Company has operations is routed through respective overseas units.

For and on behalf of the Board



Ashwin Choksi
Chairman

Mumbai
14th May, 2014

Independent Auditors' Report

To the Members of Asian Paints Limited Report on the Financial Statements

We have audited the accompanying financial statements of Asian Paints Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as at 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Shah & Co.**
Chartered Accountants
Firm Registration No: 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
14th May, 2014

Annexure to the Independent Auditors' Report – 31st March, 2014

(Referred to in our report of even date)

- | | |
|--|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.</p> <p>(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification.</p> <p>(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.</p> | <p>major weakness in the internal control system during the course of the audit.</p> |
| <p>(ii) (a) The inventory, except good-in-transit and stocks lying with the third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with the third parties at the year end, written confirmations have been obtained.</p> <p>(b) The procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material.</p> | <p>(v) (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p> |
| <p>(iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act.</p> | <p>(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.</p> |
| <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any</p> | <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.</p> <p>(viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.</p> <p>(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State</p> |

Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues were in arrears as at 31st March, 2014 for a period of more

than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of dues	Financial Year	Amount (₹ In Crores)	Forum where dispute is pending
Sales Tax	Assessment Dues	F.Y. 1994-95 to 1999-00, F.Y. 2001-02 to F.Y. 2012-13	24.40	First Appellate level
		F.Y. 2008-09	0.40	Second Appellate level
		F.Y. 1991-92, F.Y. 1993-94 , F.Y.1996-97 to F.Y. 2011-12	8.05	Tribunal
		F.Y. 1993-94, F.Y. 1997-98, F.Y. 2000-01 to F.Y. 2005-06 to 2007-08	0.58	High court
		F.Y. 1992-93, 1993-94, F.Y. 2001-02 to F.Y. 2006-07	1.03	Supreme Court
	TOTAL (A)		34.46	
Central Excise Act 1944	Dispute relating to Excise duty	F.Y. 2004-05	0.64	Adjudicating Authority
		F.Y. 1986-87, F.Y. 1992-93 to F.Y. 1997-98, F.Y. 2000-01, F.Y. 2004-05 to F.Y.2007-08 and F.Y. 2012-13	0.76	First Appellate
		F.Y. 1992-94, F.Y. 2000-01 to 2003-04, F.Y. 2005-06 to F.Y. 2012-13	1.35	Second Appellate level
		F.Y. 1969-73, F.Y. 1998-99 to 1999-00 F.Y. 2005-06 to F.Y. 2012-13	3.93	High Court
	TOTAL (B)		6.68	
Income Tax	IT matters under dispute	A.Y. 2010-11	10.66	First Appellate
		A.Y. 2007-08	1.13	Tribunal
	TOTAL (C)		11.79	
	GRAND TOTAL (A)+(B)+(C)		52.93	

- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial

institution and bankers. The Company did not have any outstanding debentures during the year.

- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, and according to the information and explanations given to us, the Company is not a chit fund nidhi, mutual benefit fund or society.

- | | |
|--|---|
| <p>(xiv) In our opinion, and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.</p> <p>(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.</p> <p>(xvi) The Company did not have any term loans outstanding during the year.</p> <p>(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.</p> | <p>(xviii) The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act during the year.</p> <p>(xix) The Company did not have any outstanding debentures during the year.</p> <p>(xx) The Company has not raised any money by public issues during the year.</p> <p>(xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.</p> |
|--|---|

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
Chartered Accountants
Firm Registration No: 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
14th May, 2014

Balance Sheet as at 31st March, 2014

	Notes	As at 31.03.2014	(₹ in Crores) As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	95.92	95.92
Reserves and Surplus	3	3,505.01	2,926.34
		3,600.93	3,022.26
NON CURRENT LIABILITIES			
Long Term Borrowings	4	39.51	46.26
Deferred Tax Liability (Net)	5	177.07	143.33
Other Long Term Liabilities	6	0.12	0.50
Long Term Provisions	7	80.24	76.58
		296.94	266.67
CURRENT LIABILITIES			
Trade Payables	8	1,498.84	1,214.12
Other Current Liabilities	9	747.52	719.38
Short Term Provisions	7	537.48	423.74
		2,783.84	2,357.24
TOTAL		6,681.71	5,646.17
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10 A	1,973.21	2,074.91
Intangible Assets	10 B	38.99	26.98
Capital work-in-progress		37.95	52.55
		2,050.15	2,154.44
Non-current Investments	11	548.19	359.70
Long Term Loans and Advances	12	94.64	91.06
Other Non Current Assets	17	6.32	0.03
CURRENT ASSETS			
Current Investments	13	482.00	105.00
Inventories	14	1,665.05	1,480.79
Trade Receivables	15	712.36	633.88
Cash and Bank balances	16	745.36	551.57
Short Term Loans and Advances	12	201.54	162.72
Other Current Assets	17	176.10	106.98
		3,982.41	3,040.94
TOTAL		6,681.71	5,646.17
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date

For **B S R & Associates LLP**
Chartered Accountants
F.R.N. 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
Chartered Accountants
F.R.N. 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
14th May, 2014

For and on behalf of the Board

Ashwin Choksi
Chairman

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Mumbai
14th May, 2014

K.B.S. Anand
Managing Director
& CEO

Dipankar Basu
Chairman of
Audit Committee

Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	Year 2013-14	Year 2012-13
(₹ in Crores)			
INCOME			
Revenue from sale of goods and services (Net of discounts)	18A	11,542.02	9,978.88
Less: Excise duty		1241.80	1,068.91
Revenue from sale of goods and services (Net of discounts and excise duty)		10,300.22	8,909.97
Other Operating Revenue	18B	118.56	50.10
Other Income	19	173.66	126.12
TOTAL REVENUE (I)		10,592.44	9,086.19
EXPENSES			
Cost of Materials Consumed	20A	5,758.71	5,125.48
Purchases of Stock-in-Trade	20B	256.58	174.11
Changes in inventories of finished goods, work in progress and stock-in-trade	20C	(75.34)	(136.17)
Employee Benefits Expense	21	482.43	404.59
Other Expenses	22	2,219.13	1,844.76
TOTAL (II)		8,641.51	7,412.77
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) -(II)		1,950.93	1,673.42
Depreciation and Amortisation Expense	10	212.32	126.98
Finance Costs	23	26.08	30.56
PROFIT BEFORE EXCEPTIONAL ITEM & TAX		1,712.53	1,515.88
Exceptional Item	51	9.96	-
PROFIT BEFORE TAX		1,702.57	1,515.88
Less : Tax Expenses			
Current Tax		498.63	406.03
Deferred Tax	5	33.74	62.59
Short/(Excess) tax provision for earlier years		1.14	(2.74)
Total Tax Expenses		533.51	465.88
PROFIT AFTER TAX		1,169.06	1,050.00
Earnings per share (₹) Basic and diluted	46	12.19	10.95
(Face value of ₹ 1 each)			
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date

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Cash Flow Statement for the year ended 31st March, 2014

(₹ in Crores)

	2013-14		2012-13	
(A) Cash Flow From Operating Activities				
Profit before prior period item, tax and after exceptional item	1,702.57		1,515.88	
Adjustments for :				
Depreciation, Amortisation & Exceptional Item	222.28		126.98	
Interest income	(5.05)		(4.99)	
Dividend income	(90.55)		(32.92)	
Finance costs	26.08		30.56	
Provision for doubtful debts and advances	(0.54)		0.98	
Bad debts written off	1.08		0.71	
Net unrealised foreign exchange (gain)/ loss	(2.86)		(7.23)	
Loss/(Profit) on Sale of long term investments	(9.59)		(26.20)	
Loss/(Profit) on Sale of short term investments	(1.18)		(1.02)	
Loss/(Profit) on Sale of fixed assets	(3.98)		(3.61)	
Other Non Cash Items	(1.80)		-	
Operating Profit before working capital changes	1,836.46		1,599.14	
Adjustments for :				
Trade Receivables	(79.27)		(135.34)	
Other Receivables	(114.48)		(53.38)	
Inventories	(184.26)		(216.37)	
Trade and other payables	354.46		290.39	
Cash generated from Operations	1,812.91		1,484.44	
Income Tax paid (net of refund)	(444.07)		(403.32)	
Net Cash generated from operating activities		1,368.84		1,081.12
(B) Cash Flow from Investing Activities				
Purchase of Fixed Assets	(161.21)		(585.49)	
Sale of Fixed Assets	4.80		4.83	
Loans to subsidiaries	(0.14)		(1.41)	
Repayment of loan - subsidiaries	-		1.34	
Purchase of long term Investments - others	(864.61)		(200.38)	
Purchase of long term Investments - Subsidiaries	(119.48)		-	
Purchase of long term Investments - Joint Ventures	(32.00)		(0.09)	
Sale of long term Investments	460.19		304.20	
Net profit on sale of short term investments	1.18		1.02	
Interest received	5.34		3.19	
Dividend received from subsidiaries	27.78		1.22	
Dividend received from others	62.77		31.70	
Net Cash used in investing activities		(615.38)		(439.87)

	2013-14		2012-13	
			(₹ in Crores)	
(C) Cash Flow from Financing Activities				
Proceeds from long term borrowings	1.42		1.98	
Proceeds from short term borrowings	-		8.27	
Repayment of long term borrowings	(7.86)		(5.59)	
Repayment of short term borrowings	-		(118.78)	
Finance Costs Paid	(24.98)		(31.44)	
Dividend and Dividend tax paid	(528.25)		(445.09)	
Net Cash used in financing activities		(559.67)		(590.65)
(D) Net Increase/(Decrease) In Cash and cash equivalents		193.79		50.60
Cash and cash equivalents as at 1st April		551.57		500.97
Cash and cash equivalents as at 31st March		745.36		551.57

Notes:

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

	As at	
	(₹ in Crores)	
	31.03.2014	As at 31.03.2013
(b) Cash and Cash Equivalent comprises of : (Refer Note 16)		
Cash on hand	0.10	0.11
Balances with Bank:		
- Current Accounts	49.10	4.23
- Cash Credit Account	0.07	32.19
- Cheques on hand	14.42	32.70
- Deposit with bank with maturity less than 3 months	34.66	68.90
Investment in liquid mutual funds	640.96	407.81
Unpaid dividend and Fractional Bonus share account *	6.05	5.63
	745.36	551.57

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

- (c) Previous year's figures have been regrouped, wherever necessary.

As per our report of even date

For **B S R & Associates LLP**
Chartered Accountants
F.R.N. 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
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Ashish Shah
Partner
Membership No: 103750

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Managing Director
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Dipankar Basu
Chairman of
Audit Committee

Notes to Financial Statements

NOTE1 : SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of preparation of financial statements

(a) Basis of Accounting:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended) and with the relevant provisions of the Companies Act, 1956/ relevant enacted provisions of the Companies Act, 2013 to the extent applicable.

(b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

(c) Current/Non Current Classification

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

- i. it is expected to be realized or settled or is intended for sale or consumption in the Company's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
 - it is held primarily for the purpose of being traded; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- iv. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

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

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.2. Tangible and Intangible Assets

(a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant tangible asset heads. Profit or Loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

(c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

(d) Depreciation and Amortisation:

Depreciation on all fixed assets is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed

Notes to Financial Statements

asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on following assets have been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

Information Technology Assets	4 years
Scientific Research equipment	8 years
Furniture and Fixtures	8 years
Office Equipment and Vehicles	5 years
Godowns, Office & Roads situated within factory premises	30 years

For Phthalic Anhydride and Pentaerythritol plants, depreciation is provided on all eligible plant and machinery at rates applicable for continuous process plants.

Depreciation on tinting systems except computers leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation. Depreciation on computers given on lease is provided under straight line method and at rates specified under Schedule XIV to the Companies Act, 1956.

Assets costing less than ₹ 5,000 are fully charged to the statement of profit and loss in the year of acquisition. Leasehold land and leasehold improvements are amortised over the primary period of lease.

Purchase cost, user license fees and consultancy fees for major software are amortised over a period of four years. Acquired Trade mark is amortised over a period of five years.

(e) Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's assets. If any such indication exists, the asset's

recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

1.3. Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Revenue from service is recognized as per the completed service contract method.

Processing income is recognized on accrual basis as per the contractual arrangements.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

Notes to Financial Statements

1.4. Lease Accounting

Assets taken on operating lease:

Lease rentals on assets taken on operating lease are recognised as expense in the Statement of Profit and Loss on straight line basis.

Assets given on operating lease:

The Company has provided tinting systems to dealers on an operating lease basis. Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

1.5. Inventory

- (a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.
- (b) In determining cost of raw materials, packing materials, stock-in trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

1.6. Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within twelve months from Balance

Sheet date is also presented under "Current Assets" under "Current portion of long term investments" in consonance with the current / non-current classification of revised Schedule VI to the Companies Act, 1956.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

1.7. Transactions in Foreign Currency

(a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

(b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

(c) Forward exchange contracts:

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

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts

Notes to Financial Statements

are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.8. Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Discounts due, yet to be quantified at the customer level are included under Other Current Liabilities.

1.9. Employee Benefits

A. Short Term Employee Benefits:

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

B. Post-employment benefits:

(a) Defined contribution plans

Defined contribution plans are employee state insurance scheme and Government administered Pension Fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

(b) Defined benefit plans

(i) Provident fund scheme

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

any, between the return on investments of the trust and the notified interest rate.

(ii) Gratuity scheme

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

(iii) Pension scheme

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

(iv) Post Retirement Medical benefit plan

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

The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognized immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested.

The defined benefit obligations recognized in the Balance sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

The Company presents the above liabilities as current and non-current in the balance sheet as per actuarial valuation by the independent actuary; however, the entire liability towards gratuity is considered as current as the Company will contribute this amount to the gratuity fund within the next 12 months.

Notes to Financial Statements

(c) Other long term employee benefits

Entitlements to annual leave and sick leave are recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

The Company presents this liability as current and non-current in the balance sheet as per actuarial valuation by the independent actuary.

1.10. Research and Development

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred.

Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

1.11. Provision for Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

1.12. Provisions and Contingencies

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible

obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.13. Earnings Per Share

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.14. Proposed Dividend

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.15. Borrowing Cost

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

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

1.16. Cash and Cash Equivalents

Cash and cash equivalents include cash & cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

1.17. Government Grants and Subsidies

The Company is entitled to subsidy from government authorities in respect of manufacturing units located in specified regions:

- Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

Notes to Financial Statements

1.18.Measurement of EBITDA

The Company has elected to present earnings before interest (finance cost), tax, depreciation and amortization (EBITDA)

as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/(loss) from continuing operations.

		(₹ in Crores)	
NOTE 2 : SHARE CAPITAL		As at 31.03.2014	As at 31.03.2013
Authorised #			
99,50,00,000 Equity Shares of ₹ 1 each (Previous year 9,95,00,000 Equity Shares of ₹ 10 each)		99.50	99.50
50,000 (Previous year 50,000) 11% Redeemable Cumulative Preference shares of ₹ 100 each		0.50	0.50
		100.00	100.00
Issued, Subscribed and Paid up capital #			
95,91,97,790 Equity Shares of ₹ 1 each fully paid (Previous year 9,59,19,779 Equity Shares of ₹ 10 each)		95.92	95.92
		95.92	95.92

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

Equity Shares	31.03.2014		31.03.2013	
	No. of Shares #	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	9,59,19,779	95.92
Add: Issued during the year	-	-	-	-
At the end of the year	95,91,97,790	95.92	9,59,19,779	95.92

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

Name of Shareholders	31.03.2014		31.03.2013	
	No of Equity Shares #	Percentage holding	No of Equity Shares	Percentage holding
Equity Shares of ₹ 1 each (Previous year Equity Shares of ₹ 10 each)				
1. Smiti Holding And Trading Company Private Limited	5,40,84,120	5.64	54,03,062	5.63
2. Isis Holding And Trading Company Private Limited	5,28,84,120	5.51	52,83,062	5.51
3. Geetanjali Trading And Investments Private Limited	4,92,67,440	5.14	49,26,744	5.14
4. Life Insurance Corporation of India	6,15,30,363	6.41	47,48,863	4.95

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

Pursuant to the approval of the members at the 67th Annual General Meeting of the Company held on 24th June, 2013 to the sub-division of the Equity Shares of the Company, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 10 (ten) Equity Share of ₹ 1 each. The effective date for the said sub-division was 1st August, 2013.

Notes to Financial Statements

c) Terms/rights attached to equity shares

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

The Board of Directors at its meeting held on 21st October, 2013 declared an interim dividend of ₹ 1.10 (Rupee one and paise ten only) per equity share of ₹ 1 each. A final dividend of ₹ 4.20 (Rupees four and paise twenty only) per equity share has been recommended by the Board of Directors at its meeting held on 14th May, 2014, subject to the approval

by the shareholders at the ensuing Annual General Meeting. If approved, the total dividend (interim and final dividend) for the financial year 2013-14 will be ₹ 5.30 per equity share of ₹ 1 each (₹ 46 per equity share of face value ₹ 10 each was paid as dividend for the previous year). The total dividend appropriation for the year ended 31st March, 2014 amounted to ₹ 590.39 crores including corporate dividend tax of ₹ 82.02 crores. (Previous year ₹ 515.52 crores including corporate dividend tax of ₹ 74.29 crores).

As per the Companies act 1956, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in Crores)		
NOTE 3 : RESERVES AND SURPLUS	As at 31.03.2014	As at 31.03.2013
(a) Capital Reserve [₹ 5,000 (Previous year ₹ 5,000)]	*	*
(b) Capital Redemption Reserve	0.50	0.50
(c) General Reserve		
As per last Balance Sheet	1,925.84	1,691.36
Add : Transfer from surplus in Statement of Profit and Loss	578.67	234.48
	2,504.51	1,925.84
(d) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	1,000.00	700.00
Add : Net profit after tax transferred from Statement of Profit and Loss for the year	1,169.06	1,050.00
Amount available for appropriation	2,169.06	1,750.00
Less: Appropriations		
Dividend on Equity shares:		
- Interim dividend [Amount per share ₹ 1.10 per equity share of ₹1 each (Previous year ₹ 9.50 per equity share of ₹ 10 each)]	105.51	91.13
- Proposed Final Dividend [Amount per share ₹ 4.20 per equity share of ₹ 1 each (Previous year ₹ 36.50 per equity share of ₹ 10 each)]	402.86	350.10
Income Tax on Dividend (includes income tax on proposed dividend)	82.02	74.29
Transfer to General Reserve	578.67	234.48
Closing balance	1,000.00	1,000.00
	3,505.01	2,926.34

Notes to Financial Statements

(₹ in Crores)

NOTE 4 : LONG TERM BORROWINGS	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Deferred payment liabilities @				
Secured				
Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh) #	3.24	7.30	4.06	5.07
Sales tax deferment scheme - State of Haryana ##	3.41	1.98	-	-
Unsecured				
Sales tax deferment scheme - State of Andhra Pradesh ###	32.86	36.98	4.12	2.77
Amount included under the head "other current liabilities" (Refer Note 9)	39.51	46.26	8.18	7.84
	-	-	(8.18)	(7.84)
	39.51	46.26	-	-

Notes:

Interest free Term loan from the Pradeshia Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of U.P. is secured by a first charge on the Company's immovable properties pertaining to the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan has a deferment period of 10 years and is repayable in 9 yearly installments starting from May, 2007 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 30.60 crores the Company has already repaid ₹ 23.3 crores till 31st March, 2014 and balance amount of ₹ 7.30 crores is repayable in next 2 years upto May, 2015.

The Company is also eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. For the period ended 31st March, 2011 the Company has already received the interest free loan of ₹ 3.41 crores. This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2012 and 31st March, 2013, the Company has made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31st March, 2014 the Company is in the process of making the necessary application.

Sales tax deferment - State of Andhra Pradesh represents interest free loan availed under the Sales tax deferment Scheme of the Government of Andhra Pradesh. This interest free loan has a deferment period of 14 years and is repayable in 9 years starting from April' 2012 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 40.70 crores the Company has already repaid ₹ 3.72 crores till 31st March, 2014 and balance amount of ₹ 36.98 crores is repayable in next 6 years upto February, 2020.

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

NOTE 5 : DEFERRED TAX LIABILITY (NET)

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

Notes to Financial Statements

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2014 are as follows:

	(₹ in Crores)	
	As at 31.03.2014	As at 31.03.2013
Deferred tax liabilities		
Difference between Written Down Value/Capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	(198.33)	(162.17)
Expense claimed for tax purpose on payment basis	(9.58)	(10.81)
Total deferred tax liabilities	(207.91)	(172.98)
Deferred tax assets		
Provision for expense allowed for tax purpose on payment basis	28.43	26.38
Provision for doubtful debts and advances	0.73	1.45
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income tax over five years)	0.27	0.41
Capital losses carried forward under Income Tax Act, 1961	1.41	1.41
Total deferred tax assets	30.84	29.65
Net deferred tax (liability)	(177.07)	(143.33)
NET DEFERRED TAX (EXPENSE) FOR THE YEAR	(33.74)	(62.59)

	(₹ in Crores)			
NOTE 6 : OTHER LONG TERM LIABILITIES	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Retention monies relating to capital expenditure	-	0.30	25.52	52.72
Trade deposits - interest free	0.12	0.20	0.09	0.03
	0.12	0.50	25.61	52.75
Amount included under the head "Other current liabilities" (Refer Note 9)	-	-	(25.61)	(52.75)
	0.12	0.50	-	-

	(₹ in Crores)			
NOTE 7 : PROVISIONS	Long-term		Short-term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provision for Employee Benefits (Refer Note 44)				
Provision for Compensated absences	63.80	60.93	7.28	7.12
Provision for Gratuity	-	-	-	6.10
Provision for Pension	2.14	2.45	0.43	0.44
Provision for Post retirement medical and other benefits	1.18	1.23	0.12	0.11
Provision for Excise (Refer Note 40)	1.27	1.25	-	-
Provision for Central Sales Tax / VAT (Refer Note 40)	11.85	10.72	-	-
Proposed Dividend	-	-	402.86	350.10
Provision for Income tax on Proposed Dividend	-	-	68.47	59.50
Provision for Income Tax (Net)	-	-	58.32	0.37
	80.24	76.58	537.48	423.74

Notes to Financial Statements

	(₹ in Crores)	
NOTE 8 : TRADE PAYABLES	As at 31.03.2014	As at 31.03.2013
Trade Payables (including Acceptances): (Refer Note 37 for details of dues to Micro, Small and Medium Enterprises)	1,498.84	1,214.12
	1,498.84	1,214.12

	(₹ in Crores)	
NOTE 9 : OTHER CURRENT LIABILITIES	As at 31.03.2014	As at 31.03.2013
(a) Current maturities of Long term borrowings (Refer Note 4)	8.18	7.84
(b) Current portion of Other long-term liabilities (Refer Note 6)	25.61	52.75
(c) Investor Education and Protection Fund #		
(i) Unpaid/ Unclaimed dividend	6.01	5.59
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years.	0.04	0.04
	6.05	5.63
(d) Other Payables		
Statutory Payables -		
Payable towards Central Sales Tax and VAT	117.07	96.78
Payable towards Excise and Service tax	26.60	18.64
Payable towards TDS under Income tax	9.51	10.30
Payable towards Provident Fund, Profession Tax and ESIC	3.50	3.09
Payable towards capital expenditure	19.53	36.28
Payable towards Services received	170.90	130.75
Payable towards Stores spares and consumables	16.71	8.98
Payable to Employees	86.00	66.79
[including ₹ 2.15 crores due to Managing Director (Previous year ₹ 1.65 crores)]		
Payable to Bank towards unamortised premium on forward exchange contracts	0.12	0.20
Provision for discounts,sales promotional and other expenses	257.74	281.35
[including ₹ 2.43 crores due to Non-Executive Directors (Previous year ₹ 2.57 crores)]		
	707.68	653.16
	747.52	719.38

There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2014.
These amounts shall be paid to the Fund as and when they become due.

Notes to Financial Statements

NOTE : 10 FIXED ASSETS

	(₹ in Crores)									
	Gross Block			Depreciation/ Amortisation			Impairment			Net Block
	As at 01.04.13	Additions during the year	Deductions/ Adjustments	As at 01.04.13	Additions during the year	Deductions/ Adjustments	As at 01.04.13	Additions during the year	Deductions/ Adjustments	As at 31.03.14
A. Tangible Assets :										
Land :										
Freehold	92.22	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	92.23
Leasehold	103.73	1.80	0.00	5.11	1.18	0.00	0.00	0.00	0.00	99.24
Buildings	698.57	10.47	0.34	91.54	22.37	0.13	0.00	4.63	0.01	590.30
Plant and Equipment	1,646.58	64.51	7.14	486.41	143.45	6.24	4.08	5.31	0.43	1,071.37
Scientific Research :										
Buildings	38.10	0.60	0.00	5.91	1.29	0.00	0.00	0.00	0.00	31.50
Equipment	43.68	4.65	0.00	22.72	4.71	0.00	0.18	0.00	0.00	20.72
Furniture and Fixtures	34.04	5.84	1.36	19.37	3.75	1.21	0.73	0.05	0.11	15.94
Vehicles	1.92	0.47	0.22	1.02	0.32	0.22	0.00	0.00	0.00	1.05
Office Equipment	20.22	7.70	0.53	9.02	3.95	0.48	0.19	0.46	0.03	14.28
Leasehold improvements	10.05	0.41	0.00	6.44	1.47	0.00	0.00	0.00	0.00	2.55
Information Technology Hardware	83.30	10.41	3.90	43.19	14.74	3.39	1.65	0.02	0.41	34.01
Assets Given on Operating Lease:										
Tinting systems	4.34	0.00	1.02	3.21	0.04	0.75	1.07	0.00	0.27	0.02
Total Tangible Assets (A)	2,776.75	106.87	14.51	693.94	197.27	12.42	7.90	10.47	1.26	1,973.21
B. Intangible Assets :										
Trademark	11.92	0.00	0.00	11.92	0.00	0.00	0.00	0.00	0.00	0.00
Computer Software	73.46	26.55	0.13	46.62	14.26	0.13	0.00	0.24	0.00	38.89
Scientific Research :										
Computer Software	0.18	0.00	0.00	0.04	0.04	0.00	0.00	0.00	0.00	0.10
Total Intangible Assets (B)	85.56	26.55	0.13	58.58	14.30	0.13	0.00	0.24	0.00	38.99
TOTAL (A + B)	2,862.31	133.42	14.64	752.52	211.57	12.55	7.90	10.71	1.26	2,012.20

Refer Note 51

Notes to Financial Statements

NOTE : 10 FIXED ASSETS (Contd.)

	Gross Block			Depreciation/ Amortisation			Impairment			(₹ in Crores)
	As at 01.04.12	Additions during the year	Deductions/ Adjustments	As at 01.04.12	Additions during the year	Deductions/ Adjustments	As at 01.04.12	Additions during the year	Deductions/ Adjustments	
A. Tangible Assets :										
Land :										
Freehold	92.18	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	92.22
Leasehold	95.08	8.65	0.00	4.01	1.10	0.00	0.00	0.00	0.00	98.62
Buildings	389.11	310.47	1.01	78.17	13.65	0.28	0.00	0.00	0.00	607.03
Plant and Equipment	823.64	826.84	3.90	412.15	77.61	3.35	4.12	0.19	0.23	1,156.09
Scientific Research :										
Buildings	37.59	0.51	0.00	4.64	1.27	0.00	0.00	0.00	0.00	32.19
Equipment	35.77	7.91	0.00	18.63	4.09	0.00	0.18	0.00	0.00	20.78
Furniture and Fixtures	30.65	5.89	2.50	18.25	3.38	2.26	0.89	0.00	0.16	13.94
Vehicles	2.37	0.20	0.65	1.43	0.24	0.65	0.00	0.00	0.00	0.90
Office Equipment	12.85	8.17	0.80	7.58	2.21	0.77	0.19	0.01	0.01	11.01
Leasehold Improvements	8.65	1.40	0.00	4.59	1.85	0.00	0.00	0.00	0.00	3.61
Information Technology Hardware	54.97	33.88	5.55	37.28	9.98	4.07	3.08	0.02	1.45	38.46
Assets Given on Operating Lease:										
Tinting systems	8.13	0.00	3.79	6.12	0.05	2.96	1.89	0.00	0.82	0.06
Total Tangible Assets (A)	1,590.99	1,203.96	18.20	592.85	115.43	14.34	10.35	0.22	2.67	2,074.91
B. Intangible Assets :										
Trademark	11.92	0.00	0.00	11.92	0.00	0.00	0.00	0.00	0.00	0.00
Computer Software	56.50	16.98	0.02	35.35	11.29	0.02	0.00	0.00	0.00	26.84
Scientific Research :										
Computer Software	0.10	0.08	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.14
Total Intangible Assets (B)	68.52	17.06	0.02	47.27	11.33	0.02	0.00	0.00	0.00	26.98
TOTAL (A + B)	1,659.51	1,221.02	18.22	640.12	126.76	14.36	10.35	0.22	2.67	2,101.89

Notes to Financial Statements

				(₹ in Crores)
NOTE 11 : NON-CURRENT INVESTMENTS	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
I. Unquoted				
A. Trade Investments:				
Investment in Equity shares				
(a) Patancheru Enviro-tech Limited	12,900	10	0.01	0.01
(b) SIPCOT Common Utilities Limited	2,830	100	0.03	0.03
(c) Narmada Clean Tech Limited. (5,725 shares allotted during the year for cash)	497,833 (4,92,108)	10	0.50	0.49
			0.54	0.53
B. Other Investments:				
(a) Investment in Equity shares				
(i) Subsidiary Companies				
(a) Asian Paints Industrial Coatings Limited	3,04,50,000	10	30.45	30.45
(b) Asian Paints (International) Limited, Mauritius. Less: Provision For Diminution	2,39,45,444	US \$ 1	113.07 (14.04)	113.07 (14.04)
			99.03	99.03
(c) Asian Paints (Nepal) Pvt. Limited, Nepal.	16,27,155	NPR 10	0.12	0.12
(d) Maxbhumi Developers Limited	50,000	10	0.05	0.05
(e) Multifacet Infrastructure (India) Limited	50,000	10	0.05	0.05
(f) Sleek International Private Limited-[Refer Note 47] (62,312 shares allotted during the year for cash) (Formerly Silverline Wire Products Private Limited)	62,312	10	119.48	-
(ii) Joint Ventures				
(a) PPG Asian Paints Private Limited (14,54,546 shares allotted during the year for cash) (Formerly Asian PPG Industries Limited)	2,85,18,112 (2,70,63,566)	10	81.43	65.43
(b) Asian Paints PPG Private Limited (6,08,366 shares allotted during the year for cash) (Formerly Asian Paints PPG Limited)	52,43,961 (46,35,595)	10	30.47	14.47
			111.90	79.90
(iii) Other Investments				
SKH Metals Limited	62,500	10	0.50	0.50
			362.12	210.63
(b) Investment in Government Securities				
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited With Government Authorities [₹ 39,500 (Previous year ₹ 39,500)]			*	*
(c) Investment in Mutual Funds				
(i) IDFC Fixed Term Plan Series 9 Direct Plan-Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
(ii) KOTAK Fixed Maturity Plan Series 101 Direct - Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
Total Non-Current Unquoted Investments (I)			362.12	220.63

Notes to Financial Statements

(₹ in Crores)				
NOTE 11 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
II. Quoted				
A. Other Investments:				
(i) Investment in Equity Shares				
Akzo Nobel India Limited	20,10,626	10	41.30	41.30
Housing Development Finance Corporation Limited	4,65,000	2	0.12	0.12
Apcotex Industries Limited	3,418	10	0.01	0.01
(ii) Investment in Mutual Funds				
ICICI Prudential Fixed Maturity Plan Series 66-407 Days Plan C Direct Plan (2,00,00,000 units Matured during the year)	(2,00,00,000)	10	-	20.00
RELIANCE Fixed Horizon Fund - XXIII-Series 2- Direct Growth Plan -8JAG (1,00,00,000 units Matured during the year)	(1,00,00,000)	10	-	10.00
IDFC Fixed Term Plan Direct Plan - Series 10 - Growth (1,00,00,000 units Matured during the year)	(1,00,00,000)	10	-	10.00
JP Morgan Fixed Maturity Plan Series 13 Growth (1,00,00,000 units Matured during the year)	(1,00,00,000)	10	-	10.00
JP Morgan India Fixed Maturity Plan Series 15 Direct - Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan - Series 93 12M Direct Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan - Series 28 - Direct Plan Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
SUNDARAM Fixed Term Plan DI 375 Days Direct Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan Series 53 Direct Plan- Growth	1,40,00,000	10	14.00	-
BIRLA Sun Life Fixed Term Plan Series KE 412 Days	1,00,00,000	10	10.00	-
HDFC Fixed Maturity Plan 453 Days Series 29 Direct Growth	1,00,00,000	10	10.00	-
IDFC Fixed Term Plan Series 66 Direct Plan Growth	1,00,00,000	10	10.00	-
KOTAK Fixed Maturity Plan Series 133 Direct Growth	1,00,00,000	10	10.00	-
LIC Nomura MF Fixed Maturity Plan Series 77 - 396 Days	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund XXV Series 17 Direct Plan	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund XXV Series16 Direct Plan	1,00,00,000	10	10.00	-
SUNDARAM Fixed Term Plan EU 467 Days Direct Growth	1,00,00,000	10	10.00	-
AXIS Fixed Term Plan - Series 49 (437) Days Direct	80,00,000	10	8.00	-
DWS Fixed Maturity Plan Series 45 Dierct plan Growth	50,00,000	10	5.00	-
SBI Debt Fund Series A2 - 15 Months Direct Growth	50,00,000	10	5.00	-
RELIGARE Invesco Fixed Maturity Plan Series 22 (15 months) Direct Plan	50,00,000	10	5.00	-

Notes to Financial Statements

(₹ in Crores)				
NOTE 11 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
(iii) Investment in Debt Instruments				
7.93 % Rural Electrification Corporation (REC) Tax Free Bonds	1,22,476	1,000	12.25	12.25
8.20 % Power Finance Corporation (PFC) Tax Free Bond	1,00,000	1,000	10.07	10.07
11.50% L&T Finance Limited Perpetual 2021	50	10,00,000	5.32	5.32
Total Non-Current Quoted Investments (II)			186.07	139.07
TOTAL NON-CURRENT INVESTMENTS (I) + (II)			548.19	359.70
Aggregate market value of Non-Current Quoted Investments:			367.74	344.09

Figures in brackets indicate that of previous year.

(₹ in Crores)				
NOTE 12 : LOANS AND ADVANCES	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
A. Secured & Considered good:				
Capital Advances #	1.79	0.37	-	-
B. Unsecured & Considered good:				
(a) Capital Advances	3.38	4.87	-	-
(b) Sundry deposits	35.49	30.82	16.08	13.33
(c) Loans and advances to related parties				
i) Amount due from subsidiaries				
- Interest free loan- Maxbhum Developers Limited (Wholly owned subsidiary)	14.42	14.28	-	-
ii) Advance contribution to Providend Fund trust	-	-	-	4.00
iii) Advance contribution to Gratuity Fund	-	-	2.14	-
(d) Other loans and advances				
i) Advances/claims recoverable in cash or in kind	24.13	27.55	154.83	109.18
ii) Advance payment of Income Tax (Net)	15.43	13.17	-	-
iii) Balances with Government authorities				
- CENVAT credit receivable	-	-	20.41	28.80
- Service tax credit receivable	-	-	6.14	5.68
iv) Advances to employees	-	-	1.94	1.73
	94.64	91.06	201.54	162.72
C. Unsecured and Considered doubtful:				
Other loans and advances				
Advances/claims recoverable in cash or in kind	-	-	-	1.48
Less: Provision for doubtful advances/claims recoverable in cash or in kind	-	-	-	(1.48)
	-	-	-	-
	94.64	91.06	201.54	162.72

Secured against bank guarantee.

Notes to Financial Statements

(₹ in Crores)				
NOTE 13 : CURRENT INVESTMENTS (At lower of cost and fair value)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
Current Portion of Long Term Investment				
Unquoted				
Investments in Mutual Funds:				
UTI Fixed Term Income Fund Series XIV-I(366 Days) Growth Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
TATA Fixed Maturity Plan Series 42 Scheme A - Direct Plan Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
KOTAK Fixed Maturity Plan Series 96 Direct - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
Total Unquoted Current Investments (I)			-	15.00
Quoted				
Investments in Mutual Funds:				
IDFC Yearly Series Interval Fund Regular Plan-II Growth (50,00,000 units matured and re-invested during the year)	50,00,000	10	5.00	5.00
ICICI Prudential Fixed Maturity Plan Series 66-368 Days Plan B Regular Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA Sun Life Interval Income Fund Annual Plan 2-Growth- Regular Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SUNDARAM Fixed Term Plan DE 367 Days Direct Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
RELIANCE Yearly Interval Fund Series 3 Direct Plan Growth Plan - Y3AG (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
DSP Blackrock Fixed Maturity Plan - Series 84 - 12 Month - Regular Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
DSP Blackrock Fixed Maturity Plan - Series 86 - 12 Month - Direct Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan - Series 24 - Direct Plan - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
ICICI Prudential Fixed Maturity Plan Series 66 - 366Days Plan F Direct Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA Sun Life Interval income fund - annual plan 3 Growth Direct (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SBI Debt Fund Series - 366 Days 23 - Direct Plan Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00

Notes to Financial Statements

(₹ in Crores)

NOTE 13 : CURRENT INVESTMENTS (Contd.) (At lower of cost and fair value)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
UTI Fixed Term Income Fund Series XI-II(400days) Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
JP Morgan Fixed Maturity Plan Series 6 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
SBI Debt Fund Series 366 Days 49 Direct Plan Growth	3,10,00,000	10	31.00	-
RELIGARE Invesco Fixed Maturity Plan Sr XXI Plan (371 days)	2,10,00,000	10	21.00	-
BIRLA Sun Life Fixed Term Plan-Series JA(366 Days)	2,00,00,000	10	20.00	-
ICICI Prudential Fixed Maturity Plan Series 66-407 Days Plan C Direct Plan	2,00,00,000	10	20.00	-
LIC Nomura MF Fixed Maturity Plan Series 55 -375 Days	2,00,00,000	10	20.00	-
Reliance Fixed Horizon Fund XXIV Series 25 Direct Plan	2,00,00,000	10	20.00	-
TATA Fixed Maturity Plan Series 46 Scheme 0	2,00,00,000	10	20.00	-
UTI Fixed Term Income Fund Series XV -IV (368 Days)	2,00,00,000	10	20.00	-
UTI Fixed Term Income Fund Series XVII 369 days	2,00,00,000	10	20.00	-
Birla Sun Life Interval Income Fund-Annual Plan IX	1,50,00,000	10	15.00	-
TATA Fixed Maturity Plan Series 46 Scheme A Direct	1,40,00,000	10	14.00	-
IDFC Fixed Term Plan Series 49 Direct Plan-growth	1,10,00,000	10	11.00	-
SBI Debt Fund Series 366 Days 54 Direct Plan Growth	1,10,00,000	10	11.00	-
ICICI Prudential Fixed Maturity Plan Series 71-367 Days Plan G	1,00,00,000	10	10.00	-
ICICI Prudential Fixed Maturity Plan Series 73-366 Days Plan A	1,00,00,000	10	10.00	-
ICICI Prudential Fixed Maturity Plan Series 73-366 Days Plan B	1,00,00,000	10	10.00	-
IDFC Fixed Term Plan Direct Plan Series 10-Growth	1,00,00,000	10	10.00	-
JP Morgan Fixed Maturity Plan Series 13 Growth	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund - XXIII-Series 2 Direct Growth	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund XXV Series 4 Direct Plan Growth	1,00,00,000	10	10.00	-
SUNDARAM Fixed Term Plan FF 366 Days Direct Growth	1,00,00,000	10	10.00	-
TATA Fixed Maturity Plan Series 46 Scheme B	1,00,00,000	10	10.00	-
HDFC Fixed Maturity Plan 371 Days Series -29 Direct	80,00,000	10	8.00	-
ICICI Prudential Interval Fund series VII Annual I	80,00,000	10	8.00	-
DWS Fixed Maturity plan Series 43 Direct Plan Growth	70,00,000	10	7.00	-
RELIANCE Yearly Interval Fund Series 8 - Direct Plan Growth	70,00,000	10	7.00	-
SUNDARAM Fixed Term Plan FB 369 Days Direct Growth	60,00,000	10	6.00	-
TATA Fixed Maturity Plan Series 45 Scheme C- Growth	60,00,000	10	6.00	-
BIRLA Sun Life Fixed Term Plan - Series KK (367 Days)	50,00,000	10	5.00	-
BIRLA Sun Life Fixed Term Plan Series IV (368 days)	50,00,000	10	5.00	-
DSP Blackrock Fixed Maturity Plan - Series 93 12 Month Direct Growth	50,00,000	10	5.00	-

Notes to Financial Statements

(₹ in Crores)				
NOTE 13 : CURRENT INVESTMENTS (Contd.) (At lower of cost and fair value)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
DWS Fixed Maturity Plan Series 50 Direct Plan Growth	50,00,000	10	5.00	-
DWS Fixed Maturity Plan - Series 28 - Direct Plan Growth	50,00,000	10	5.00	-
ICICI Prudential Interval Fund Annual Plan IV	50,00,000	10	5.00	-
IDFC Fixed Term Plan Series 52 Direct Plan-Growth	50,00,000	10	5.00	-
IDFC Fixed term Plan Series 9 Direct Plan-Growth	50,00,000	10	5.00	-
JPMorgan India Fixed Maturity Plan Series 32 D Growth	50,00,000	10	5.00	-
JPMorgan India Fixed Maturity Plan Series 15 Direct	50,00,000	10	5.00	-
Kotak Fixed Maturity Plan Series 101 Direct - Growth	50,00,000	10	5.00	-
Kotak Fixed Maturity Plan Series 128 Direct Growth	50,00,000	10	5.00	-
Kotak Fixed Maturity Plan Series 143 Direct Growth	50,00,000	10	5.00	-
Kotak Fixed Maturity Plan Series 144 Direct Growth	50,00,000	10	5.00	-
LIC Nomura MF Interval Fund Direct Series 1 Annual	50,00,000	10	5.00	-
RELIANCE Fixed Horizon Fund XXV Series 8 Direct Plan Growth	50,00,000	10	5.00	-
RELIGARE Invesco Fixed Maturity Plan-Series 22-Plan A 368 Days - Direct	50,00,000	10	5.00	-
SBI Debt Fund Series 366 days 45 Direct Plan Growth	50,00,000	10	5.00	-
SUNDARAM Fixed Term Plan DI 375 Days Direct Growth	50,00,000	10	5.00	-
BIRLA Sun Life Fixed Term Plan Series JE (368 Days)	40,00,000	10	4.00	-
KOTAK Fixed Maturity Plan Series 129 Direct Growth	30,00,000	10	3.00	-
Total Quoted Current Investments (II)			482.00	90.00
TOTAL CURRENT INVESTMENTS (I+II)			482.00	105.00
Aggregate market value of quoted current investments			503.17	92.49

Figures in brackets indicate that of previous year.

(₹ in Crores)		
NOTE 14 : INVENTORIES (At lower of cost and net realisable value)	As at 31.03.2014	As at 31.03.2013
(a) Raw materials	509.14	478.81
Raw materials-in-transit	69.98	12.32
	579.12	491.13
(b) Packing materials	36.04	29.67
(c) Finished goods	892.31	844.60
Finished goods-in-transit	1.55	1.02
	893.86	845.62
(d) Work-in-progress	77.45	60.12
(e) Stores, spares and consumables	40.78	33.77
(f) Stock-in-trade (acquired for trading)	37.48	20.48
Stock-in-trade (acquired for trading) in-transit	0.32	-
	37.80	20.48
	1,665.05	1,480.79

Notes to Financial Statements

(₹ in Crores)		
NOTE 15 : TRADE RECEIVABLES	As at 31.03.2014	As at 31.03.2013
Unsecured		
(a) Overdue for more than six months		
Considered good	1.69	1.50
Considered doubtful	5.15	5.41
	6.84	6.91
(b) Others		
Considered good	710.67	632.38
Considered doubtful	0.04	0.32
	710.71	632.70
	717.55	639.61
Less : Provision for doubtful trade receivables	5.19	5.73
	712.36	633.88

(₹ in Crores)		
NOTE 16 : CASH AND BANK BALANCES	As at 31.03.2014	As at 31.03.2013
A. Cash and cash equivalents		
(a) Cash on hand	0.10	0.11
(b) Balances with Banks :		
(i) Current Accounts #	49.10	4.23
(ii) Cash Credit Account ##	0.07	32.19
(iii) Cheques on hand	14.42	32.70
(iv) Deposit with bank with maturity less than 3 months	34.66	68.90
	98.25	138.02
(c) Investment in liquid mutual funds @	640.96	407.81
B. Other Bank balances		
Unpaid dividend and Fractional Bonus share account*	6.05	5.63
	745.36	551.57

Overdraft in current account carries interest rate @ 12.50% to 12.75% p.a.

Secured by hypothecation of inventories and trade receivable and carries interest rate @ 9.95% to 10.40% p.a

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

(₹ in Crores)				
@ Investment in liquid mutual funds	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
Unquoted				
Investments in Mutual Funds:				
BIRLA Sun Life Floating Rate fund Long term Growth (43,22,288 units matured During the Year)	(43,22,288)	100	-	60.22
UTI-Floating Rate Fund-Stp- Reg Plan - Direct Plan Growth (2,66,670 units matured During the Year)	(2,66,670)	1,000	-	50.32
			-	110.54

Notes to Financial Statements

(₹ in Crores)

@ Investment in liquid mutual funds (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
Quoted				
TEMPLETON India Ultra Short Bond Super Institutional Plan - Growth (72,44,794 units matured During the Year)	(72,44,794)	10	-	11.07
DSP Blackrock Money Manager Fund Regular Growth (56,730 Units matured during the year)	(56,730)	1,000	-	9.01
ICICI Prudential Flexible Income - Regular Plan- growth (29,74,540 Units matured during the year)	(29,74,540)	100	-	65.12
IDFC Ultra Short Term Fund-Growth-(Regular plan) (61,89,937 Units matured during the year)	(61,89,937)	10	-	10.08
IDFC Ultra Short Term Fund-Growth-(Direct plan) (3,44,64,261 Units matured during the year)	(3,44,64,261)	10	-	56.13
SBI Ultra Short Term Debt Fund - Regular Plan - Growth (3,19,073 Units matured during the year)	(3,19,073)	1,000	-	48.03
AXIS Treasury Advantage Fund Direct Plan Growth (3,42,952 Units matured during the year)	(3,42,952)	1,000	-	44.70
BIRLA Sun Life Saving Fund - Growth-Regular plan (13,43,689 Units matured during the year)	(13,43,689)	100	-	30.04
KOTAK Flexi Debt Plan A - Growth (1,59,36,512 Units matured during the year)	(1,59,36,512)	10	-	23.09
AXIS Liquid Fund - Growth	6,13,134	1,000	87.02	-
TEMPLETON India Ultra Short Bond Super Institutional Plan - Growth	4,12,51,022	10	69.46	-
TEMPLETON India Treasury Management - Super Institutional Plan - Growth	3,37,453	1,000	64.44	-
KOTAK Floater - Short Term - Growth	2,49,162	1,000	52.32	-
TATA Liquid Fund - Plan A - Growth	2,00,887	1,000	47.50	-
UTI Money Market - Institutional Plan - Growth	2,88,071	1,000	41.31	-
BIRLA Sun Life Floating Rate Fund - Short term plan - Regular - Growth	22,32,429	100	38.04	-
RELIGARE Invesco Liquid Fund - Growth	1,89,402	1,000	33.36	-
DWS Ultra Short-Term Fund - Institutional Plan - Growth	2,03,19,088	10	31.06	-
JM High Liquidity - Growth	87,50,552	10	30.58	-
JPMorgan India Liquid Fund - Super Institutional Plan - Growth	1,82,41,879	10	30.28	-

Notes to Financial Statements

(₹ in Crores)

@ Investment in liquid mutual funds (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
HDFC Floating Rate Income Fund - Short Term Plan - WP - Growth	1,24,14,270	10	27.14	-
RELIANCE Liquid Fund - Treasury Plan - Growth	75,579	1,000	23.59	-
ICICI Prudential Liquid - Regular plan - Growth	11,65,133	100	22.09	-
ICICI Prudential Flexible Income - Regular Plan- growth	5,84,805	100	14.05	-
SUNDARAM Money Fund - Regular - Growth	39,20,048	10	10.59	-
JM Money Manager Fund - Super Plus Plan - Growth	55,21,407	10	10.02	-
SBI Premier Liquid Fund - Regular - Growth	40,297	1,000	8.11	-
			640.96	297.27
TOTAL			640.96	407.81

Figures in brackets indicate that of previous year.

(₹ in Crores)

NOTE 17 : OTHER ASSETS	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Interest accrued on investments and deposits	-	-	1.97	2.25
Quantity discount receivable	-	-	79.47	69.21
Royalty receivable	-	-	16.35	14.30
Due from Subsidiaries	-	-	5.97	4.76
Due from Joint Ventures	-	-	8.65	14.22
Duty Drawback receivable	-	-	0.51	0.89
Unamortised premium on forward exchange contracts	-	-	0.12	0.20
Other Receivables	-	-	5.11	0.87
Subsidy Receivable from State Government	6.32	0.03	57.95	0.28
TOTAL	6.32	0.03	176.10	106.98

(₹ in Crores)

18(A) REVENUE FROM SALE OF GOODS AND SERVICES	Year 2013-14	Year 2012-13
Sale of goods:		
Home Market (Net of Returns)	11,996.59	10,366.78
Exports	45.99	38.24
Turnover	12,042.58	10,405.02
Less: Discounts	506.44	433.96
Sale of goods (Net of Discounts)	11,536.14	9,971.06
Sale of services:		
Revenue from Home Solutions operations	4.35	7.34
Colour Consultancy Income	1.53	0.48
TOTAL	11,542.02	9,978.88

Notes to Financial Statements

(₹ in Crores)

18 (B) OTHER OPERATING REVENUES	Year 2013-14	Year 2012-13
Processing and service income	45.56	42.94
Scrap sales	7.03	6.79
Subsidy from State Government (Refer Note 45)	65.89	0.31
Lease Rent	0.08	0.06
TOTAL	118.56	50.10

(₹ in Crores)

NOTE 19 : OTHER INCOME	Year 2013-14	Year 2012-13
(a) Interest		
(i) From Non Current investments	1.93	1.49
(ii) From others (Refer Note 36)	3.12	3.50
	5.05	4.99
(b) Insurance claims received	0.57	0.08
(c) Dividend received		
(i) From Non Current investments		
- From subsidiary companies (Refer Note 38)	27.78	1.22
- Other investments	16.67	4.53
(ii) From Current investments	46.10	27.17
	90.55	32.92
(d) Royalty received		
- From Subsidiaries and Joint Ventures	31.04	27.04
- Others	0.19	0.15
	31.23	27.19
(e) Profit on sale of long term investments (Net) #	9.59	26.20
(f) Profit on sale of short term investments (Net)	1.18	1.02
(g) Profit on sale of fixed assets (Net)	3.98	3.61
(h) Other non-operating income	31.51	30.11
	173.66	126.12

As at 31st March, 2013, these Long term investments were classified under Current investments as their maturity period was less than 12 months.

Notes to Financial Statements

(₹ in Crores)		
NOTE 20 (A) COST OF MATERIALS CONSUMED	Year 2013-14	Year 2012-13
Raw Materials Consumed (Refer Note 26)		
Opening Stock	491.13	457.83
Add : Purchases	4,938.29	4,388.02
	5,429.42	4,845.85
Less: Closing Stock	579.12	491.13
	4,850.30	4,354.72
Packing Materials Consumed		
Opening Stock	29.67	28.75
Add : Purchases	914.78	771.67
	944.45	800.42
Less : Closing Stock	36.04	29.67
	908.41	770.76
Total Cost Of Materials Consumed	5,758.71	5,125.48
NOTE 20 (B) PURCHASES OF STOCK-IN-TRADE (Refer Note 27)	256.58	174.11
NOTE 20 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Stock at the beginning of the year		
Finished Goods	845.62	687.98
Work-in-Progress	60.12	51.30
Stock-in-trade	20.48	11.03
TOTAL	926.22	750.31
Stock at the end of the year		
Finished Goods	893.86	845.62
Work-in-Progress	77.45	60.12
Stock-in-trade	37.80	20.48
TOTAL	1,009.11	926.22
Changes in inventories	(82.89)	(175.91)
Increase/(Decrease) in Excise duty on finished goods	7.55	39.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(75.34)	(136.17)

(₹ in Crores)		
NOTE 21 : EMPLOYEE BENEFITS EXPENSE	Year 2013-14	Year 2012-13
Salaries and wages	418.37	349.42
Contribution to Provident and other Funds (Refer Note 44)	25.34	25.32
Staff welfare expenses	38.72	29.85
	482.43	404.59

Notes to Financial Statements

	(₹ in Crores)	
NOTE 22 : OTHER EXPENSES	Year 2013-14	Year 2012-13
Consumption of Stores, spares and consumables	29.37	35.96
Power and fuel	114.65	97.96
Processing charges	63.39	54.28
Repairs and Maintenance:		
Buildings	13.16	10.77
Machinery	17.56	11.09
Other assets	31.14	26.23
	61.86	48.09
Rent	119.34	97.88
Rates and taxes	24.94	19.77
Water Charges	4.24	3.69
Insurance	6.66	6.04
Printing, stationery and communication expenses	33.95	34.68
Travelling expenses	68.52	52.84
Donations	4.20	1.09
Corporate Social Responsibility expenses	3.70	0.99
Commission to Non Executive Directors	2.43	2.57
Directors' sitting fees	0.25	0.22
Payment to Auditors (Refer Note 25)	1.62	1.47
Electricity Expenses	6.71	6.00
Bank Charges	2.89	3.37
Net loss on foreign currency transactions and translations (Other than considered as finance cost)	7.20	4.42
Premuim on forward exchange contract amortized	2.94	3.01
Information Technology expenses	22.19	15.64
Legal and professional expenses	28.33	16.15
Training and recruitment	24.73	17.81
Freight and handling charges	521.26	415.09
Advertisement and sales promotional expenses	504.03	422.87
Cash discount	483.08	421.48
Bad debts written off	1.08	0.71
Provision for doubtful debts and advances	(0.54)	0.98
Security Expenses	23.76	18.75
Miscellaneous expenses	52.35	40.95
	2,219.13	1,844.76

Notes to Financial Statements

(₹ in Crores)

NOTE 23 : FINANCE COSTS	Year 2013-2014	Year 2012-2013
Interest on Bank borrowings	0.11	0.13
Interest on Bill discounting	24.75	23.40
Interest on Foreign Currency Loans	-	0.77
Net Loss on Foreign Currency Transactions and Translations (Buyers' Credit)	-	4.00
Other Interest *	1.22	2.26
TOTAL	26.08	30.56

*Note : Other Interest includes ₹ 1.10 crores (Previous year ₹ 0.31 crores) on account of interest on the short payment of Advance Tax and NIL (Previous year ₹ 0.85 crores) on account of completion/ disposal of various income tax assessments/appeals during the year.

NOTE 24 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

a. Contingent Liabilities	As at 31.03.2014	As at 31.03.2013
1 Guarantee given on behalf of Company's dealers in respect of loans granted to them by a bank for acquiring dealer tinting systems.	-	0.38
2 Letters of comfort/support to banks on behalf of some of its subsidiaries. The Company has also issued a letter to the board of a subsidiary informing its commitment to continue extending letters of comfort for banking facilities (as included in the above) for a period upto 15 th May, 2014.	233.26	224.48
3 Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal	78.85	78.19
ii. Others	12.07	9.97
b. Commitments:	As at 31.03.2014	As at 31.03.2013
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	81.97	63.99
2. Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31 st March, 2014. [Pertaining to capital goods in current year – ₹ 0.92 crores. (Previous year - ₹ 5.63 crores)]	41.60	85.62

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

The forward exchange contract outstanding as at 31st March, 2014 are as under:-

As at 31.03.2014				As at 31.03.2013			
Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)	Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
USD	21	10.79	65.63	USD	25	10.63	58.17

Notes to Financial Statements

(₹ in Crores)		
NOTE 25 : PAYMENT TO AUDITORS: (EXCLUDING SERVICE TAX)	2013-2014	2012-2013
Statutory audit fee	1.13	1.02
Taxation Matters	0.10	0.09
Certification fees and other services	0.32	0.31
For reimbursement of expenses	0.07	0.05
TOTAL	1.62	1.47

(₹ in Crores)		
NOTE 26 : RAW MATERIALS CONSUMED	2013-2014	2012-2013
Pigments, Extenders, Minerals etc.	1,743.26	1,673.91
Additives	873.84	795.20
Solvents	806.55	664.96
Resins	176.17	155.72
Oils	277.51	268.68
Monomers	748.42	590.78
Others	224.55	205.47
TOTAL	4,850.30	4,354.72

NOTE 27 : Purchase of stock-in-trade includes paints, putty, wallpapers, colourworld machines and other miscellaneous sales promotional items.

(₹ in Crores)			
NOTE 28 : STOCK AND TURNOVER			
Products	Sales Value	Closing Inventory	Opening Inventory
a) Manufactured Goods			
Paints, Enamels and Varnishes	11,445.84	883.73	831.07
	(9,978.91)	(831.07)	(676.90)
Others	181.35	10.13	14.55
	(123.68)	(14.55)	(11.08)
b) Traded Goods	415.39	37.80	20.48
	(302.41)	(20.48)	(11.03)
TOTAL	12,042.58	931.66	866.10
	(10,405.00)	(866.10)	(699.01)

(Figures in bracket represent that of Previous year)

(₹ in Crores)		
NOTE 29 : STOCK OF WORK IN PROGRESS	As at 31.03.2014	As at 31.03.2013
Paints, Enamels and Varnishes	73.75	56.49
Others	3.70	3.63
TOTAL	77.45	60.12

(₹ in Crores)		
NOTE 30 : CIF VALUE OF IMPORTS	2013-2014	2012-2013
a. Raw Materials	1,683.92	1,247.89
b. Stores, Spares and Consumables	2.08	4.58
c. Capital goods	17.00	217.50

Notes to Financial Statements

NOTE 31 : VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARES CONSUMED AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION

	2013-2014		2012-2013	
	(₹ In Crores)	% to Total	(₹ In Crores)	% to Total
a. Raw materials:				
Imported (including value of consumption of imported raw materials purchased through indigenous sources)	2,084.48	42.98	1,918.68	44.06
Indigenous	2,765.82	57.02	2,436.04	55.94
	4,850.30	100.00	4,354.72	100.00
b. Stores and spares:				
Imported	1.30	4.40	3.12	8.69
Indigenous	28.07	95.60	32.84	91.31
	29.37	100.00	35.96	100.00

NOTE 32 : NET DIVIDEND REMITTED IN FOREIGN CURRENCY

	2013-2014			2012-2013		
	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ In Crores)	Number of Non-resident Shareholders	Number of Equity Shares held	Dividend remitted (₹ In Crores)
Final Dividend 2011-2012	-	-	-	15	27,150	0.08
Interim Dividend 2012-2013	-	-	-	15	27,150	0.03
Final Dividend 2012-2013	14	24,028	0.09			
Interim Dividend 2013-2014	14	2,40,280*	0.03			

*During the year, the face value of the equity shares of the Company was sub-divided from ₹ 10 to ₹ 1 each

NOTE 33 : EXPENDITURE IN FOREIGN CURRENCY	(₹ in Crores)	
	2013-2014	2012-2013
a. Annual maintenance for software	2.01	1.61
b. Professional fees	6.40	6.83
c. Shade cards and other sales promotional Items	12.20	5.29
d. Travelling and Training Expenses	3.23	2.16
e. Royalty	8.19	9.50
f. Interest	0.48	2.96
g. Purchase of Traded Goods	25.27	5.76
h. Others	3.74	4.73
TOTAL	61.52	38.84

NOTE 34 : EARNINGS IN FOREIGN CURRENCY	(₹ in Crores)	
	2013-2014	2012-2013
a. Export of own products at FOB value	31.62	26.19
b. Export of traded goods at FOB value	1.08	0.79
c. Royalty (Includes TDS of ₹ 3.74 crores) (TDS of Previous year - ₹ 3.20 crores)	23.32	19.61
d. Other receipts including recoveries from subsidiaries	8.45	8.36
TOTAL	64.47	54.95

Notes to Financial Statements

(₹ in Crores)

NOTE 35 : EXPENDITURE ON RESEARCH AND DEVELOPMENT

a) Revenue Expenditure	2013-14	2012-2013
Employee Cost	30.91	26.82
Depreciation on Equipment and Building	6.30	5.66
Travelling Expenditure	1.63	1.46
Testing and Laboratory Expenditure	1.14	1.53
Power and fuel	2.38	2.35
Stores and Spares	0.45	0.62
Repairs and Maintenance	1.09	0.84
Materials Consumed	0.66	0.41
Others	7.56	6.03
Foreign Exchange (gain) / loss	-	(0.08)
TOTAL	52.12	45.64

An amount of ₹ 0.40 crores (Previous Year ₹ 0.99 crores) has been recovered from the Company's Joint Ventures towards Research and Development activity carried out on their behalf.

(₹ in Crores)

b) Capital Expenditure	2013-2014	2012-2013
- For Turbhe Research and Development facility	4.27	4.73
- For Cochin Research & Development activity (Land & civil work)	0.21	0.18
TOTAL	4.48	4.91

NOTE 36 : Interest includes income from investment in fixed deposits and interest received of ₹ 0.55 crores (Previous year – ₹ 0.77 Crores) on account of completion/disposal of various assessments/appeals during the year

NOTE 37 : Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are provided as under for the year 2013-14, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Crores)

	31 st March 2014	31 st March 2013
(i) Principal amount remaining unpaid (but within due date as per the MSMED Act)	8.49	4.15
(ii) Interest due thereon remaining unpaid	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(v) Interest accrued and remaining unpaid	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

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

NOTE 38 : Dividend received from subsidiary companies includes ₹ 25.75 crores (Previous Year – Nil) received from Asian Paints (International) Ltd. Mauritius (wholly owned subsidiary of the Company)

Notes to Financial Statements

NOTE 39 : The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at 31st March, 2014 are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)		Payable (₹ In Crores)		Receivable (₹ In Crores)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
USD	50.91	34.57	10.50	8.26	305.04	187.65	62.89	44.84
EUR	2.67	3.42	0.02	0.03	21.98	23.77	0.16	0.24
SGD	0.12	0.18	-	0.41	0.57	0.79	-	1.79
GBP	0.58	1.50	-	-	5.75	12.29	-	-
SEK	5.51	12.01	-	-	5.06	10.00	-	-
Others	-	-	-	-	0.14	0.25	-	-
					338.53	234.75	63.05	46.87

NOTE 40 : Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2014 is as follows:

	Provision for Excise *		Provision for Sales tax **	
	2013-2014	2012-2013	2013-2014	2012-2013
Opening Balance	1.25	1.25	10.72	9.95
Additions	0.02	-	1.13	0.77
Utilizations	-	-	-	-
Reversals	-	-	-	-
Closing Balance	1.27	1.25	11.85	10.72

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

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

NOTE 41 : Disclosure as per Clause 32 of the Listing Agreement entered into with the Stock Exchanges:

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 st March, 2014		Maximum balance outstanding during the year
		14.42	(14.28)	
Maxbhumi Developers Limited	Wholly Owned Subsidiary	14.42	(14.28)	14.42 (15.61)

*Figures in brackets represents that of previous year.

NOTE 42 : Pursuant to Accounting Standard (AS-19) – Leases, the following information is given:

A. Assets given on operating lease

- The Company has provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to nine years. Lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.

Notes to Financial Statements

b. Future minimum lease rentals receivable as at 31st March 2014 as per the lease agreements:

	As at 31.03.2014	As at 31.03.2013
i) Not later than one year	0.03	0.09
ii) Later than one year and not later than five years	-	0.03
iii) Later than five years	-	-
TOTAL	0.03	0.12

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the Company and the dealers and variation made thereto. Lease rentals are reviewed periodically taking into account prevailing market conditions.

- c. Total amount of contingent rents recognised as income – NIL. (Previous Year – NIL)
- d. The initial direct cost relating to acquisition of tinting system is capitalised.
- e. The information on gross amount of leased assets, depreciation and impairment is given in Note 10.

B. Assets taken on operating lease

- a) The Company has taken certain assets such as cars, computers and Systems hardware on an operating lease basis. The lease rentals are payable by the Company on a monthly or quarterly basis.
- b) Future minimum lease rentals payable as at 31st March, 2014 as per the lease agreements:

	As at 2013-2014	As at 2012-2013
i) Not later than one year	6.71	6.23
ii) Later than one year and not later than five years	7.70	8.97
iii) Later than five years	-	-
TOTAL	14.41	15.20

- c) Lease payments recognised in the Statement of Profit or Loss for the period are ₹ 7.54 crores (Previous year ₹ 6.99 crores).

NOTE 43 : Pursuant to Accounting Standard (AS-27) – Financial Reporting of Interests in Joint Ventures, the disclosures relating to the two Joint Ventures viz., PPG Asian Paints Private Limited (Formerly known as Asian PPG Industries Limited) and Asian Paints PPG Private Limited (Formerly known as Asian Paints PPG Limited) (both hereinafter referred to as JVs) are as follows:

- i) The proportion of interest of the Company in the JVs is by way of equal equity participation with PPG Industries Securities Inc., U.S.A.
- ii) The aggregate amount of interests in the JVs as at 31st March, 2014 is as follows:

	As at 31 st March, 2014	As at 31 st March, 2013
a) Details of Assets		
Non-current assets		
Tangible assets	62.19	64.25
Intangible assets	2.16	2.98
Capital work in progress	4.96	0.04
Goodwill on consolidation	1.43	1.43

Notes to Financial Statements

	(₹ in Crores)	
	As at 31 st March, 2014	As at 31 st March, 2013
Long-term loans and advances	34.74	19.37
Other non current assets	2.33	2.06
Current assets		
Inventories	122.73	136.81
Trade receivables	122.15	120.52
Cash and cash equivalents	10.24	6.05
Short-term loans and advances	18.98	33.87
Other current assets	0.46	0.96
b) Details of Liabilities		
Non-current liabilities		
Deferred tax liability (net)	3.21	3.38
Long term provision	3.87	4.09
Current liabilities		
Short-term borrowings	0.93	40.06
Trade payables	96.01	96.75
Other current liabilities	14.53	24.57
Short-term provisions	1.92	2.21
c) Details of Income		
Revenue from operations	561.41	541.09
Other income	2.02	3.21
d) Expenses		
Cost of materials consumed	308.29	312.44
Purchases of stock in trade	57.33	54.61
Changes in inventories of finished goods, work in progress and stock in trade	4.60	0.89
Employee benefits expense	41.26	39.48
Finance costs	1.58	3.75
Depreciation and amortization expenses	6.68	6.34
Other expenses	126.99	121.84
Tax expenses	4.26	(0.88)
e) Other Matters		
Contingent Liabilities	17.95	16.55
Capital Commitments	2.05	0.96
Other Commitments	3.16	2.35

NOTE 44 : EMPLOYEE BENEFITS

1) Short term employee benefits :

The liability towards short-term employee benefits for the year ended 31st March, 2014 has been recognized in the statement of Profit and Loss.

2) Post-employment benefits :

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

Notes to Financial Statements

NOTE 44 : EMPLOYEE BENEFITS (Contd.)

a) Gratuity, Pension and Post Retirement Medical Benefit Plans :

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post Retirement Medical Benefit (Unfunded Plan)	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Amount recognised in Balance Sheet						
Present value of funded obligations	95.67	96.42	-	-	-	-
Fair value of plan assets	(97.81)	(90.32)	-	-	-	-
Present value of unfunded obligations	-	-	2.57	2.89	1.20	1.25
Net Liability / (Asset)	(2.14)	6.10	2.57	2.89	1.20	1.25
Amounts in Balance Sheet						
Liability	-	6.10	2.57	2.89	1.20	1.25
Assets	2.14	-	-	-	-	-
Net Liability / (Asset)	(2.14)	6.10	2.57	2.89	1.20	1.25
Expense Recognised in the Statement of Profit & Loss						
Opening defined benefit obligation less benefits paid	-	-	-	-	-	-
Current service cost	9.31	8.06	-	0.07	0.04	0.04
Interest on defined benefit obligation	8.35	7.68	0.22	0.25	0.10	0.10
Expected return on plan assets	(7.91)	(6.91)	-	-	-	-
Net actuarial losses / (gains) recognized in year	(4.86)	(0.48)	(0.07)	(0.03)	(0.14)	(0.00)
Past service cost	-	-	-	-	-	-
Total, included in "Employee Benefit Expense"	4.89	8.35	0.15	0.29	0.00	0.14
Actual return on plan assets	2.05	9.98	-	-	-	-
Reconciliation of benefit obligations and plan assets for the Period						
Change in defined benefit obligation						
Opening defined benefit obligation	96.42	84.15	2.89	3.07	1.25	1.17
Current service cost	9.31	8.06	-	0.07	0.04	0.04
Interest cost	8.35	7.68	0.22	0.25	0.10	0.10
Actuarial losses / (gain)	(10.71)	2.59	(0.07)	(0.03)	(0.14)	(0.00)
Past Service Cost	-	-	-	-	-	-
Acquisition/Business Combination/ Divestiture	-	(2.25)	-	-	-	-
Benefits paid	(7.70)	(3.81)	(0.47)	(0.47)	(0.05)	(0.06)
Closing defined benefit obligation	95.67	96.42	2.58	2.89	1.20	1.25
Change in fair value of assets						
Opening fair value of plan assets	90.33	80.01	-	-	-	-
Expected return on plan assets	7.91	6.91	-	-	-	-
Actuarial gain / (losses)	(5.86)	3.07	-	-	-	-
Contributions by employer	13.13	6.39	0.47	0.47	0.05	0.06
Benefits paid	(7.70)	(3.81)	(0.47)	(0.47)	(0.05)	(0.06)
Acquisition/Business Combination/ Divestiture	-	(2.25)	-	-	-	-
Closing fair value of plan assets	97.81	90.32	-	-	-	-

Notes to Financial Statements

NOTE 44 : EMPLOYEE BENEFITS (CONTD.)

Assets information – Broad Category of Plan Assets as a Percentage of total assets of Gratuity Plan

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post Retirement Medical Benefit (Unfunded Plan)	
Category of assets	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Government of India securities	53%	52%	-	-	-	-
Corporate bonds	44%	45%	-	-	-	-
Equity shares of Listed Companies	0%	0%	-	-	-	-
Others (Deposits with Central Government under Special Deposit Scheme)	3%	3%	-	-	-	-
Grand Total	100%	100%	-	-	-	-
Summary of the actuarial assumptions						
Discount Rate	9.15%	8.20%	9.15%	8.20%	9.15%	8.20%
Expected Rate of Return on Plan Assets	8.50%	8.50%	-	-	-	-

- i) **Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
- ii) **Expected Rate of Return on Plan Assets:** This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- iii) **Salary Escalation Rate :** The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	31 st March, 2014	31 st March, 2013
Salary Escalation Rate for Gratuity (Funded Plan)	Management - 13.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management – 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter	Management - 13.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management – 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter

Experience Adjustments for the current and previous four periods

(₹ in Crores)

Gratuity (Funded)	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined Benefit Obligation	95.67	96.42	84.15	77.32	68.50
Plan Assets	97.81	90.32	80.01	69.22	57.59
Surplus / (Deficit)	2.14	(6.10)	(4.14)	(8.10)	(10.91)
Experience adjustment on plan liabilities	(1.68)	0.95	0.22	0.05	(4.73)
Experience adjustment on plan assets	(5.86)	3.07	0.32	(0.31)	0.59
Pension (Unfunded)	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined Benefit Obligation	2.57	2.89	3.07	3.19	3.16
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(2.57)	(2.89)	(3.07)	(3.19)	(3.16)
Experience adjustment on plan liabilities	0.05	(0.07)	0.01	0.14	(0.05)
Experience adjustment on plan assets	-	-	-	-	-

Notes to Financial Statements

	(₹ in Crores)				
Post Retirement Medical Benefit (Unfunded)	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined Benefit Obligation	1.20	1.25	1.17	1.27	1.10
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(1.20)	(1.25)	(1.17)	(1.27)	(1.10)
Experience adjustment on plan liabilities	(0.02)	(0.04)	(0.18)	0.09	(0.07)
Experience adjustment on plan assets	-	-	-	-	-

Notes:

- The gratuity fund assets and liabilities are managed by Asian Paints (India) Ltd. Employees' Gratuity Fund.
- The Company estimates that the balance amount to be contributed to the gratuity fund during the financial year 2014-2015 will be ₹ NIL.

b) Provident Fund:

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

The guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at 31st March, 2014 and 31st March, 2013.

The Company contributed ₹ 8.79 crores and ₹ 7.57 crores towards Asian Paints Office Provident Fund during the year ended 31st March, 2014 and 31st March, 2013 respectively. The Company contributed ₹ 5.56 crores and ₹ 4.81 crores towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2014 and 31st March, 2013 respectively.

The details of the Asian Paints Office Provident Fund and plan assets position as at 31st March, 2014 and as at 31st March, 2013 are given below:

	(₹ in Crores)	
Particulars	31 st March, 2014	31 st March, 2013
Present value of benefit obligation at period end	133.97	122.05
Plan assets at period end, at fair value, restricted to	133.97	122.05
Asset recognized in balance sheet	-	-

The details of the Asian Paints Factory Employees Provident Fund and plan assets position as at 31st March, 2014 and as at 31st March, 2013 are given below:

	(₹ in Crores)	
Particulars	31 st March, 2014	31 st March, 2013
Present value of benefit obligation at period end	122.21	105.68
Plan assets at period end, at fair value, restricted to	122.21	105.68
Asset recognized in balance sheet	-	-

Notes to Financial Statements

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

Particulars	31 st March, 2014	31 st March, 2013
Discounting Rate	9.15%	8.20%
Expected Guaranteed interest rate	8.75%*	8.50%

*As against the expected guaranteed interest rate for the FY 2013-14, the rate of interest declared by Asian Paints Office Provident Fund and Asian Paints Factory Employees' Provident Fund is 9.00% p.a for the FY 2013-14.

3) Long term employee benefits:

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2014 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 3.03 crores. (Previous year – ₹ 11.98 crores)

Annual Leave and Sick Leave assumptions

a. Financial Assumptions

	31 st March, 2014	31 st March, 2013
Discount Rate	9.15%	8.20%
Basic salary increases allowing for Price inflation	Management - 13.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management – 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter	Management - 13.00% for first year, 12.00% for next 2 years, 10.00% for next 3 years, 8.00% thereafter Non-management – 13.00% for first year, 12.00% for next 5 years, 8.00% thereafter

b. Demographic Assumptions

	31 st March, 2014	31 st March, 2013
Mortality	IALM (2006-08) Ultimate	LIC (1994-96) Ultimate
Employee Turnover	21- 44yrs - 5.00%, 45-57yrs - 2.00%,	21- 44yrs - 5.00%, 45-57yrs - 2.00%,
Leave Availment Ratio	5%	5%

NOTE 45 : The Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra and hence is eligible for Industrial Promotion Subsidy (IPS) in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. In terms of the Accounting Standard (AS 12) "Accounting for Government Grants" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, eligible incentive as mentioned above amounting to ₹ 65.59 crores for financial year 2013-14 (Previous Year - ₹ 0.31 crores) is credited to Statement of Profit and Loss and included under the head "Other operating income" on accrual basis.

Notes to Financial Statements

NOTE 46 : EARNINGS PER SHARE

	2013-2014	2012-2013
a) Basic and diluted earnings per share in rupees (face value – ₹ 1 per share)*	12.19	10.95
b) Profit after tax as per Statement of Profit and Loss (₹ in crores)	1,169.06	1,050.00
c) Weighted average number of equity shares outstanding*	95,91,97,790	95,91,97,790

*With effect from 1st August'13, face value of the Company's Equity share has been subdivided from ₹ 10 each to 10 (ten) Equity Shares of ₹ 1 each fully paid-up. In compliance with Accounting Standard 20 – Earnings Per Share (EPS), the Company has given effect to the said sub-division of shares in computing the earnings per share for all comparative periods.

NOTE 47 : ACQUISITION OF SLEEK INTERNATIONAL PRIVATE LIMITED

The Company invested ₹ 99.79 crores for 51% stake by subscription to equity shares of Slek International Private Limited (SIPL) (formerly known as Silverline Wire Products Private Limited) on 8th August, 2013. The Company further invested a sum of ₹ 19.69 crores on August 10, 2013, as second tranche to this transaction by further subscription to equity shares of SIPL with a corresponding proportionate investment by the existing promoters of SIPL. On completion of the second tranche of investment, the Company continues to hold 51% stake in SIPL.

NOTE 48 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31ST MARCH, 2014

- a) **Joint Ventures:** (In which the Company has 50% equity interest)
- PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited.)
Subsidiaries of PPG Asian Paints Private Limited:
 - Faaber Paints Pvt. Limited
 - PPG Asian Paints Lanka Pvt. Limited
 - Asian Paints PPG Private Limited (Formerly known as Asian Paints PPG Limited)

b) Subsidiaries:

Direct Subsidiaries :

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Asian Paints (Nepal) Private Limited	Nepal	51.00%	51.00%
Asian Paints (International) Limited	Mauritius	100.00%	100.00%
Asian Paints Industrial Coatings Limited	India	100.00%	100.00%
Multifacet Infrastructure (India) Limited	India	100.00%	100.00%
Maxbhumi Developers Limited	India	100.00%	100.00%
Sleek International Private Limited*	India	51.00%	-

*Refer Note 47

Notes to Financial Statements

Indirect Subsidiaries :

i) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Asian Paints (South Pacific) Limited	Fiji Islands	53.15%	53.15%
Asian Paints (Tonga) Limited	Kingdom of Tonga	100.00%	100.00%
Asian Paints (S.I.) Limited	Solomon Islands	75.00%	75.00%
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00%	60.00%
Asian Paints (Lanka) Limited	Sri Lanka	99.18%	99.18%
Asian Paints (Bangladesh) Limited	Bangladesh	89.78%	89.78%
Asian Paints (Middle East) LLC	Sultanate of Oman	49.00%	49.00%
SCIB Chemicals S.A.E.	Egypt	60.00%	60.00%
Samoa Paints Ltd	Samoa	80.00%	80.00%
Berger International Limited*	Singapore	96.79%	50.10%

*During the year, Asian Paints (International) Limited (APIL) acquired an additional stake of 46.69% through off market transactions, voluntary unconditional cash offer and open market purchases. Berger International Limited has been delisted from Singapore Exchange Securities Trading Limited ("SGX-ST") w.e.f. 11th February 2014.

ii) Subsidiaries of Berger International Limited.

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Berger Paints Singapore Pte Limited	Singapore	100.00%	100.00%
Enterprise Paints Limited	Isle of Man, U.K.	100.00%	100.00%
Universal Paints Limited	Isle of Man, U.K.	100.00%	100.00%
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00%	100.00%

iii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Nirvana Investments Limited	Isle of Man, U.K.	100.00%	100.00%

iv) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Berger Paints Emirates Limited	U.A.E.	100.00%	100.00%

v) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Berger Paints Jamaica Limited	Jamaica	51.00%	51.00%
Berger Paints Trinidad Limited	Trinidad	70.00%	70.00%
Berger Paints Barbados Limited	Barbados	100.00%	100.00%

Notes to Financial Statements

vi) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Berger Paints Bahrain W.L.L.	Bahrain	100.00%	100.00%

vii) Subsidiary of Sleek International Private Limited:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013
Kitchen Grace (India) Private Limited	India	86.01%	-

(c) Key Managerial personnel:

Name of the Director	Designation
K.B.S. Anand	Managing Director & CEO

(d) Promoters and their relatives having control:

Directors:	
Shri Ashwin Choksi	Non-Executive Chairman
Shri Ashwin Dani	Non-Executive Vice Chairman
Shri Mahendra Choksi	Non-Executive Director
Shri Amar Vakil	Non-Executive Director
Shri Malav Dani	Non-Executive Director (with effect from 21 st October, 2013)
Shri Abhay Vakil***	Non-Executive Director (Till 23 rd September, 2013)
Mrs. Ina Dani****	Non-Executive Director (Till 20 th October, 2013)

*** Shri Abhay Vakil resigned from the post of Non-Executive Director on 24th September, 2013

**** Mrs. Ina Dani resigned from the post of Non-Executive Director on 21st October, 2013

Relatives of promoters, who are under the employment of the Company:

Shri Jalaj Dani*
Shri Manish Choksi**
Shri Jigish Choksi
Shri Varun Vakil
Shri Vivek Vakil

* Shri Jalaj Dani, a relative of Company's Non-Executive Director(s) is also a Non-Executive Chairman of Berger International Limited, Director on the Board of some of the Subsidiary Companies and one of the Joint Venture Companies.

** Shri Manish Choksi, a relative of Company's Non-Executive Director(s) is also on the Board of a Subsidiary company and one of the Joint Venture Companies.

Notes to Financial Statements

(e) Companies controlled by Directors/Relatives of Directors :

AR Intertect Design Pvt. Ltd	Germinait Solutions Pvt. Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.
Avinash Holding and Trading Co. Pvt. Ltd.	Innati Trading and Investments Pvt. Ltd.	Rituh Holding and Trading Company Pvt. Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Plast Ltd.	Riash Realty Private Ltd.
Castle Investment and Industries Pvt. Ltd.	Haish Holding and Trading Co. Pvt. Ltd.	Rangudyan Insurance Broking Services Ltd.
Centaurus Trading and Investments Pvt. Ltd.	Hydra Trading Pvt. Ltd.	Resins and Plastics Ltd.
Clear Mipak Packaging and Solutions Ltd.	ISIS Skills Development Pvt. Ltd.	Ricinash Oil Mill Ltd.
Coatings Specialities (India) Ltd.	ISIS Holding and Trading Co. Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Canes Venatici Trading Company Pvt. Ltd.	Jalaj Trading and Investments Pvt. Ltd.	S.C. Dani Research Foundation Pvt. Ltd.
Dani Finlease Ltd.	Jaldhar Trading and Investments Pvt. Ltd.	Sadavani Investments and Trading Co. Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Kalica Paper Industries Pvt. Ltd.	Sapan Investments Pvt. Ltd.
Elcid Investments Ltd.	Lambodar Investment and Trading Co. Ltd.	Satyadharma Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd	Lyon Investment and Industries Pvt. Ltd.	Sudharva Investments and Trading Co. Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Murahar Investments and Trading Co. Ltd.	Suprasad Investments and Trading Co. Pvt. Ltd .
Gujarat Organics Ltd.	Navbharat Packaging Industries Ltd.	Suptaswar Investments and Trading Co. Pvt. Ltd.
Smiti Holding and Trading Co. Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Suryakant Paint Accessories Pvt. Ltd.
Pragati Chemicals Ltd.	Parekh Plast India Ltd.*	Tru Trading and Investments Pvt. Ltd.
Vijal Holding and Trading Co. Pvt. Ltd.	Vikatmnev Containers Ltd.	

*with effect from 30th January, 2014

(f) Employee Benefit Funds where control exists:

Asian Paints Office Provident Fund
Asian Paints Factory Employees' Provident Fund
Asian Paints Management Cadres' Superannuation Scheme
Asian Paints (India) Limited Employees' Gratuity Fund

(g) Other entity over which there is a significant control:

Asian Paints Charitable Trust.

(h) Details of related party transactions during the year ended 31st March, 2014:

Particulars	Joint Venture		Subsidiaries		Key Managerial Personnel (1)		Promoters & their relatives having control (1)		Companies Controlled by Directors/Relatives		Employee benefit plans where control exists		Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of goods and other miscellaneous items	32.45	44.04	26.31	21.17	-	-	-	-	3.26	5.47	-	-	-	-
Processing of goods (Income)	30.61	28.55	-	-	-	-	-	-	-	-	-	-	-	-
Royalty Received	7.74	7.34	24.44	20.80	-	-	-	-	-	-	-	-	-	-
Other recoveries	10.80	14.18	3.40	1.93	-	-	-	-	-	-	-	-	-	-
Sitting Fees Received (from subsidiaries for nominee directors)	-	-	0.63	0.64	-	-	-	-	-	-	-	-	-	-
Other services - receipts	-	-	2.86	2.63	-	-	-	-	-	-	-	-	-	-
Other services – Paid	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-
Reimbursement of Expenses - received	3.85	4.21	2.26	1.68	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	27.78	1.22	-	-	-	-	-	-	-	-	-	-
Purchase of goods	1.00	2.13	-	-	-	-	-	-	287.92	245.41	-	-	-	-
Remuneration	-	-	-	-	5.21	4.20	4.37 ⁽²⁾	3.91 ⁽²⁾	-	-	-	-	-	-

(₹ in Crores)

Notes to Financial Statements

(₹ in Crores)

Particulars	Joint Venture		Subsidiaries		Key Managerial Personnel (1)		Promoters & their relatives having control (1)		Companies Controlled by Directors/Relatives		Employee benefit plans where control exists		Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Retiral benefits	-	-	-	-	-	-	0.21	0.21	-	-	-	-	-	-
Commission to Promoter Non-executive Directors	-	-	-	-	-	-	1.06	1.14	-	-	-	-	-	-
Sitting Fees Paid to Promoter Non-executive Directors	-	-	-	-	-	-	0.08	0.08	-	-	-	-	-	-
Indemnification Expenses	1.24	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses - paid	0.46	1.95	1.53	0.55	-	-	-	-	-	-	-	-	-	-
Receipt of Employee Leave Liabilities	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Employee Leave Liabilities	0.25	1.80	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	-	1.50	1.00
Contributions during the year	-	-	-	-	-	-	-	-	-	-	25.19	23.90	-	-
Equity contribution	32.00	65.13	119.48*	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	0.14	1.41	-	-	-	-	-	-	-	-	-	-
Repayment of loan given	-	-	-	1.34	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	0.36	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding as at 31 st March	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances Given	-	-	-	-	-	-	-	-	-	-	2.14	-	-	-
Loans	-	-	14.42	14.28	-	-	-	-	-	-	-	-	-	-
Amount receivables	15.59	28.68	27.47	23.13	-	-	-	-	0.12	0.58	-	-	-	-
Amount payable	1.38	1.34	0.34	-	2.15	1.65	1.06	1.14	10.57	3.66	3.00	8.76	-	-

*Refer Note 47

- Key management personnel and relatives of promoters who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per AS-15 (Revised) Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.
- Remuneration paid to relatives of promoters who are under the employment of the Company pursuant to the necessary approvals from the shareholders and the Central Govt., under Section 314 of the Companies Act, 1956.

The Company has issued letters of comfort/support to banks on behalf of some of its subsidiaries from time to time and the financial support/comfort based on such letters is limited to ₹ 233.26 crores as on 31st March, 2014 (₹ 224.48 crores as on 31st March, 2013). The Company has also issued a letter to the Board of a subsidiary informing its commitment to continue extending letters of comfort for banking facilities as included in the above for a period upto 15th May, 2014.

Notes to Financial Statements

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

	(₹ in Crores)	
	2013-14	2012-13
Sale of goods		
PPG Asian Paints Private Limited	16.84	17.80
Asian Paints PPG Private Limited	15.61	26.24
Asian Paints (Nepal) Private Limited	11.79	9.80
Others	17.78	16.84
	62.02	70.68
Purchase of Goods		
Hitech Plast Limited	224.66	199.95
Others	64.26	47.59
	288.92	247.54
Royalty Received		
SCIB Chemicals S.A.E., Egypt	12.72	11.23
PPG Asian Paints Private Limited	2.96	2.85
Asian Paints PPG Private Limited	4.78	4.49
Others	11.72	9.57
	32.18	28.14
Contributions during the year		
Asian Paints Office Provident Fund	4.78	11.57
Asian Paints Factory Employees Provident Fund	5.56	4.81
Asian Paints Management Cadres Superannuation Scheme	1.72	1.13
Asian Paints (India) Limited Employees' Gratuity Fund	13.13	6.39
	25.19	23.90
Processing of Goods (Income)		
PPG Asian Paints Private Limited	18.22	17.13
Asian Paints PPG Private Limited	12.39	11.42
	30.61	28.55
Other Recoveries		
PPG Asian Paints Private Limited	6.51	5.35
AsianPaints PPG Private Limited	4.29	8.83
Others	3.40	1.93
	14.20	16.11
Reimbursement of Expenses – Received		
Asian Paints PPG Private Limited	2.53	2.58
PPG Asian Paints Private Limited	1.32	1.63
Others	2.26	1.68
	6.11	5.89
Reimbursement of Expenses – Paid		
Asian Paints PPG Private Limited	0.44	1.53
Berger Paints Singapore Pte Limited	0.60	0.14
SCIB Chemicals S.A.E	0.26	0.05
Berger Paints Bahrain WLL	0.19	0.06
Others	0.50	0.72
	1.99	2.50

Notes to Financial Statements

	(₹ in Crores)	
	2013-14	2012-13
Sitting Fees Received		
Berger International Limited	0.63	0.64
	0.63	0.64
Others Services Receipt		
Berger International Limited	1.36	1.36
SCIB Chemicals S.A.E	0.72	0.69
Berger Paints Bahrain WLL	0.51	0.58
Others	0.27	-
	2.86	2.63
Other Services Paid		
AR Intertect Design Private Limited	0.05	-
	0.05	-
Dividend Received		
Asian Paints (International) Limited	25.75	-
Asian Paints (Nepal) Private Limited	2.03	1.22
	27.78	1.22
Remuneration		
Shri K.B.S. Anand	5.21	4.20
Shri Manish Choksi	2.07	1.90
Shri Jalaj Dani	1.91	1.69
Jigish Choksi	0.12	0.11
Varun Vakil	0.19	0.18
Vivek Vakil	0.08	0.03
	9.58	8.11
Retrial Benefits		
Shri Ashwin Choksi	0.07	0.07
Shri Ashwin Dani	0.07	0.07
Shri Abhay Vakil	0.07	0.07
	0.21	0.21
Commission to Promoter - Non Executive Directors		
Shri Mahendra Choksi	0.20	0.18
Shri Amar Vakil	0.18	0.18
Shri Ashwin Choksi	0.24	0.24
Shri Ashwin Dani	0.18	0.18
Shri Abhay Vakil	0.08	0.18
Mrs. Ina Dani	0.10	0.18
Shri Malav Dani	0.08	-
	1.06	1.14
Sitting Fees Paid to Promoter -Non Executive Directors		
Shri Mahendra Choksi	0.02	0.01
Shri Amar Vakil	0.01	0.01
Shri Ashwin Choksi	0.01	0.01
Shri Ashwin Dani	0.01	0.01
Mrs. Ina Dani	0.01	0.02
Shri Abhay Vakil	0.01	0.02
Shri Malav Dani	0.01	-
	0.08	0.08

Notes to Financial Statements

	(₹ in Crores)	
	2013-14	2012-13
Indemnification Expenses		
Asian Paints PPG Private Limited	1.24	-
	1.24	-
Payment of Employees' Leave Liabilities		
PPG Asian Paints Private Limited	0.25	-
Asian Paints PPG Private Limited	-	1.80
	0.25	1.80
Receipt of Employees' Leave Liabilities		
Asian Paints PPG Private Limited	0.04	-
	0.04	-
Donation		
Asian Paints Charitable Trust	1.50	1.00
	1.50	1.00
Equity Contribution		
PPG Asian Paints Private Limited	16.00	50.80
Asian Paints PPG Private Limited	16.00	14.33
Sleek International Private Limited*	119.48	-
	151.48	65.13
Loan Given		
Maxbhumi Developers Limited	0.14	1.41
	0.14	1.41
Repayment of Loan		
Maxbhumi Developers Limited	-	1.34
	-	1.34
Sale of Asset		
PPG Asian Paints Private Limited	-	0.36
	-	0.36

*Refer Note 47

NOTE 49: SEGMENT REPORTING

The Company's business constitutes mainly of paints including intermediates (viz., Phthalic Anhydride and Pentaerythritol) that are incidental to the main business. In order to reflect the current business structure and financial reporting systems, the business has been constituted as a single business segment in the context of Accounting Standard 17 – Segment Reporting as specified in the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, no segmental information is disclosed.

NOTE 50: SUBSEQUENT EVENT

The Company has discontinued the manufacturing activities at its Bhandup Plant with effect from 5th May 2014. A "Voluntary Retirement / Separation Scheme" along with an alternate option of relocation to other factories/establishments of the Company was offered to all the workmen at the plant in the month of April, 2014. All workmen have accepted either the Voluntary Retirement/ Separation Scheme or relocation to another factory/establishment of the Company. As the liability towards Voluntary Retirement / Separation Scheme has been incurred in the month of April, 2014, the same has not been recognized in the Statement of Profit and Loss for the year ended 31st March, 2014.

Notes to Financial Statements

NOTE 51: EXCEPTIONAL ITEM

Subsequent to 31st March 2014, the Company has discontinued the manufacturing activities at its Bhandup Plant. As a result, a provision of ₹ 9.96 crores on certain fixed assets (consisting of Buildings that houses the manufacturing facility - ₹ 4.63 crores, Plant and Equipment ₹ 4.87 crores and Office Equipment ₹ 0.46 crores) has been included under "Impairment" in Note 10 and disclosed as "Exceptional Item" in the Statement of Profit and Loss.

NOTE 52: Previous year's figures have been regrouped, reclassified wherever necessary to correspond with the current year classification/disclosure.

Signatures to Notes to Financial Statements

As per our report of even date		For and on behalf of the Board		
For B S R & Associates LLP Chartered Accountants F.R.N. 116231W	For Shah & Co. Chartered Accountants F.R.N. 109430W	Ashwin Choksi Chairman	K.B.S. Anand Managing Director & CEO	Dipankar Basu Chairman of Audit Committee
Bhavesh Dhupelia Partner Membership No: 042070 Mumbai 14 th May, 2014	Ashish Shah Partner Membership No: 103750 Mumbai 14 th May, 2014	Jayesh Merchant CFO & Company Secretary, President - Industrial JVs Mumbai 14 th May, 2014		

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Board of Directors of Asian Paints Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Asian Paints Limited ('the Company') and its subsidiaries/ joint ventures (collectively referred to as "Asian Paints Group"), which comprise of the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended (refer Note 27 to consolidated financial statements), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements and (AS 27) on Financial reporting of interests in Joint Ventures as prescribed by the Companies (Accounting Standards) Rules, 2006

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's

preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Asian Paints Group as at 31st March, 2014;
- (ii) in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other matter

We have not audited the financial statements of subsidiaries/ joint venture mentioned in Annexure to this report whose total assets and total revenues are mentioned in the Annexure to this report. These financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries/joint ventures, is based solely on reports of the other auditors.

The financial statements of the subsidiaries, Asian Paints Industrial Coatings Limited, Multifacet Infrastructure (India) Limited and Maxbhum Developers Limited for the year ended 31st March, 2014 have been audited by one of the joint auditors, Shah & Co., Chartered Accountants and financial statements of the Joint Venture, Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) for the year ended 31st March, 2014 have been audited by one of the joint auditors, B S R & Associates LLP, Chartered Accountants.

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
Chartered Accountants
Firm Registration No: 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
14th May, 2014

Annexure to the Independent Auditors' Report - 31st March, 2014

(Referred to in our report of even date)

The following subsidiaries have been considered for the consolidation of Asian Paints Limited:

(₹ In Crores)					
Name of the Company	Accounting Period	Subsidiary	Total Assets*	Total Revenues*	Name of Auditor
Asian Paints (Nepal) Pvt. Limited	14 Mar 13 - 14 Mar 14	Direct	102.32	142.97	T.R Upadhyaya & Co.
Asian Paints Industrial Coatings Limited	Apr 13 - Mar 14	Direct	43.82	10.63	Shah & Co.
Multifacet Infrastructure (India) Limited	Apr 13 - Mar 14	Direct	0.04	-	Shah & Co.
Maxbhumi Developers Limited	Apr 13 - Mar 14	Direct	14.20	-	Shah & Co.
Sleek International Private Limited (formerly known as Silverline Wire Products Private Limited)	8 Aug 13 - 31 Mar 14	Direct	163.26 #	77.79 #	B S R & Associates LLP and Doshi Praveen & Co
• Kitchen Grace (India) Private Limited	8 Aug 13 - 31 Mar 14	Indirect	17.37	13.04	L. B. Bapat & Associates
Asian Paints (International) Limited: Consolidated comprising of:-	Apr 13 - Mar 14	Direct	246.14 #	23.73 #	Deloitte
• Asian Paints (South Pacific) Limited	Apr 13 - Mar 14	Indirect	69.83	97.47	Ernst & Young
• Asian Paints (Tonga) Limited	Apr 13 - Mar 14	Indirect	7.87	8.06	Ernst & Young
• Asian Paints (S.I.) Limited	Apr 13 - Mar 14	Indirect	16.46	16.72	Ernst & Young
• Asian Paints (Vanuatu) Limited	Apr 13 - Mar 14	Indirect	6.12	6.66	Ernst & Young
• Asian Paints (Lanka) Limited	Apr 13 - Mar 14	Indirect	65.56	86.12	KPMG, Sri Lanka
• Asian Paints (Bangladesh) Limited	Apr 13 - Mar 14	Indirect	103.93	178.17	Rahman Rahman Huq, KPMG
• Asian Paints (Middle East) LLC	Apr 13 - Mar 14	Indirect	71.16	97.63	BDO JAWAB HABIB
• SCIB Chemicals S.A.E.	Apr 13 - Mar 14	Indirect	280.82	473.43	Saleh, Barsoum and Abdel-Aziz
• Berger International Limited, Singapore	Apr 13 - Mar 14	Indirect	342.08	584.12	Deloitte & Touche LLP
• Samoa Paints Limited	Apr 13 - Mar 14	Indirect	5.06	6.46	Lesa ma Penn

Represents figures of Standalone financial statements of Asian Paints (International) Limited and Sleek International Private Limited.

* Total assets and revenue are computed at closing conversion rate and average conversion rate respectively

i) Subsidiaries of Berger International Limited, Singapore

	Accounting period
Berger Paints Singapore Pte Ltd.	Apr 13 - Mar 14
Enterprise Paints Limited	Apr 13 - Mar 14
Universal Paints Limited.	Apr 13 - Mar 14
Lewis Berger (Overseas Holdings) Ltd.	Apr 13 - Mar 14

ii) Subsidiary of Enterprise Paints Limited:

	Accounting period
Nirvana Investments Limited	Apr 13 - Mar 14

iii) Subsidiary of Nirvana Investments Limited

	Accounting period
Berger Paints Emirates Ltd.	Apr 13 - Mar 14

iv) Subsidiaries of Lewis Berger (Overseas Holdings) Ltd.:

	Accounting period
Berger Paints Jamaica Limited	Apr 13 - Mar 14
Berger Paints Trinidad Limited	Apr 13 - Mar 14
Berger Paints Barbados Limited	Apr 13 - Mar 14

v) Subsidiary of Universal Paints Limited:

	Accounting period
Berger Paints Bahrain W.L.L.,	Apr 13 - Mar 14

vii) Joint Ventures (in which the Company has 50% equity interest)

PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited), a joint venture between the parent company and PPG Industries Securities LLC., U.S.A., wherein the parent company has 50% equity participation.

Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) a second joint venture between the parent company and PPG Industries Securities LLC., U.S.A., wherein the parent company has 50% equity participation:

(₹ In Crores)					
Name of the Company	Accounting Period	Joint Venture	Proportionate share of Total Assets	Proportionate share of Total Revenues	Name of Auditor
PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited)	Apr 13 - Mar 14	Direct	305.87	439.47	Price Waterhouse & Co
Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited)	Apr 13 - Mar 14	Direct	76.50	123.96	B S R & Associates LLP

viii) Subsidiary of PPG Asian Paints Private Limited

	Accounting period
Faaber Paints Private Limited	Apr 13 - Mar 14
PPG Asian Paints Lanka Private Limited	Apr 13 - Mar 14

For **B S R & Associates LLP**
Chartered Accountants
Firm Registration No: 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
Chartered Accountants
Firm Registration No: 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
14th May, 2014

Consolidated Balance Sheet as at 31st March, 2014

	Notes	As at 31.03.2014	(₹ in Crores) As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	95.92	95.92
Reserves and Surplus	3	3,943.30	3,288.37
		4,039.22	3,384.29
Minority Interest		246.02	160.77
NON CURRENT LIABILITIES			
Long Term Borrowings	4	41.40	47.30
Deferred Tax Liability (Net)	5	190.01	156.73
Other Long Term Liabilities	6	9.13	9.39
Long Term Provisions	7	108.53	98.38
		349.07	311.80
CURRENT LIABILITIES			
Short Term Borrowings	8	198.63	189.86
Trade Payables	9	1,745.72	1,441.57
Other Current Liabilities	10	901.45	857.55
Short Term Provisions	7	559.32	441.01
		3,405.12	2,929.99
TOTAL		8,039.43	6,786.85
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11 A	2,330.74	2,365.68
Intangible Assets	11 B	89.45	31.06
Capital work-in-progress		71.60	59.21
		2,491.79	2,455.95
Goodwill on consolidation	27 C	141.39	44.23
Non-current Investments	12	192.13	150.12
Deferred Tax Assets (Net)	5	2.19	2.35
Long Term Loans and Advances	13	130.25	104.67
Other Non Current Assets	14	25.22	23.35
CURRENT ASSETS			
Current Investments	15	529.06	145.56
Inventories	16	2,069.86	1,830.29
Trade Receivables	17	1,110.28	980.88
Cash and Bank Balances	18	931.66	736.69
Short Term Loans and Advances	13	246.46	214.60
Other Current Assets	19	169.14	98.16
		5,056.46	4,006.18
TOTAL		8,039.43	6,786.85
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.			

As per our report of even date

For and on behalf of the Board

For B S R & Associates LLP
Chartered Accountants
F.R.N. 116231W

For Shah & Co.
Chartered Accountants
F.R.N. 109430W

Ashwin Choksi
Chairman

K.B.S. Anand
Managing Director
& CEO

Dipankar Basu
Chairman of
Audit Committee

Bhavesh Dhupelia
Partner
Membership No: 042070

Ashish Shah
Partner
Membership No: 103750

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Mumbai
14th May, 2014

Mumbai
14th May, 2014

Mumbai
14th May, 2014

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	Year 2013-14	Year 2012-13
(₹ in Crores)			
(I) INCOME			
Revenue from sale of goods and services (Net of discounts)	20 A	13,889.10	12,002.28
Less: Excise duty		1,307.46	1,127.93
Revenue from sale of goods and services (Net of discounts and excise duty)		12,581.64	10,874.35
Other Operating Revenue	20 B	133.17	64.26
Other Income	21	134.22	114.48
TOTAL REVENUE (I)		12,849.03	11,053.09
(II) EXPENSES			
Cost of Materials Consumed	22A	7,025.28	6,265.13
Purchases of Stock-in-Trade	22B	405.72	297.43
Changes in inventories of finished goods, work in progress and stock-in-trade	22C	(90.28)	(149.56)
Employee Benefits Expense	23	759.71	623.56
Other Expenses	24	2,616.49	2,170.07
TOTAL (II)		10,716.92	9,206.63
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I) - (II)		2,132.11	1,846.46
Depreciation and Amortisation Expense	11	245.66	154.60
Finance Costs	25	42.22	36.65
PROFIT BEFORE EXCEPTIONAL ITEM & TAX		1,844.23	1,655.21
Exceptional Item	30	9.96	-
PROFIT BEFORE TAX		1,834.27	1,655.21
Less : Tax Expenses			
Current Tax		536.40	439.37
Deferred Tax	5	33.75	59.32
Short/(Excess) tax provision for earlier years		1.36	(3.00)
Total Tax Expenses		571.51	495.69
PROFIT AFTER TAX		1,262.76	1,159.52
Minority Interest		43.95	45.64
Net Profit Attributable to shareholders		1,218.81	1,113.88
Earnings per share (₹) Basic and diluted (Face value of ₹ 1 each)	34	12.71	11.61
Significant Accounting Policies.	1		
Notes are an integral part of the financial statements.			

As per our report of even date

For **B S R & Associates LLP**
Chartered Accountants
F.R.N. 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
Chartered Accountants
F.R.N. 109430W

Ashish Shah
Partner
Membership No: 103750

Mumbai
14th May, 2014

For and on behalf of the Board

Ashwin Choksi
Chairman

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs

Mumbai
14th May, 2014

K.B.S. Anand
Managing Director
& CEO

Dipankar Basu
Chairman of
Audit Committee

Consolidated Cash Flow Statement for the year ended 31st March, 2014

	(₹ in Crores)	
	2013-14	2012-13
(A) Cash Flow From Operating Activities		
Profit Before Tax	1,834.27	1,655.21
Adjustments for :		
Depreciation, amortisation and exceptional item	255.62	154.60
Profit on sale of long term investments	(9.61)	(26.21)
Profit on sale of short term investments	(2.68)	(1.05)
Profit on Sale of fixed assets	(7.11)	(4.21)
Finance costs	42.22	36.65
Provision for doubtful debts and advances	4.74	3.66
Bad debts written off	1.35	7.18
Interest income	(13.87)	(13.73)
Dividend income	(65.47)	(32.89)
Other Non Cash Items	(1.80)	-
Net unrealised foreign exchange (gain)/ loss	(2.86)	-
Effect of exchange rates on translation of operating cashflows	13.51	4.71
Operating Profit before working capital changes	2,048.31	1,783.92
Adjustments for :		
Inventories *#	(230.77)	(246.88)
Trade and Other Receivables *#	(254.08)	(299.32)
Trade and Other Payables *#	316.70	387.53
Cash generated from Operations	1,880.16	1,625.25
Income Tax paid (net of refund)	(480.16)	(438.46)
Net Cash generated from operating activities	1,400.00	1,186.79
(B) Cash Flow from Investing Activities		
Purchase of fixed assets *#	(249.21)	(643.78)
Sale of fixed assets	15.63	7.06
Purchase of long term investments #	(871.59)	(246.90)
Sale of long term investments	460.25	329.23
Profit on sale of short term Investments	2.68	1.05
(Investments)/Maturity of bank deposits (having original maturity more than three months)	(4.54)	10.21
Interest received	14.43	10.90
Dividend received	65.47	32.89
Amount infused by Minority Stakeholders in subsidiaries	22.93	-
Amount paid towards stake acquisition in subsidiary [Refer note 27 C (b)]	(58.90)	-
Net Cash used in investing activities	(602.85)	(499.34)
(C) Cash Flow from Financing Activities		
Proceeds from long term borrowings	1.82	5.69
Repayment of long term borrowings #	(19.38)	(6.10)
Proceeds from short term borrowings	42.61	27.35
Repayment of short term borrowings #	(61.98)	(128.50)
Finance costs paid	(42.31)	(37.09)
Dividend and Dividend tax paid (including dividend paid to Minority)	(546.69)	(462.35)
Net Cash used in financing activities	(625.93)	(601.00)

Current year figures are net of adjustments pursuant to stake acquired in Sleek International Pvt. Ltd. [Refer note 27 C (a)]

* Previous year figures are net of non cash items pursuant to Composite Scheme of Restructuring [Refer note 28].

	(₹ in Crores)	
	2013-14	2012-13
(D) Net Increase/(Decrease) In Cash and Cash Equivalents	171.22	86.45
Cash and cash equivalents as at 1st April	736.24	613.65
Net effect of exchange gain/ (loss) on cash and cash equivalents	16.62	5.29
Cash and Cash Equivalents acquired pursuant to stake acquisition in subsidiary [Refer note 27C (a)]	2.59	-
Net Change in Cash and Cash Equivalents pursuant to Composite Scheme of Restructuring [Refer Note 28]	-	30.85
Cash and Cash Equivalents as at 31st March	926.67	736.24

Notes :

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement.

	(₹ in Crores)	
	As at 31.03.2014	As at 31.03.2013
(b) Cash and Cash Equivalent comprises of : (Refer Note 18)		
Cash on hand	2.86	0.52
Balances with Banks:		
- Current Accounts	150.51	98.18
- Cash Credit Accounts	3.30	25.70
- Cheques on hand	15.07	33.79
- Deposits with Bank with maturity less than 3 months	46.51	89.26
- Unpaid dividend and fractional bonus shares account @	6.05	5.63
Investment in Liquid mutual funds and Government Securities	702.37	483.16
	926.67	736.24

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

As per our report of even date

For **B S R & Associates LLP**
Chartered Accountants
F.R.N. 116231W

Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
14th May, 2014

For **Shah & Co.**
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Ashish Shah
Partner
Membership No: 103750

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For and on behalf of the Board

Ashwin Choksi
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CFO & Company Secretary,
President - Industrial JVs

Mumbai
14th May, 2014

K.B.S. Anand
Managing Director
& CEO

Dipankar Basu
Chairman of
Audit Committee

Notes to Consolidated Financial Statements

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Consolidated Financial Statements

(a) Basis of Accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 (as amended) and with the relevant provisions of the Companies Act, 1956 and relevant enacted provisions of the Companies Act, 2013 to the extent applicable.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

(c) Current / Non-Current Classification

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

- i. it is expected to be realized or settled or is intended for sale or consumption in the Group's normal operating cycle;
- ii. it is expected to be realized or settled within twelve months from the reporting date;
- iii. in the case of an asset,
 - it is held primarily for the purpose of being traded; or
 - it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- iv. in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

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

For the purpose of current / non-current classification of assets and liabilities, all the Group companies have ascertained their normal operating cycle as 12 months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

1.2 Tangible and Intangible Assets

(a) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment. The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized. Know-how related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant tangible asset heads. Profit or loss on disposal of tangible assets is recognised in the Statement of Profit and Loss.

(b) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or loss on disposal of intangible assets is recognised in the Statement of Profit and Loss.

Goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the business recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. For the purpose of impairment testing, goodwill is allocated

Notes to Consolidated Financial Statements

to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

(d) Depreciation and Amortization:

Depreciation on fixed assets is provided under Straight Line Method or at rates permissible under applicable local laws or at such rates so as to fully charge off the value of assets to the Statement of Profit and Loss over their estimated useful life.

Assets held under finance leases are depreciated over lower of their expected useful lives on the same basis as owned assets and the tenure of the relevant lease.

Leasehold land and leasehold improvements are amortised over the primary period of lease.

Intangible assets are capitalised and amortised over their estimated useful life or at rates permissible under applicable local laws. Intangible assets other than software are amortised over ten years, being their estimated useful life.

(e) Impairment:

At Balance Sheet date, an assessment is done to determine whether there is any indication of

impairment of the carrying amount of the Group's fixed assets. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount upto an extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of an impairment loss or reversal of an impairment loss, as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), over its remaining useful life.

1.3 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax / VAT and net of returns and discount. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of 'changes in inventories of finished goods, work in progress and stock in trade'.

Revenue from painting and related service is recognised by reference to the stage of completion of the transaction at the Balance Sheet date determined by services performed to date as a percentage of total services.

Revenue from other sale of services is recognized as per the completed service contract method.

Processing income is recognised on accrual basis as per contractual arrangements.

Notes to Consolidated Financial Statements

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.4 Lease Accounting

Assets taken on lease:

In respect of operating leases, lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The excess of lease payments over the recorded lease obligations are treated as 'finance charges' which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

Assets given on lease:

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

1.5 Inventory

- (a) Raw materials, work in progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realizable value.
- (b) In determining cost of raw materials, packing materials, stock-in trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently

recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

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

1.6 Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Assets" under "Current portion of long term investments" in consonance with the current / non-current classification of revised Schedule VI.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary, in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.7 Transactions and translations in foreign currency

Initial recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and loss of the year.

Notes to Consolidated Financial Statements

Measurement of foreign currency items at the Balance Sheet date

Foreign currency monetary items are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Forward exchange contracts

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

The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or expense for the period.

Translation of financial statements of foreign entities

In case of foreign subsidiaries, being Non-Integral Foreign Operations, income and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. The resultant translation gains and losses are disclosed as 'Foreign Currency Translation Reserve' under 'Reserves and Surplus'.

1.8 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful. Discounts due, yet to be quantified at the customer level are included under Other Current Liabilities.

1.9 Employee Benefits

(A) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related

service. The Group recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(B) Post-Employment Benefits:

(a) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any of the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Parent Company and its Indian subsidiaries/Joint Ventures operate defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Parent Company operates a Superannuation scheme for eligible employees. Few Indian Subsidiaries and one of the Joint Ventures also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

(b) Defined Benefit Plans

(i) Provident Fund Scheme (Funded)

The Parent Company and one of its Joint Venture operate a provident fund scheme by paying contribution into separate entities (funds). The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. These entities have an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

(ii) Gratuity Scheme (Funded)

The Parent Company, its Indian subsidiaries/Joint Ventures and some of its foreign

Notes to Consolidated Financial Statements

subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

(iii) Pension, Gratuity and Leaving Indemnity Scheme (Unfunded)

The Parent Company and some of its subsidiaries operate a pension, gratuity and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions.

(iv) Post Retirement Medical benefit plan (Unfunded)

The Parent Company and some of its foreign subsidiaries operate a post retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, else is amortised on a straight-line basis over the average period until the amended benefits become vested. In case of certain foreign subsidiaries, liabilities have been provided on an estimated basis.

The defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligation reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognised representing the present value of available refunds and reductions in future contributions to the plan.

The Group presents the above liabilities as current and non-current in the Balance Sheet as per actuarial valuations by the independent actuary.

(c) Other long term employee benefits (unfunded)

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves. The Parent Company and its Indian subsidiaries and Joint Ventures determine the liability for such accumulated leave using the Projected Accrued Benefit Method with actuarial valuations being carried out at each Balance Sheet date.

The Group presents this liability as current and non-current in the balance sheet as per actuarial valuations by the independent actuary.

1.10 Research and Development

Research and Development expenditure of a revenue nature is expensed out under the respective heads of account in the year in which it is incurred.

Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

1.11 Provision for Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with applicable taxation laws), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under applicable taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

The deferred tax assets (net) and deferred tax liabilities (net) are determined separately for the Parent and each

Notes to Consolidated Financial Statements

subsidiary/joint venture company, as per their applicable laws and then aggregated.

1.12 Provisions and Contingencies

The Group creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.13 Earnings Per Share

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the profit after tax attributable to shareholders for the year by weighted average number of equity shares outstanding during the year.

1.14 Proposed Dividend

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.15 Borrowing Cost

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

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

1.16 Cash and Cash Equivalents

Cash and Cash Equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short-term highly liquid investments where the original maturity is three months or less.

1.17 Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

The Company has considered business segments as the primary segments for disclosure.

The business segments are 'Paints' and 'Home Improvement'.

The geographical segments are Domestic and International operations

Domestic segment includes operations of the Parent Company and its Indian subsidiaries and Joint Ventures.

Revenues and expenses have been identified to the segment based on their relationship to the business activity of the segment.

Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

1.18 Government Grants and Subsidies

The Parent Company is entitled to subsidy from Government Authorities in respect of manufacturing units located in specified regions.

- Grants in the nature of subsidy which are non-refundable are credited to the Statement of Profit and Loss on accrual basis where there is reasonable assurance that the Group will comply with all the necessary conditions attached to them.
- Grants in the nature of subsidy which are refundable are shown as Liabilities in the Balance Sheet.

1.19 Measurement of EBITDA

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

1.20 Principles of Consolidation:

- The Consolidated Financial Statements have been prepared to comply in all material respect with

Notes to Consolidated Financial Statements

the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

- (ii) The financial statements of Asian Paints Limited together with audited financial statements of its subsidiaries and joint Ventures as described in note 27 have been considered for the purpose of consolidation.
- (iii) The financial statements of the Parent Company and its subsidiaries and joint ventures as described in note 27 have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post – acquisition increase in the relevant reserves of the subsidiaries/ joint ventures.
- (iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's financial statements.
- (v) Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group.
- (vi) The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date.
- (vii) The excess of cost to the Company of its investments in subsidiaries/joint ventures over its share of the equity of the subsidiaries at the date on which the investment in the subsidiaries/joint ventures are made, is recognized as "Goodwill on Consolidation" being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies/joint ventures as on the date of the investment is in excess of cost of investment of the Company, it is recognized as "Capital Reserve" and shown under the head "Reserves and Surplus", in the consolidated financial statements. Impact of Currency Translation on such "Goodwill" and "Capital Reserve" is adjusted in the respective carrying amounts. The unamortized carrying value of goodwill is tested for impairment as at each balance sheet date. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised in goodwill is not reversed in a subsequent period.

On disposal of cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 2 : SHARE CAPITAL	As at 31.03.2014	As at 31.03.2013
Authorised *		
99,50,00,000 Equity Shares of ₹ 1 each (Previous year 9,95,00,000 Equity Share of ₹ 10 each)	99.50	99.50
50,000 (Previous year 50,000) 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	100.00
Issued, Subscribed and Paid up capital *		
95,91,97,790 Equity Shares of ₹ 1 each fully paid (Previous year 9,59,19,779 Equity Shares of ₹ 10 each)	95.92	95.92
	95.92	95.92

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

Equity Shares	31.03.2014		31.03.2013	
	No. of Shares *	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	95,91,97,790	95.92	9,59,19,779	95.92
Add: Issued during the year	-	-	-	-
At the end of the year	95,91,97,790	95.92	9,59,19,779	95.92

b) Details of Shareholders holding more than 5% equity shares in the parent company

Name of Shareholders	31.03.2014		31.03.2013	
	No of Equity Shares *	Percentage holding	No of Equity Shares	Percentage holding
Equity Shares of ₹ 1 each (Previous year Equity Share of ₹ 10 each)				
1. Smiti Holding And Trading Company Private Limited	5,40,84,120	5.64	54,03,062	5.63
2. Isis Holding and Trading Company Private Limited	5,28,84,120	5.51	52,83,062	5.51
3. Geetanjali Trading and Investment Private Limited	4,92,67,440	5.14	49,26,744	5.14
4. Life Insurance Corporation of India	6,15,30,363	6.41	47,48,863	4.95

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

* Pursuant to the approval of the members at the 67th Annual General Meeting of the Parent Company held on 24th June, 2013 to the sub-division of the Equity Shares of the Parent Company, each Equity Share of nominal face value of ₹ 10 each was sub-divided to 10 (ten) Equity Shares of ₹ 1 each. The effective date for the said sub-division was 1st August, 2013.

Notes to Consolidated Financial Statements

c) Terms/rights attached to equity shares

The Parent Company has only one class of shares referred to as equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.

As per the Companies Act 1956, in the case of Parent Company, the holders of equity shares will be entitled to receive remaining assets, after distribution of all preferential amounts in the event of liquidation. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

		(₹ in Crores)
NOTE 3 : RESERVES AND SURPLUS		
	As at 31.03.2014	As at 31.03.2013
(a) Capital Reserve on consolidation		
As per last Balance Sheet	39.16	3.25
Add : Additions during the year (Refer note 28)	-	35.91
	39.16	39.16
(b) Capital Reserve [₹ 5,000 (Previous year ₹ 5,000)]	*	*
(c) Capital Redemption Reserve	5.37	5.37
(d) General Reserve		
As per last Balance Sheet	2,248.15	1,949.81
Add : Transfer from surplus in Statement of Profit and Loss	628.42	298.36
Less: Tax on Bonus shares issued by subsidiary	-	(0.02)
	2,876.57	2,248.15
(e) Foreign Currency Translation Reserve		
As per last Balance Sheet	(4.31)	(5.85)
Add : Currency translation Gain During the year	26.51	1.54
	22.20	(4.31)
(f) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	1,000.00	700.00
Add : Net profit after tax transferred from Statement of Profit and Loss for the year	1,218.81	1,113.88
Amount available for appropriation	2,218.81	1,813.88
Less: Appropriations		
Dividend on Equity shares:		
- Interim dividend [Amount per share ₹ 1.10 per equity share of ₹ 1 each (Previous year ₹ 9.5 per equity share of ₹ 10 each)]	105.51	91.13
- Proposed Final Dividend [Amount per share ₹ 4.20 per equity share of ₹ 1 each (Previous year ₹ 36.5 per equity share of ₹ 10 each)]	402.86	350.10
Income Tax on Dividend (includes income tax on proposed dividend)	82.02	74.29
Transfer to General Reserve	628.42	298.36
Closing balance	1,000.00	1,000.00
	3,943.30	3,288.37

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 4 : LONG TERM BORROWINGS	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
(a) Deferred payment liabilities @				
Secured				
Financial Institution (Sales tax deferment scheme - State of Uttar Pradesh) #	3.24	7.30	4.06	5.07
Sales tax deferment scheme - State of Haryana ##	3.41	1.98	-	-
Finance Lease liability ###	0.85	0.57	0.35	0.24
Unsecured				
Sales tax deferment scheme - State of Andhra Pradesh \$	32.86	36.98	4.12	2.77
Sales tax deferment scheme - State of Maharashtra *	1.00	-	0.11	-
(b) Loan from Banks				
Secured				
Term Loan ^	0.04	0.47	0.48	5.72
	41.40	47.30	9.12	13.80
Amount included under the head "other current liabilities" (Refer Note 10)	-	-	(9.12)	(13.80)
	41.40	47.30	-	-

Notes:

Interest free Term loan from the Pradeshia Industrial Corporation of U.P. Limited (PICUP) under Sales Tax Deferment Scheme of Government of U.P. is secured by a first charge on the Parent Company's immovable properties pertaining to the paint plant at Kasna and by way of hypothecation of all movable properties at the above location. This interest free loan has a deferment period of 10 years and is repayable in 9 yearly installments starting from May, 2007 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 30.60 crores the Parent Company has already repaid ₹ 23.3 crores till 31st March, 2014 and balance amount of ₹ 7.30 crores is repayable in 2 installments by May, 2015.

The Parent Company is also eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. For the period ended 31st March, 2011 the Parent Company has already received the interest free loan of ₹ 3.41 crores. This loan is secured by way of a bank guarantee issued by the Parent Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2012 and 31st March, 2013, the Parent Company has made the necessary application to the Haryana Government for the issue of eligibility certificate and for the year ended 31st March, 2014 the Parent Company is in the process of making the necessary application.

Secured by assets taken on finance lease by the respective subsidiaries. Non current portion is repayable within 2-5 years. (Interest rate 2.2% - 16.25% p.a.)

*Sales tax deferment scheme - Maharashtra represents interest free loan availed under the Sales tax deferment scheme of Government of Maharashtra. This interest free loan has a deferment period of 8 years and is repayable in 5 yearly installments starting from April 2011 as per repayment schedule. The accumulated sales tax deferment loan till 31st March, 2014 is ₹ 1.11 crores.

\$ Sales tax deferment - State of Andhra Pradesh represents interest free loan availed under the Sales tax deferment Scheme of the Government of Andhra Pradesh. This interest free loan has a deferment period of 14 years and is repayable in 9 years starting from April 2012 as per repayment schedule. Out of the total sales tax deferment loan of ₹ 40.70 crores the Parent Company has already repaid ₹ 3.72 crores till 31st March, 2014 and balance amount of ₹ 36.98 crores is repayable in next 6 years upto February, 2020.

^ Secured against the motor car and mortgage of property and plant and carries fixed interest of 10.5% p.a.

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

NOTE 5 : DEFERRED TAX

The Group has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

Notes to Consolidated Financial Statements

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2014 are as follows:

(₹ in Crores)				
	Deferred Tax Liability - Net		Deferred Tax Assets - Net	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Deferred tax liabilities				
Difference between Written Down Value/Capital work in progress of fixed assets as per the books of accounts and Income Tax.	(214.16)	(176.07)	(1.82)	(1.52)
Unremitted income	(1.93)	(1.78)	-	-
Retirement Benefit Plans	(1.72)	(4.10)	-	-
Expense allowed for tax purpose on payment basis (Amount paid under protest)	(10.04)	(11.28)	-	-
Others	(0.91)	(0.35)	(0.03)	-
Total deferred tax liabilities	(228.76)	(193.58)	(1.85)	(1.52)
Deferred tax assets				
Provision for expense allowed for tax purpose on payment basis	30.60	27.75	-	0.52
Provision for doubtful debts and advances	1.31	2.04	-	0.33
Expenditure debited to Statement of Profit and Loss but allowed in Income Tax over a longer period	5.41	5.30	4.04	3.02
Capital losses carried forward under Income Tax	1.43	1.76	-	-
Total deferred tax assets	38.75	36.85	4.04	3.87
Net deferred tax (liability)/assets	(190.01)	(156.73)	2.19	2.35
Net deferred tax (liability) for the year				
Currency translation (gain)/loss			(33.44)	(61.55)
Net Deferred tax assets/(liability) of earlier years			(2.29)	2.31
Pursuant to Acquisition of Sleek International Private Ltd. [Refer Note 27 C (a)]			(0.06)	(0.08)
			2.04	-
NET DEFERRED TAX (EXPENSE) FOR THE YEAR			(33.75)	(59.32)

(₹ in Crores)				
NOTE 6 : OTHER LONG TERM LIABILITIES	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Other Payables				
- Retention monies relating to capital expenditure	0.45	0.30	25.98	52.72
- Trade Deposits	7.74	7.44	4.91	4.85
- Employees Payables	0.19	0.11	-	-
- Others	0.75	1.54	-	-
	9.13	9.39	30.89	57.57
Amount included under the head " Other current liabilities" (Refer Note 10)	-	-	(30.89)	(57.57)
	9.13	9.39	-	-

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 7 : PROVISIONS	Long-term		Short-term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provision for Employee Benefits (Refer Note 33)				
Provision for Compensated absences	69.63	66.02	11.79	11.03
Provision for Gratuity and Pension (funded)	-	0.23	1.04	6.76
Provision for Pension, Gratuity, Leaving Indemnity and Medical Plan (unfunded)	18.85	16.44	1.21	0.54
Others	3.37	2.06	-	0.02
Provision for Excise (Refer Note 36)	1.27	1.25	-	-
Provision for Statutory Liabilities (Refer Note 36)	13.06	10.72	2.25	-
Provision for Warranties (Refer Note 36)	-	-	2.10	2.14
Proposed Dividend	-	-	402.86	350.10
Provision for Income tax on Proposed Dividend	-	-	68.47	59.50
Provision for Income Tax (Net)	2.35	1.66	69.60	10.92
	108.53	98.38	559.32	441.01

(₹ in Crores)

NOTE 8 : SHORT TERM BORROWINGS	As at 31.03.2014	As at 31.03.2013
(a) Loan repayable on demand from banks ^		
Secured		
Banks / Financial Institutions #	19.44	48.21
Cash Credit / Overdraft Accounts #	10.99	-
Unsecured		
Banks / Financial Institutions ##	164.64	133.42
Cash Credit / Overdraft Accounts ##	3.56	-
(b) Other loans from banks ^		
Unsecured		
Foreign Currency Loan (Buyers' credit) @	-	8.23
	198.63	189.86

Secured against the debtors, stock, plant & machinery and carries interest rate @ 10.74% to 13% p.a.

Carries Interest Rate of 0.88% to 11.75%

@ Foreign currency loan carries interest @ LIBOR plus 0.50% p.a, repayable on their respective due dates within next 12 months.

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

Notes to Consolidated Financial Statements

		(₹ in Crores)
NOTE 9 : TRADE PAYABLES	As at 31.03.2014	As at 31.03.2013
Trade Payables (including acceptances)	1,745.72	1,441.57
	1,745.72	1,441.57

		(₹ in Crores)
NOTE 10 : OTHER CURRENT LIABILITIES	As at 31.03.2014	As at 31.03.2013
(a) Current maturities of long term borrowings (Refer Note 4)	9.12	13.80
(b) Current portion of other long term liabilities (Refer Note 6)	30.89	57.57
(c) Investor Education and Protection Fund #		
(i) Unpaid/ Unclaimed dividend	6.01	5.59
(ii) Unclaimed amount of sale proceeds of fractional coupons of bonus shares issued in earlier years	0.04	0.04
	6.05	5.63
(d) Other Payables		
Statutory Payables -		
Payable towards Central Sales Tax and VAT	122.43	101.77
Payable towards Excise & Service tax	27.15	19.08
Payable towards TDS under Income tax	10.69	11.37
Payable towards Provident Fund, Profession Tax and ESIC	3.65	3.28
Payable towards other taxes	10.79	8.33
Payable towards Capital expenditure	20.91	39.38
Payable towards Services received	181.20	144.81
Payable towards Stores, spares and consumables	16.87	9.12
Payable to Employees	104.98	82.99
[including ₹ 2.15 crores due to Managing Director (Previous year ₹ 1.65 crores)]		
Interest accrued but not due on borrowings	0.08	0.17
Provision for discounts, sales promotion and other expenses	356.64	360.25
[including ₹ 2.43 crores due to Non-Executive Directors (Previous year ₹ 2.57 crores)]	855.39	780.55
	901.45	857.55

There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2014. These amounts shall be paid to the Fund as and when they become due.

Notes to Consolidated Financial Statements

NOTE 11 : FIXED ASSETS

	Gross Block						Depreciation/Amortisation						Impairment				Net Block	
	As at 01.04.13	Translation Difference	Pursuant to acquisition of Subsidiary#	Additions /Transfer during the year	Deductions /Transfer during the year	As at 31.03.14	As at 01.04.13	Translation Difference	Pursuant to acquisition of Subsidiary#	Additions /Transfer during the year	Deductions /Transfer during the year	As at 31.03.14	Translation Difference	Additions /Transfer during the year *	Deductions	As at 31.03.14	As at 31.03.14	
A. Tangible Assets :																		
<u>Land :</u>																		
Freehold	128.04	1.38	0.23	0.01	-	129.66	-	-	-	-	-	-	-	-	-	-	129.66	
Leasehold	110.40	0.46	4.46	2.39	-	117.71	6.57	0.12	-	1.25	(0.16)	8.10	-	-	-	-	109.61	
<u>Buildings :</u>																		
Freehold	824.47	5.57	16.33	35.18	5.44	876.11	108.48	0.78	0.96	26.36	0.24	136.34	-	4.63	0.01	4.62	735.15	
Leasehold	39.60	3.88	-	0.23	0.15	43.56	33.02	3.19	-	1.11	0.15	37.17	-	-	-	-	6.39	
Leasehold improvements	10.05	-	-	1.27	-	11.32	6.44	-	-	1.52	-	7.96	-	-	-	-	3.36	
Plant and Equipment	1,956.14	11.25	7.03	94.99	15.52	2,053.89	642.71	7.20	2.61	174.20	12.63	814.09	6.47	5.40	0.84	11.07	1,228.73	
<u>Scientific Research:</u>																		
Buildings	38.19	-	-	0.60	-	38.79	5.91	-	-	1.29	-	7.20	-	-	-	-	31.59	
Equipment	44.96	-	-	4.66	-	49.62	23.41	-	-	4.84	0.04	28.21	0.21	-	-	0.21	21.20	
Furnitures & Fixtures	57.09	1.63	6.68	11.33	5.76	70.97	34.66	1.13	2.01	5.88	4.90	38.78	0.75	0.05	0.12	0.68	31.51	
Vehicles	9.89	0.37	1.14	2.96	2.20	12.16	7.49	0.30	0.41	1.43	2.02	7.61	-	-	-	-	4.55	
Office Equipment	53.37	2.53	1.86	11.96	2.91	66.81	34.89	1.98	1.16	6.74	2.71	42.06	0.20	0.47	0.03	0.64	24.11	
<u>Assets Given on Operating Lease:</u>																		
Timing systems	11.28	0.48	-	0.67	1.07	11.36	6.28	0.20	-	1.06	0.78	6.76	1.07	-	0.01	0.28	3.80	
<u>Assets Taken on Finance Lease:</u>																		
Vehicles	1.52	0.14	-	0.66	0.19	2.13	0.76	0.07	-	0.35	0.13	1.05	-	-	-	-	1.08	
Total Tangible Assets (A)	3,285.00	27.69	37.73	166.91	33.24	3,484.09	910.62	14.97	7.15	226.03	23.44	1,135.33	8.70	10.56	1.28	18.02	2,330.74	
B. Intangible Assets :																		
Brands	-	-	34.50	-	-	34.50	-	-	-	2.29	-	2.29	-	-	-	-	32.21	
Trademark	11.93	-	-	-	-	11.93	11.93	-	-	-	-	11.93	-	-	-	-	-	
Goodwill	0.54	-	14.29	-	-	14.83	0.02	-	0.08	0.92	-	1.02	-	-	-	-	13.81	
Computer Software	76.73	0.20	1.04	28.08	0.25	105.80	48.80	0.14	0.48	14.80	0.25	63.97	-	0.24	-	0.24	41.59	
Others	10.76	0.04	-	-	-	10.80	7.99	-	-	0.74	-	8.73	0.30	-	-	0.33	1.74	
<u>Scientific Research:</u>																		
Computer Software	0.18	-	-	-	-	0.18	0.04	-	-	0.04	-	0.08	-	-	-	-	0.10	
Total Intangible Assets (B)	100.14	0.24	49.83	28.08	0.25	178.04	68.78	0.14	0.56	18.79	0.25	88.02	0.30	0.03	0.24	-	0.57	
TOTAL (A+B)	3,385.14	27.93	87.56	194.99	33.49	3,662.13	979.40	15.11	7.71	244.82	23.69	1,223.35	9.00	0.07	0.80	18.59	2,420.19	

Refer Note 27 C (a)

* Refer Note 30

Notes to Consolidated Financial Statements

NOTE 11 : FIXED ASSETS (Contd.)

	Gross Block						Depreciation/Amortisation				Impairment				Net Block		
	As at 01.04.12	Translation Difference	Pursuant to Composite Scheme of Restructuring #	Additions /Transfer during the year	Deductions /Transfer during the year	As at 31.03.13	As at 01.04.12	Translation Difference	Pursuant to Composite Scheme of Restructuring #	Additions /Transfer during the year	Deductions /Transfer	As at 31.03.13	Translation Difference	Additions /Transfer during the year	Deductions	As at 31.03.13	As at 31.03.13
A. Tangible Assets :																	
<u>Land:</u>																	
Freehold	123.61	(0.06)	-	4.49	-	128.04	-	-	-	-	-	-	-	-	-	-	128.04
Leasehold	101.42	0.33	-	8.65	-	110.40	5.34	0.07	-	1.16	-	6.57	-	-	-	-	103.83
<u>Buildings:</u>																	
Freehold	490.04	(0.65)	-	336.10	1.02	824.47	92.02	0.11	-	16.64	0.29	108.48	-	-	-	-	715.99
Leasehold	36.91	2.66	-	0.03	-	39.60	29.78	2.16	-	1.08	-	33.02	-	-	-	-	6.58
Leasehold improvements	8.65	-	-	1.40	-	10.05	4.59	-	-	1.85	-	6.44	-	-	-	-	3.61
Plant and Equipment	1,070.07	3.45	4.15	890.97	12.50	1,956.14	544.92	3.22	0.38	103.35	9.16	642.71	7.97	0.21	1.73	6.47	1,306.96
<u>Scientific Research:</u>																	
Buildings	37.68	-	-	0.51	-	38.19	4.64	-	-	1.27	-	5.91	-	-	-	-	32.28
Equipment	36.91	-	-	8.06	0.01	44.96	19.21	-	-	4.20	-	23.41	0.22	-	0.01	0.21	21.34
Furnitures & Fixtures	50.27	0.92	0.04	8.56	2.70	57.09	31.52	0.72	0.01	4.85	2.44	34.66	0.91	-	0.16	0.75	21.68
Vehicles	9.67	0.05	0.04	0.94	0.81	9.89	7.28	0.03	0.04	0.85	0.71	7.49	-	-	-	-	2.40
Office Equipment	42.36	1.28	0.34	10.96	1.57	53.37	29.49	1.07	0.14	5.48	1.29	34.89	0.20	0.01	0.01	0.20	18.28
<u>Assets Given on Operating Lease:</u>																	
Tinting systems	13.80	0.45	-	0.82	3.79	11.28	8.01	0.16	-	1.07	2.96	6.28	1.89	-	0.82	1.07	3.93
<u>Assets Taken on Finance Lease:</u>																	
Vehicles	1.16	0.12	-	0.39	0.15	1.52	0.58	0.06	-	0.27	0.15	0.76	-	-	-	-	0.76
Total Tangible Assets (A)	2,022.55	8.55	4.57	1,271.88	22.55	3,285.00	777.38	7.60	0.57	142.07	17.00	910.62	11.19	0.22	2.73	8.70	2,365.68
B. Intangible Assets :																	
Trademark	11.93	-	-	-	-	11.93	11.93	-	-	-	-	11.93	-	-	-	-	-
Goodwill	-	-	-	0.54	-	0.54	-	-	-	0.02	-	0.02	-	-	-	-	0.52
Computer Software	58.20	0.04	-	17.68	(0.81)	76.73	36.56	0.01	-	11.51	(0.72)	48.80	-	-	-	-	27.93
Others	11.52	0.07	-	-	0.83	10.76	7.93	0.03	-	0.74	0.71	7.99	0.28	0.02	-	0.30	2.47
<u>Scientific Research:</u>																	
Computer Software	0.10	-	-	0.08	-	0.18	-	-	-	0.04	-	0.04	-	-	-	-	0.14
Total Intangible Assets (B)	81.75	0.11	-	18.30	0.02	100.14	56.42	0.04	-	12.31	(0.01)	68.78	0.28	-	-	0.30	31.06
TOTAL (A+B)	2,104.30	8.66	4.57	1,290.18	22.57	3,385.14	833.80	7.64	0.57	154.38	16.99	979.40	11.47	0.22	2.73	9.00	2,396.74
Refer Note 28																	

Refer Note 28

Notes to Consolidated Financial Statements

NOTE 12 : NON-CURRENT INVESTMENTS		Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
(₹ in Crores)					
I. Unquoted					
A. Trade Investments:					
Investment in Equity shares					
(a) Patancheru Enviro-tech Limited	12,900	10	0.01	0.01	
(b) SIPCOT Common Utilities Limited	2,830	100	0.03	0.03	
(c) Narmada Clean Tech Limited. (5,725 shares allotted during the year for cash)	4,97,833 (4,92,108)	10	0.50	0.49	
				0.54	0.53
B. Other Investments:					
(a) Investment in Equity shares					
SKH Metals Limited	62,500	10	0.50	0.50	
Shares of Saraswat Co-op. Bank (₹ 25,000)	2,500	10	*	-	
				0.50	0.50
(b) Investment in Government Securities					
National Savings Certificates, Indira Vikas Patra and Defence Certificates deposited with Government Authorities [₹ 39,500 (previous year ₹ 39,500)]			*	*	
(c) Investment in Mutual Funds					
(i) IDFC Fixed Term Plan Series 9 Direct Plan - Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00	
(ii) KOTAK Fixed maturity Plan Series 101 Direct Plan- Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00	
Total Non Current Unquoted Investments (I)				1.04	11.03
II. Quoted					
Other Investments					
(i) Investment in Equity shares					
Akzo Nobel India Ltd	20,10,626	10	41.30	41.30	
Housing Development Finance Corporation Ltd.	4,65,000	2	0.12	0.12	
Apcotex Industries Ltd.	3,418	10	0.01	0.01	
Pan United Corp	7,000		0.02	0.02	
(ii) Investment in Mutual Funds					
ICICI Prudential Fixed Maturity Plan Series 66-407 Days Plan C Direct Plan (2,00,00,000 units Matured during the year)	(2,00,00,000)	10	-	20.00	
RELIANCE Fixed Horizon Fund - XXIII-Series 2- Direct Growth Plan -8JAG (1,00,00,000 units Matured during the year)	(1,00,00,000)	10	-	10.00	

Figures in brackets indicate that of previous year.

Notes to Consolidated Financial Statements

(₹ in Crores)				
NOTE 12 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
IDFC Fixed Term Plan direct plan - Series 10 - Growth (1,00,00,000 units Matured during the year)	(1,00,00,000)	10	-	10.00
JP Morgon Fixed Maturity Plan Series 13 Growth (1,00,00,000 units Matured during the year)	(1,00,00,000)	10	-	10.00
JP Morgan India Fixed Maturity Plan Series 15 Direct - Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
DSP BLACKROCK Fixed Maturity Plan - Series 93 12M Direct Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan - Series 28 - Direct Plan - Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
SUNDARAM Fixed Term Plan DI 375 Days Direct - Growth (50,00,000 units Matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan Series 53 Direct Plan- Growth	1,40,00,000	10	14.00	-
BIRLA Sun Life Fixed Term Plan Series KE 412 days	1,00,00,000	10	10.00	-
HDFC Fixed Maturity Plan 453D Series 29 Direct Growth	1,00,00,000	10	10.00	-
IDFC Fixed Term Plan Series 66 Direct Plan Growth	1,00,00,000	10	10.00	-
KOTAK Fixed Maturity Plan Series 133 Direct Growth	1,00,00,000	10	10.00	-
LIC Nomura MF Fixed Maturity Plan Series 77 - 396 Days	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund XXV Series 17 Direct Plan	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund XXV Series 16 Direct Plan	1,00,00,000	10	10.00	-
SUNDARAM Fixed Term Plan EU 467 Days Dr. Growth	1,00,00,000	10	10.00	-
AXIS Fixed Term Plan - Series 49 (437)Days Direct	80,00,000	10	8.00	-
DWS Fixed Maturity Plan Series 45 Dierct plan Growth	50,00,000	10	5.00	-
SBI Debt Fund Series A2 - 15 Month Direct Growth	50,00,000	10	5.00	-
RELIGARE Invesco Fixed Maturity Plan Series 22 (15 months) Direct Plan	50,00,000	10	5.00	-
RELIGARE Double Indexation	50,00,000	10	5.00	-
(iii) Investment in Debt Instruments				
7.93 % Rural Electrification Corporation (REC) Tax Free Bonds	1,22,476	1,000	12.25	12.25
8.20 % Power Finance Corporation Tax Free Bond	1,00,000	1,000	10.07	10.07

Figures in brackets indicate that of previous year.

Notes to Consolidated Financial Statements

(₹ in Crores)				
NOTE 12 : NON-CURRENT INVESTMENTS (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
11.50% L&T Finance Ltd Perpetual 2021	50	10,00,000	5.32	5.32
Total Non Current Quoted Investments (II)			191.09	139.09
TOTAL NON CURRENT INVESTMENTS (I) + (II)			192.13	150.12
Aggregate market value of Non Current Quoted Investments :			372.78	344.12

Figures in brackets indicate that of previous year.

(₹ in Crores)				
NOTE 13 : LOANS AND ADVANCES	Long Term		Short Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
A. Secured and Considered good:				
Capital Advances #	1.79	0.37	-	-
B. Unsecured and Considered good:				
(a) Capital Advances	6.59	7.07	-	-
(b) Sundry deposits	39.76	36.27	21.14	18.03
(c) Loans and advances to related parties				
i) Advance contribution to Provident Fund trust	-	-	-	4.00
ii) Advance contribution to Gratuity Trust	-	-	2.42	-
(d) Other loans and advances				
i) Advances/claims recoverable in cash or in kind	47.77	39.15	174.64	136.24
ii) Advance payment of Income Tax (Net)	24.20	21.80	0.14	0.83
iii) Balances with Government authorities	9.68	-	41.32	51.11
iv) Advances to employees	0.46	0.01	6.80	4.39
	130.25	104.67	246.46	214.60
C. Unsecured and Considered doubtful:				
Other loans and advances				
Advances/claims recoverable in cash or in kind	-	-	-	1.48
Less: Provision for doubtful advances/claims recoverable in cash or in kind	-	-	-	(1.48)
	-	-	-	-
	130.25	104.67	246.46	214.60

Secured against Bank Guarantee

(₹ in Crores)		
NOTE 14: OTHER NON CURRENT ASSETS	As at 31.03.2014	As at 31.03.2013
Long Term Trade Receivables (Refer Note 17)	7.08	3.87
Deposits with banks with maturity more than twelve months (Refer Note 18)	2.48	0.71
Others		
Finance Lease Receivables (Refer Note 35 (IV))	0.32	0.07
Employee Benefit Asset (Refer Note 33)	9.00	18.65
Other Receivables	0.02	0.02
Subsidy Receivable from State Government	6.32	0.03
	25.22	23.35

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 15 : CURRENT INVESTMENTS (At lower of cost and fair value)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
Unquoted				
Current Investments				
BIRLA Sunlife Dividend Yield Plus	21,853	10	0.20	-
Franklin India FLEXI CAP FUND - G	34,061	10	0.06	-
HDFC Equity Fund - Growth	4,132	10	0.05	-
HDFC Equity Fund - Growth	1,318	10	0.02	-
HDFC Equity Fund - Growth	3,408	10	0.10	-
HDFC Prudence Fund - Growth	4,614	10	0.10	-
HDFC Tax saver Growth	1,501	10	0.02	-
HDFC Top 200 Fund - Growth	9,031	10	0.20	-
RELIANCE Diversified Power Sect Fund	7,440	10	0.04	-
RELIANCE Growth Fund - Retail Growth Plan	4,526	10	0.11	-
RELIANCE Regular Saving Fund - Equity	60,344	10	0.20	-
SBI Magnum Global Fund-Growth	12,079	10	0.03	-
SBI - Magnum Income Plus Fund - IP - Div (₹ 40,268)	3,496	10	*	-
Government Securities - Treasury Bills			45.93	40.56
Total Unquoted Current Investments (I)			47.06	40.56
Current Portion of Long Term Investment				
Investments in Mutual Funds:				
UTI Fixed Term Income Fund Series XIV-I(366 Days) Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
TATA Fixed Maturity Plan Series 42 Scheme A - Direct Plan Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
KOTAK Fixed Maturity Plan Series 96 Direct - Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
Total Unquoted Current Portion of Long Term Investment (II)			-	15.00
Total Unquoted Investments			47.06	55.56
Quoted				
Current Portion of Long Term Investment				
Investments in Mutual Funds:				
IDFC Yearly Series Interval Fund Regular Plan-II Growth (50,00,000 units matured and re-invested during the year)	50,00,000	10	5.00	5.00
ICICI Prudential Fixed Maturity Plan Series 66-368 Days Plan B Regular Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA SUN LIFE Interval Income Fund AP 2-Growth-Regular Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SUNDARAM Fixed Term Plan DE 367 Days Direct Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00

Notes to Consolidated Financial Statements

(₹ in Crores)				
NOTE 15 : CURRENT INVESTMENTS (Contd.) (At lower of cost and fair value)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
RELIANCE Yearly Interval Fund Series 3 Direct Plan Growth Plan - Y3AG (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
DSP Blackrock Fixed Maturity Plan - Series 84 - 12 months - Regular Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
DSP Blackrock Fixed Maturity Plan - Series 86 - 12M - Direct Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
DWS Fixed Maturity Plan - Series 24 - Direct Plan - Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
ICICI Prudential Fixed Maturity Plan Series 66 - 366 Days Plan F Direct Plan (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
BIRLA Sun Life interval income fund - annual plan 3 Growth Direct (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
SBI Debt Fund Series - 366 Days 23 - Direct Plan Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
UTI Fixed Term Income Fund Series XI-II (400 Days) Growth (50,00,000 units matured during the year)	(50,00,000)	10	-	5.00
JP Morgan FMP Series 6 Growth (1,00,00,000 units matured during the year)	(1,00,00,000)	10	-	10.00
SBI Debt Fund Series 366 Days 49 DP Growth	3,10,00,000	10	31.00	-
RELIGARE Invesco FMP Sr XXI Plan (371 Days)	2,10,00,000	10	21.00	-
BIRLA Sunlife Fixed Term Plan-Series JA (366 Days)	2,00,00,000	10	20.00	-
ICICI Prud FMP Series 66-407 Days Plan C Direct Pl	2,00,00,000	10	20.00	-
LIC Nomura MF Fixed Maturity Plan Series 55 -375 Days	2,00,00,000	10	20.00	-
RELIANCE Fixed Horizon Fund XXIV Series 25 Direct	2,00,00,000	10	20.00	-
TATA Fixed Maturity Plan Series 46 Scheme	2,00,00,000	10	20.00	-
UTI Fixed Term Income Fund Series XV -IV (368 Days)	2,00,00,000	10	20.00	-
UTI Fixed Term Income Fund Series XVII 369 Days	2,00,00,000	10	20.00	-
BIRLA Sun Life Interval Income Fund-Annual Plan IX	1,50,00,000	10	15.00	-
TATA Fixed Maturity Plan Series 46 Scheme A Direct	1,40,00,000	10	14.00	-
IDFC Fixed Trem Plan Series 49 Direct Plan-growth	1,10,00,000	10	11.00	-
SBI Debt Fund Series 366 Days 54 Direct Plan Growth	1,10,00,000	10	11.00	-
ICICI Prudential Fixed Maturity Plan Series 71-367 Days plan G	1,00,00,000	10	10.00	-
ICICI Prudential Fixed Maturity Plan Series 73-366 Days Plan A	1,00,00,000	10	10.00	-
ICICI Prudential Fixed Maturity Plan Series 73-366 Days Plan B	1,00,00,000	10	10.00	-
IDFC Fixed Term Plan Direct Plan Series 10-Growth	1,00,00,000	10	10.00	-

Notes to Consolidated Financial Statements

(₹ in Crores)				
NOTE 15 : CURRENT INVESTMENTS (Contd.) (At lower of cost and fair value)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
JP Morgan Fixed Maturity Plan Series 13 Growth	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund - XXIII-Series2 Direct Growth	1,00,00,000	10	10.00	-
RELIANCE Fixed Horizon Fund XXV Series 4 Direct Plan Growth	1,00,00,000	10	10.00	-
SUNDARAM Fixed Term Plan FF 366 Days Direct Growth	1,00,00,000	10	10.00	-
TATA Fixed Maturity Plan Series 46 Scheme B	1,00,00,000	10	10.00	-
HDFC Fixed Maturity Plan 371 Days Series -29 Direct	80,00,000	10	8.00	-
ICICI Prudential Interval Fund series VII Annual I	80,00,000	10	8.00	-
DWS Fixed Maturity plan Series 43 Direct Plan Growth	70,00,000	10	7.00	-
RELIANCE Yearly Interval Fund Series 8 - Direct Plan Growth	70,00,000	10	7.00	-
SUNDARAM Fixed Term Plan FB 369 Days Direct Growth	60,00,000	10	6.00	-
TATA Fixed Maturity Plan Series 45 Scheme C- Growth	60,00,000	10	6.00	-
BIRLA Sun Life Fixed Term Plan - Series KK (367 Days)	50,00,000	10	5.00	-
BIRLA Sun Life Fixed Term Plan Series IV (368 days)	50,00,000	10	5.00	-
DSP Blackrock Fixed Maturity Plan - SERIES 93 12Month Direct Growth	50,00,000	10	5.00	-
DWS Fixed Maturity Plan Series 50 Direct Plan Growth	50,00,000	10	5.00	-
DWS FIXED MATURITY PLAN - SERIES 28 - Direct Plan Growth	50,00,000	10	5.00	-
ICICI Prudential Interval Fund Annual Plan IV	50,00,000	10	5.00	-
IDFC Fixed Term Plan Series 52 Direct Plan-Growth	50,00,000	10	5.00	-
IDFC Fixed term Plan Series 9 Direct Plan-Growth	50,00,000	10	5.00	-
JP Morgan India Fixed Maturity Plan Series 32 D Growth	50,00,000	10	5.00	-
JP Morgan India Fixed Maturity Plan Series 15 Direct	50,00,000	10	5.00	-
KOTAK Fixed Maturity Plan Series 101 Direct - Growth	50,00,000	10	5.00	-
KOTAK Fixed Maturity Plan Series 128 Direct Growth	50,00,000	10	5.00	-
KOTAK Fixed Maturity Plan Series 143 Direct Growth	50,00,000	10	5.00	-
KOTAK Fixed Maturity Plan Series 144 Direct Growth	50,00,000	10	5.00	-
LIC Nomura MF Interval Fund Direct Series 1 Annual	50,00,000	10	5.00	-
RELIANCE Fixed Horizon Fund XXV Series 8 Direct Plan Growth	50,00,000	10	5.00	-
RELIGARE Invesco Fixed Maturity Plan-Series 22-Plan A 368 days - Direct	50,00,000	10	5.00	-
SBI Debt Fund Series 366 days 45 Direct Plan Growth	50,00,000	10	5.00	-
SUNDARAM Fixed Term Plan DI 375 Days Direct Growth	50,00,000	10	5.00	-
BIRLA Sun Life Fixed Term Plan Series JE (368 Days)	40,00,000	10	4.00	-
KOTAK Fixed Maturity Plan Series 129 Direct Growth	30,00,000	10	3.00	-
Total Quoted Current Investments (II)			482.00	90.00
TOTAL CURRENT INVESTMENTS (I+II)			529.06	145.56
Aggregate market value of quoted current investments			504.70	92.49

Figures in brackets indicate that of previous year.

Notes to Consolidated Financial Statements

(₹ in Crores)		
NOTE 16 : INVENTORIES	As at	As at
(At lower of cost and net realisable value)	31.03.2014	31.03.2013
(a) Raw materials	671.43	627.47
Raw materials-in-transit	97.12	25.93
	768.55	653.40
(b) Packing materials	51.12	42.80
(c) Finished goods	1,033.68	972.79
Finished goods-in-transit	2.40	1.04
	1,036.08	973.83
(d) Work-in-progress	87.09	68.51
(e) Stores, spares and consumables	42.12	34.80
(f) Stock-in-trade (acquired for trading)	84.90	56.95
	2,069.86	1,830.29

(₹ in Crores)				
NOTE 17 : TRADE RECEIVABLES	Non - Current		Current	
	As at	As at	As at	As at
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Unsecured				
(a) Overdue for more than six months				
Considered good	0.28	-	7.27	11.36
Considered doubtful	-	-	43.56	41.17
	0.28	-	50.83	52.53
(b) Others				
Considered good	6.80	3.87	1,103.01	969.52
Considered doubtful	-	-	6.94	2.08
	6.80	3.87	1,109.95	971.60
	7.08	3.87	1,160.78	1,024.13
Less: Provision for doubtful trade receivables	-	-	50.50	43.25
	7.08	3.87	1,110.28	980.88
Amount included under the head "Other Non Current Assets" (Refer Note 14)	(7.08)	(3.87)	-	-
	-	-	1,110.28	980.88

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 18 : CASH AND BANK BALANCES	Non - Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
A. Cash and Cash Equivalents				
(a) Cash on hand			2.86	0.52
(b) Balances with Banks:				
(i) Current Accounts #			150.51	98.18
(ii) Cash Credit Accounts ##			3.30	25.70
(iii) Cheques on hand			15.07	33.79
(iv) Deposits with Banks with maturity less than 3 months			46.51	89.26
			215.39	246.93
(c) Investment in Liquid mutual funds and Government Securities @			702.37	483.16
# Overdraft in current account carries interest rate @ 12.50% to 12.75% p.a.				
## Secured by hypothecation of inventories and trade receivable and carries interest rate @ 9.95% to 12.50% p.a.				
B. Other Bank Balances				
(a) Unpaid Dividend and fractional bonus shares account \$	-	-	6.05	5.63
(b) Deposits with Banks with maturity more than 3 months but less than 12 months	-	-	4.99	0.45
(c) Deposits with Banks with maturity more than 12 months	2.48	0.71	-	-
	2.48	0.71	11.04	6.08
Amount included under the head "Other Non Current Assets" (Refer Note 14)	(2.48)	(0.71)	-	-
	-	-	931.66	736.69

\$ The Group can utilise these balances only towards settlement of unclaimed dividend and fractional bonus shares.

(₹ in Crores)

@ Investment in liquid mutual funds and Government Securities	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
Unquoted Investments in Mutual Funds:				
BIRLA Sun Life Floating Rate fund Long term Growth (43,22,288 units sold during the year)	(43,22,288)	100	-	60.22
UTI-Floating Rate Fund-Stp- Reg Plan - Direct Plan Growth (2,66,670 units sold during the year)	(2,66,670)	1,000	-	50.32
Government Securities - Treasury Bills			10.29	22.80
Bank of Nova Scotia - Premium Money Market Fund			0.03	1.68
KOTAK floater Short Term - Growth	7,225	1,000	0.76	-

Notes to Consolidated Financial Statements

(₹ in Crores)

@ Investment in liquid mutual funds and Government Securities (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
RELIANCE Liquid fund treasury plan -Growth plan	10,761	1,000	1.68	-
KOTAK Floater Short term - Growth	6,199	2,000	1.30	-
KOTAK Liquid Scheme Plan A - Growth	3,929	2,500	1.02	-
UTI-MONEY MARKET FUND INSTITUTIONAL PLAN-GROWTH	1,52,869	1,000	21.93	-
LIC Nomura MF Liquid Fund - Growth Plan	5,936	2,000	1.31	-
HDFC F R I F - STF - WP - Growth	30,96,973	10	6.67	-
HDFC Liquid Fund - Growth	8,02,794	10	2.00	-
ICICI Prudential Liquid - Reg - Growth	6,65,911	10	12.42	-
ICICI Prudential Flexible Income Plan - Reg - Growth	83,260	10	2.00	-
			61.41	135.02
Quoted				
Templeton India Ultra Short Bond Super Institutional Plan - Growth (72,44,794 units matured During the Year)	(72,44,794)	10	-	11.07
DSP Blackrock Money Manager Fund Regular Growth (56,730 Units matured during the year)	(56,730)	1,000	-	9.01
ICICI Prudential Flexible Income - Regular Plan- growth (29,74,540 Units matured during the year)	(29,74,540)	100	-	65.12
IDFC Ultra Short Term Fund-Growth-(Regular Plan) (61,89,937 Units matured during the year)	(61,89,937)	10	-	10.08
IDFC Ultra Short Term Fund-Growth-(Direct Plan) (3,44,64,261 Units matured during the year)	(3,44,64,261)	10	-	56.13
SBI Ultra Short Term Debt Fund - Regular Plan - Growth (3,19,073 Units matured during the year)	(3,19,073)	1,000	-	48.03
AXIS Treasury Advantage fund Direct Plan Growth (3,42,952 Units matured during the year)	(3,42,952)	1,000	-	44.70
BIRLA Sun Life Saving Fund - Growth-Regular Plan (13,43,689 Units matured during the year)	(13,43,689)	100	-	30.04
KOTAK Flexi Debt Plan A - Growth (1,59,36,512 Units matured during the year)	(1,59,36,512)	10	-	23.09
Global Templeton Bonds			-	14.52
Pictet SICV GLB Emerging Fund			-	10.76
PIMCO Fund			-	7.29
UTI - Floating Rate Fund - STP - Regular Plan - Direct Plan - Growth (1,01,667 Units matured during the year)	(1,01,667)	1,800	-	18.30

Notes to Consolidated Financial Statements

(₹ in Crores)

@ Investment in liquid mutual funds and Government Securities (Contd.)	Nos.	Face value (₹)	As at 31.03.2014	As at 31.03.2013
AXIS Liquid Fund - Growth	6,13,134	1,000	87.02	-
Templeton India Ultra Short Bond Super Institutional Plan - Growth	4,12,51,022	10	69.46	-
Templeton India Treasury Management - Super Institutional Plan - Growth	3,37,453	1,000	64.44	-
KOTAK Floater - Short Term - Growth	2,49,162	1,000	52.32	-
TATA Liquid Fund - Plan A - Growth	2,00,887	1,000	47.50	-
UTI Money Market - Institutional Plan - Growth	2,88,071	1,000	41.31	-
BIRLA Sun Life Floating Rate Fund - Short term plan - Regular - Growth	22,32,429	100	38.04	-
RELIGARE Invesco Liquid Fund - Growth	1,89,402	1,000	33.36	-
DWS Ultra Short-Term Fund - Institutional Plan - Growth	2,03,19,088	10	31.06	-
JM High Liquidity - Growth	87,50,552	10	30.58	-
JP Morgan India Liquid Fund - Super Institutional Plan - Growth	1,82,41,879	10	30.28	-
HDFC Floating Rate Income Fund - Short Term Plan - WP - Growth	1,24,14,270	10	27.14	-
RELIANCE Liquid Fund - Treasury Plan - Growth	75,579	1,000	23.59	-
ICICI Prudential Liquid - Regular Plan - Growth	11,65,133	100	22.09	-
ICICI Prudential Flexible Income - Regular Plan- growth	5,84,805	100	14.05	-
SUNDARAM Money Fund - Regular - Growth	39,20,048	10	10.59	-
JM Money Manager Fund - Super Plus Plan - Growth	55,21,407	10	10.02	-
SBI Premier Liquid Fund - Regular - Growth	40,297	1,000	8.11	-
			640.96	348.14
			702.37	483.16

Figures in brackets indicate that of previous year.

(₹ in Crores)

NOTE 19 : OTHER CURRENT ASSETS	As at 31.03.2014	As at 31.03.2013
Interest accrued on investments and deposits	2.72	3.28
Quantity discount receivable	79.77	70.07
Royalty receivable	0.12	0.10
Duty Drawback receivable	0.51	0.89
Other Receivables	26.80	23.54
Subsidy Receivable from State Government	57.95	0.28
Fixed Assets held for sale	1.27	-
TOTAL	169.14	98.16

Notes to Consolidated Financial Statements

		(₹ in Crores)	
NOTE 20 : REVENUE FROM OPERATIONS		Year 2013-14	Year 2012-13
(A) Revenue from sale of goods and services:			
Sale of goods:			
Home Market (Net of Returns)	14,368.61	12,318.75	
Exports	198.56	169.35	
Turnover	14,567.17	12,488.10	
Less: Discounts	699.03	522.25	
Sale of goods (Net of Discounts)	13,868.14	11,965.85	
Sale of services:			
Revenue from Home Solutions operations	4.35	7.34	
Revenue from painting and related services	13.28	28.61	
Colour Consultancy Income	1.53	0.48	
Other Services	1.80	-	
TOTAL	13,889.10	12,002.28	
(B) Other Operating Revenues:			
Processing and service income	53.99	52.20	
Scrap sales	11.00	10.65	
Subsidy from State Government (Refer Note 31)	65.89	0.31	
Lease Rent	1.42	1.10	
Others	0.87	-	
TOTAL	133.17	64.26	

		(₹ in Crores)	
NOTE 21 : OTHER INCOME		Year 2013-14	Year 2012-13
(a) Interest			
(i) From Current investments	7.15	8.74	
(ii) From Non Current investments	1.93	1.49	
(iii) From others	4.79	3.50	
	13.87	13.73	
(b) Insurance claims received		0.66	0.22
(c) Dividend received			
(i) From Non Current investments	16.67	4.53	
(ii) From Current investments	48.80	28.36	
	65.47	32.89	
(d) Royalty		7.04	7.27
(e) Profit on sale of Long Term Investments (Net) #		9.61	26.21
(f) Profit on sale of Short Term Investments (Net)		2.68	1.05
(g) Profit on sale of fixed assets (Net)		7.11	4.21
(h) Other non-operating income		27.78	28.90
	134.22	114.48	

As at 31st March 2013, these Long term investments are classified under Current investments as their maturity period is less than 12 months.

Notes to Consolidated Financial Statements

(₹ in Crores)

NOTE 22 :	Year 2013-14	Year 2012-13
(A) COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	653.40	620.57
Add : Purchases	6,047.25	5,381.36
Add : Increase/(Decrease) pursuant to Composite Scheme of Restructuring (Refer Note 28)	-	(9.73)
Add : Acquired pursuant to investment in Sleek International Pvt Ltd [Refer Note 27 C (a)]	1.93	-
	6,702.58	5,992.20
Less: Closing Stock	768.55	653.40
	5,934.03	5,338.80
Packing Materials Consumed		
Opening Stock	42.80	39.92
Add : Purchases	1,099.49	929.47
Add : Increase/(Decrease) pursuant to Composite Scheme of Restructuring (Refer Note 28)	-	(0.26)
Add : Acquired pursuant to investment in Sleek International Pvt Ltd [Refer Note 27 C (a)]	0.08	-
	1,142.37	969.13
Less : Closing Stock	51.12	42.80
	1,091.25	926.33
Total Cost Of Materials Consumed	7,025.28	6,265.13
(B) PURCHASES OF STOCK-IN-TRADE	405.72	297.43
(C) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Stock at the beginning of the year		
Finished Goods (including goods in transit)	973.83	808.16
Work-in-Progress	68.51	62.12
Stock-in-trade (acquired for trading)	56.95	39.80
Increase/(Decrease) pursuant to Composite Scheme of Restructuring (Refer Note 28)	-	(5.48)
Acquired pursuant to investment in Sleek International Pvt Ltd [Refer Note 27 C (a)]	11.34	-
TOTAL	1,110.63	904.60
Stock at the end of the year		
Finished Goods (including goods in transit)	1,036.08	973.83
Work-in-Progress	87.09	68.51
Stock-in-trade (acquired for trading)	84.90	56.95
TOTAL	1,208.07	1,099.29
Changes in inventories	(97.44)	(194.69)
Increase in Excise duty on finished goods	7.16	45.13
Changes In Inventories of Finished Goods, Work In Progress and Stock-In-Trade	(90.28)	(149.56)

(₹ in Crores)

NOTE 23 : EMPLOYEE BENEFITS EXPENSE	Year 2013-14	Year 2012-13
Salaries and wages	646.65	536.52
Contribution to Provident and other Funds	50.41	37.86
Staff welfare expenses	62.65	49.18
	759.71	623.56

Notes to Consolidated Financial Statements

(₹ in Crores)		
NOTE 24 : OTHER EXPENSES	Year 2013-14	Year 2012-13
Consumption of Stores, spares and consumables	33.63	39.31
Power and fuel	129.05	110.28
Processing charges	87.20	76.69
Repairs and Maintenance:		
Buildings	15.36	13.10
Machinery	26.90	19.59
Other assets	37.84	32.29
	80.10	64.98
Rent	142.76	116.26
Rates and taxes	33.23	24.40
Water Charges	4.69	4.43
Insurance	12.58	11.63
Printing, stationery and communication expenses	43.51	42.91
Travelling expenses	89.48	70.34
Donations	4.39	1.35
Corporate Social Responsibility expenses	3.71	0.99
Commission to Non Executive Directors	2.43	2.57
Directors' sitting fees	1.45	1.46
Payment to Auditors	4.77	4.12
Bank Charges	5.77	5.41
Net loss on foreign currency transactions and translations (Other than considered as finance cost)	9.19	5.88
Premium on forward exchange contract amortized	2.94	3.01
Information Technology expenses	22.79	17.59
Legal and professional expenses	38.48	22.45
Training and recruitment	26.30	20.37
Freight and handling charges	588.07	470.64
Advertisement and sales promotional expenses	630.99	515.26
Cash discount	494.44	434.70
Bad debts written off	1.35	7.18
Provision for doubtful debts and advances	4.74	3.66
Miscellaneous expenses	118.45	92.20
	2,616.49	2,170.07

(₹ in Crores)		
NOTE 25 : FINANCE COSTS	Year 2013-14	Year 2012-13
Interest on Bank Borrowings	10.18	9.48
Interest on Bill Discounting	24.78	23.45
Interest on Foreign Currency Loans	-	0.77
Net loss on Foreign Currency Transactions and Translation on borrowings (considered as finance cost)	5.70	0.61
Other Interest	1.56	2.34
	42.22	36.65

Notes to Consolidated Financial Statements

NOTE 26 : CONTINGENT LIABILITIES AND COMMITMENTS

		(₹ in Crores)	
a. Contingent Liabilities		As at 31.03.14	As at 31.03.13
1	Guarantee given:		
	(i) to bank on behalf of parent Company's dealers in respect of loans granted to them by a bank for acquiring dealer tinting systems.	-	0.38
	(ii) to others	20.70	12.07
2	Claims against the Group not acknowledged as debts		
	i. Tax matters in dispute under appeal	112.81	100.88
	ii. Others.	12.07	9.97
3	Berger International Limited and its subsidiary, Berger Paints Trinidad Limited, are engaged in litigation initiated by its former Regional Managing Director. The Company upon discontinuing his services has paid him compensation as per his contract of employment and the same has been charged to income statement. Berger Paints Trinidad Limited filed a counter claim for the recovery of the amounts due from former Regional Managing Director. This matter is subject to Trinidad and Tobago's High Court Action No.3085 of 2004. Based on the information presently available, the likely outcome of this trial cannot be determined with any reasonable certainty. Therefore, no further provision has been made in these financial statements for this matter. However, in the event that this case is ruled against the Group, the likely impact is not expected to be material, based on management's best estimate.		
b. Commitments:		As at 31.03.14	As at 31.03.13
1	Estimated amount of contracts remaining to be executed on capital account and not provided for	91.94	68.96
2	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31 st March, 2014.	59.53	103.44
3	The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.		

The forward exchange contract outstanding as at 31st March, 2014 are as under:-

As at 31.03.14				As at 31.03.13			
Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)	Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
USD	21	10.79	65.63	USD	25	10.63	58.17

Notes to Consolidated Financial Statements

NOTE 27 : DETAILS OF SUBSIDIARIES AND JOINT VENTURES

(A) Subsidiaries:

The subsidiary companies considered in the consolidated financial statements are:

i. Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	51.00%	51.00%	14 th Mar 2013 – 14 th Mar 2014
Asian Paints (International) Limited	Mauritius	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints Industrial Coatings Limited	India	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Multifacet Infrastructure (India) Limited	India	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Maxbhumi Developers Limited	India	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Sleek International Private Limited (Formerly known as Silverline Wire Products Pvt. Ltd.)				
[Refer Note 27 C (a)]	India	51.00%.	-	1 st Apr 2013 – 31 st Mar 2014

ii. Indirect Subsidiaries:

a) Subsidiaries of the wholly owned subsidiary, Asian Paints (International) Limited, Mauritius

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Asian Paints (South Pacific) Limited	Fiji Islands	53.15%	53.15%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints (Tonga) Limited	Kingdom of Tonga	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints (S.I.) Limited	Solomon Islands	75.00%	75.00%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00%	60.00%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints (Lanka) Limited	Sri Lanka	99.18%	99.18%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints (Bangladesh) Limited	Bangladesh	89.78%	89.78%	1 st Apr 2013 – 31 st Mar 2014
Asian Paints (Middle East) LLC	Sultanate of Oman	49.00%	49.00%	1 st Apr 2013 – 31 st Mar 2014
SCIB Chemicals S.A.E.	Egypt	60.00%	60.00%	1 st Apr 2013 – 31 st Mar 2014
Samoa Paints Limited	Samoa	80.00%	80.00%	1 st Apr 2013 – 31 st Mar 2014
Berger International Limited	Singapore	96.79%	50.10%	1 st Apr 2013 – 31 st Mar 2014
[Refer Note 27 C (b)]				

Notes to Consolidated Financial Statements

b) Subsidiaries of Berger International Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Berger Paints Singapore Pte. Limited	Singapore	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Enterprise Paints Limited	Isle of Man, U.K.	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Universal Paints Limited	Isle of Man, U.K.	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014
Lewis Berger (Overseas Holdings) Limited	U.K.	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014

c) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014

d) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Berger Paints Emirates Limited	U.A.E.	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014

e) Subsidiaries of Lewis Berger (Overseas Holdings) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Berger Paints Jamaica Limited	Jamaica	51.00%	51.00%	1 st Apr 2013 – 31 st Mar 2014
Berger Paints Trinidad Limited	Trinidad	70.00%	70.00%	1 st Apr 2013 – 31 st Mar 2014
Berger Paints Barbados Limited	Barbados	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014

f) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	100.00%	100.00%	1 st Apr 2013 – 31 st Mar 2014

g) Subsidiary of Sleek International Private Limited (Formerly known as Silverline Wire Products Pvt. Ltd.):

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Kitchen Grace (India) Private Limited	India	86.01%	-	1 st Apr 2013 – 31 st Mar 2014

Notes to Consolidated Financial Statements

B. Joint Ventures: (In which the Parent Company has 50% equity interest)

There are two Joint Ventures between the Parent Company and PPG Industries Securities LLC, U.S.A., wherein the Parent Company has 50% equity participation.

- PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited)
- Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited)

(a) Subsidiaries of PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited):

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	% of Holding as on 31 st March, 2013	Accounting period
Faaber Paints Private Limited	India	100%	100%	1 st Apr 2013 – 31 st Mar 2014
PPG Asian Paints Lanka Private Limited	Sri Lanka	100%	100%	1 st Apr 2013 – 31 st Mar 2014

C. a) Stake acquired in Sleek International Private Limited (SIPL) (Formerly known as Silverline Wire Products Private Limited)

The Parent Company invested ₹ 99.79 crores for 51% stake by subscription to equity shares of Sleek International Private Limited (SIPL) on 8th August, 2013. The Parent Company further invested a sum of ₹ 19.69 crores on 10th August, 2013, as second tranche to this transaction by further subscription to equity shares of SIPL with a corresponding proportionate investment by the existing promoters of SIPL. On completion of the second tranche of investment, the Parent Company continues to hold 51% stake in SIPL. In view of the above the results for the year ended 31st March, 2014 are not comparable with the corresponding previous year.

b) Additional stake purchased in Berger International Limited (BIL)

During the year, Asian Paints (International) Limited (APIL), wholly owned subsidiary of Asian Paints Limited, acquired an additional stake of 46.69% through off market transactions, voluntary unconditional cash offer and open market purchases.

Berger International Limited has been delisted from Singapore Exchange Securities Trading Limited ("SGX-ST") w.e.f. 11th February 2014.

- c) Goodwill on consolidation arising from the stake acquired in SIPL and additional stake purchased in BIL amounting to ₹ 52.5 crores and ₹ 36.2 crores, respectively has been recognised in the consolidated Balance Sheet.

NOTE 28 :

Composite Scheme of restructuring to give effect to Formation of the Second Joint Venture with PPG Industries Inc, USA :

A Composite Scheme of Restructuring ("the Scheme") filed with the Hon'ble High Court of Judicature at Bombay, in February 2012 was approved on 6th July 2012, and the "Appointed Date" under the Scheme had been fixed as 1st April, 2012. As per the Scheme, AP Coatings Limited (wholly owned subsidiary of the Parent Company) and PPG Coatings India Private Limited (a subsidiary of PPG Industries Securities LLC. (PPG) in India) have merged with PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited) (first Joint Venture between Asian Paints Limited and PPG). Further, the Scheme provides for the demerger of the Liquid Industrial Paints, Powder Coatings and Protective Coatings businesses from PPG Asian Paints Private Limited into Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) (second Joint Venture Company between Asian Paints Limited and PPG, incorporated in August 2011).

Appropriate disclosures with respect to the changes in assets and liabilities pursuant to the above have been made under respective Notes in the previous year's figures.

Notes to Consolidated Financial Statements

NOTE 29 : SUBSEQUENT EVENT

The Parent Company has discontinued the manufacturing activities at its Bhandup Plant with effect from 5th May 2014. A "Voluntary Retirement / Separation Scheme" along with an alternate option of relocation to other factories/establishments of the Parent Company was offered to all the workmen at the plant in the month of April, 2014. All workmen have accepted either the Voluntary Retirement/ Separation Scheme or relocation to another factory/establishment of the Parent Company. As the liability towards Voluntary Retirement / Separation Scheme has been incurred in the month of April, 2014 the same has not been recognized in the Statement of Profit and Loss for the year ended 31st March, 2014.

NOTE 30 : EXCEPTIONAL ITEM

Subsequent to 31st March 2014, the Parent Company has discontinued the manufacturing activities at its Bhandup Plant. As a result, a provision of ₹ 9.96 crores on certain fixed assets (consisting of Buildings that houses the manufacturing facility - ₹ 4.63 crores, Plant and Equipment ₹ 4.87 crores and Office Equipment ₹ 0.46 crores) has been included under "Impairment" in Note 11 and disclosed as "Exceptional Item" in the Statement of Profit and Loss.

NOTE 31 :

The Parent Company's manufacturing facility at Khandala, Maharashtra has been granted "Mega Project Status" by Government of Maharashtra and hence is eligible for Industrial Promotion Subsidy (IPS) under Package Scheme of Incentive, 2007 in the form of refund of VAT paid to Maharashtra Government, exemption on electricity duty and stamp duty within a period of 9 years from the date of commencement of commercial production, restricted to a maximum of 100% of fixed capital investment as per the Eligibility Certificate issued by Director of Industries, Government of Maharashtra. In terms of the Accounting Standard (AS 12) "Accounting for Government Grants" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, eligible incentive as mentioned above amounting to ₹ 65.59 crores for FY 2013-14 (Previous Year - ₹ 0.31 crores) is credited to Statement of Profit and Loss and included under the head "Other operating income" on accrual basis.

NOTE 32 : INTEREST IN JOINT VENTURES

Pursuant to Accounting Standard (AS 27) - Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statements of PPG Asian Paints Private Limited (formerly known as Asian PPG Industries Limited) and Asian Paints PPG Private Limited (formerly known as Asian Paints PPG Limited) (hereinafter referred to as JVs), the Joint Ventures between the Parent company and PPG Industries Securities LLC., U.S.A. have been consolidated using proportionate consolidation method.

- The Parent company's share of each of the assets, liabilities, income and expenses of JVs has been included in the consolidated financial statements.
- The aggregate amounts of assets, liabilities, income and expenses related to the Parent Company's Interest in the JVs as at 31st March, 2014 is as follows -

	(₹ in Crores)	
	As at 31 st March, 2014	As at 31 st March, 2013
a) Details of Assets		
Non-current assets		
Tangible assets	62.19	64.25
Intangible assets	2.16	2.98
Capital work in progress	4.96	0.04
Goodwill on consolidation	1.43	1.43
Long-term loans and advances	34.74	19.37
Other non current assets	2.33	2.06

Notes to Consolidated Financial Statements

	(₹ in Crores)	
	As at 31 st March, 2014	As at 31 st March, 2013
Current assets		
Inventories	122.73	136.81
Trade receivables	122.15	120.52
Cash and bank balance	10.24	6.05
Short-term loans and advances	18.98	33.87
Other current assets	0.46	0.96
b) Details of Liabilities		
Non-current liabilities		
Deferred tax liability (net)	3.21	3.38
Long term provision	3.87	4.09
Current liabilities		
Short-term borrowings	0.93	40.06
Trade payables	96.01	96.75
Other current liabilities	14.53	24.57
Short-term provisions	1.92	2.21
c) Details of Income		
Revenue from operations	561.41	541.09
Other income	2.02	3.21
d) Expenses		
Cost of materials consumed	308.29	312.44
Purchases of stock in trade	57.33	54.61
Changes in inventories of finished goods, work in progress and stock in trade	4.60	0.89
Employee benefits expense	41.26	39.48
Finance costs	1.58	3.75
Depreciation and amortization expenses	6.68	6.34
Other expenses	126.99	121.84
Tax expenses	4.26	(0.88)
e) Other Matters		
Contingent Liabilities	17.95	16.55
Capital Commitments	2.05	0.96
Other Commitments	3.16	2.35

Notes to Consolidated Financial Statements

NOTE 33 : EMPLOYEE BENEFITS

(1) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March 2014 has been recognised in the Statement of Profit and Loss.

(2) Post-employment benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

(a) Gratuity, Pension, Leaving Indemnity and Medical benefit plans

(₹ in Crores)

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Amount Recognised in Balance Sheet				
Present Value of Funded Obligations	203.44	187.84	-	-
Fair Value of Plan Assets	(213.81)	(193.96)	-	-
Present Value of Unfunded Obligations	-	-	19.96	16.73
Amount not recognised as Asset, because of the limitation as per AS-15 (Revised) & unrecognised actuarial gains/losses	-	(5.54)	-	0.25
Net Liability / (Asset)	(10.37)	(11.66)	19.96	16.98
Amounts in Balance Sheet				
Liability	1.04	6.99	19.96	16.98
Assets	(11.41)	(18.65)	-	-
Net Liability / (Asset)	(10.37)	(11.66)	19.96	16.98
Expense Recognised in the Statement of Profit and Loss				
Current Service Cost	12.52	10.90	1.28	0.84
Interest on Defined Benefit Obligation	15.51	13.96	1.35	1.25
Expected Return on Plan Assets	(16.22)	(13.72)	-	-
Net Actuarial Losses / (Gains) Recognized in Year	(5.79)	0.96	(0.55)	0.40
Past Service Cost	0.40	-	-	-
Adjustment for current year unutilised asset	-	(0.18)	-	-
Admin & other non-plan investment management expenses	0.17	-	-	-
Changes in Actuarial Assumptions	10.38	-	1.02	-
Total Included in "Employee Benefit Expense"	16.97	11.92	3.10	2.49
Actual Return on Plan Assets	11.36	17.61		
Movement in the asset recognised in the balance sheet:				
Opening Net (Asset) / Liability	(11.66)	(15.42)	16.98	15.82
Currency translation difference	(1.36)	(0.52)	0.31	(0.19)

Notes to Consolidated Financial Statements

(₹ in Crores)

	Gratuity and Pension (Funded)		Pension, Leaving Indemnity, Gratuity and Medical Plan (Unfunded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Liability assumed on transfer of employees	0.07	0.16	-	-
Total charge as above	16.97	11.92	3.11	2.49
Contribution paid	(14.40)	(7.80)	(1.21)	(1.14)
Pursuant to acquisition [Refer Note 27 C (a)]	0.01	-	0.77	-
Closing Net (Asset) / Liability	(10.37)	(11.66)	19.96	16.98
Reconciliation of Benefit Obligations & Plan Assets For the Period				
Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	187.84	163.67	16.73	15.12
Current Service Cost	12.52	10.90	1.28	0.84
Interest Cost	15.51	13.96	1.35	1.25
Actuarial Losses / (Gain)	(5.60)	5.86	0.75	0.82
Past Service Cost	0.40	-	-	-
Annuities Purchased	7.48	1.65	-	-
Exchange Difference on Foreign Plans	3.76	0.59	0.30	(0.16)
Member Contributions	1.35	1.03	-	-
Pursuant to acquisition [Refer note 27 C (a)]	0.80	(0.66)	0.76	-
Benefits Paid	(20.62)	(9.16)	(1.21)	(1.14)
Closing Defined Benefit Obligation	203.44	187.84	19.96	16.73
Change in Fair Value of Assets				
Opening Fair Value of Plan Assets	193.96	175.28	-	-
Expected Return on Plan Assets	16.22	13.72	-	-
Actuarial Gain / (Losses)	(4.17)	3.62	-	-
Contributions by Employer	14.40	7.80	1.21	1.14
Annuities Purchased	7.48	1.65	-	-
Exchange Difference on Foreign Plans	4.41	0.84	-	-
Member Contributions	1.35	1.03	-	-
Benefits Paid	(20.62)	(9.16)	(1.21)	(1.14)
Pursuant to acquisition [Refer Note 27 C (a)]	0.78	(0.82)	-	-
Closing Fair Value of Plan Assets	213.81	193.96	-	-
Summary of the Actuarial Assumptions				
Discount Rate	5% to 9.5%	5.0% to 10.0%	4.5% to 9.50%	4.20% to 4.75%
Expected Rate of Return on Assets	5.0% to 8.50%	5.0% to 8.50%	-	-

Notes to Consolidated Financial Statements

Experience Adjustments for the current and previous four periods

	(₹ in Crores)				
Gratuity and Pension (Funded)	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Defined Benefit Obligation	203.44	187.84	163.67	134.96	120.46
Plan Assets	213.81	193.96	175.28	143.15	126.29
Surplus	10.37	6.12	11.61	8.19	5.83
Experience adjustment on plan Liabilities	(2.37)	(0.18)	(0.06)	0.03	(2.17)
Experience adjustment on plan Assets	(5.89)	1.90	(2.60)	0.57	(0.62)
Pension, Gratuity and Medical Plan (Unfunded)					
Defined Benefit Obligation	19.96	16.73	15.12	15.88	15.18
Plan Assets	-	-	-	-	-
(Deficit)	(19.96)	(16.73)	(15.12)	(15.88)	(15.18)
Experience adjustment on plan Liabilities	(0.15)	0.65	(2.46)	(0.57)	(2.38)
Experience adjustment on plan Assets	-	-	-	-	-

Note:—

- The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The Group estimates that the amount to be contributed to the gratuity and pension fund for the financial year 2014-15 will be ₹ 2.37 crores.

(b) Provident Fund

The provident fund assets and liabilities of the parent and one of its joint Venture (PPG Asian Paints Private Limited) is managed by its respective provident fund trusts.

The guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident fund, which require interest shortfalls to be recompensed, are to be considered as defined benefit plans. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below there is no shortfall as at 31st March, 2014 and 31st March, 2013.

The details of benefit obligation and plan assets of the provident funds as at 31st March, 2014 is as given below:

	(₹ in Crores)	
Particulars	31.03.2014	31.03.2013
Present value of benefit obligation at period	287.96	248.54
Plan assets at period end, at fair value, restricted to	287.96	248.54
Asset recognised in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee are as under:

Particulars	31.03.2014	31.03.2013
Discount Rate	9.15% to 9.20%	8.00% to 8.20%
Expected Guaranteed interest rate	8.75%	8.50%

Notes to Consolidated Financial Statements

NOTE 34 : EARNINGS PER SHARE

	31.03.2014	31.03.2013
Basic and diluted earnings per share attributable to shareholders in Rupees (face value - ₹ 1 per share)	12.71	11.61
Profit attributable to shareholders as per Statement of Profit and Loss (₹ in crores)	1,218.81	1,113.88
Weighted average number of equity shares outstanding*	95,91,97,790	95,91,97,790

*With effect from 1st August 2013, face value of the Parent Company's share has been subdivided from ₹ 10 each to 10 (ten) Equity Shares of ₹ 1 each fully paid-up. In compliance with Accounting Standard 20 – Earnings Per Share (EPS), the Parent Company has given effect to the said sub-division of shares in computing the earnings per share for all comparative periods.

NOTE 35 : PURSUANT TO THE ACCOUNTING STANDARD (AS-19) – LEASES, THE FOLLOWING INFORMATION IS GIVEN

I. Assets given on operating lease

- The parent company and certain subsidiaries have provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to nine years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.
- Future minimum lease rentals receivable as at 31st March, 2014 as per the lease agreements:

	As at 31.03.2014	As at 31.03.2013
Not later than one year	0.30	0.45
Later than one year and not later than five years	0.14	0.23
Later than five years	-	-
TOTAL	0.44	0.68

The information pertaining to future minimum lease rentals receivable is based on the lease agreements entered into between the respective companies and the dealers and variation made thereto. The lease rentals are reviewed periodically taking into account prevailing market conditions.

- The initial direct cost relating to acquisition of tinting system is capitalised
- The information on gross amount of leased assets, depreciation and impairment is given in Note 11.

II. Assets taken on operating lease

- The parent company has taken cars, computers and other systems hardware on an operating lease basis. The lease rentals are payable by the parent company on a monthly and quarterly basis.
- In addition, the Joint Ventures have entered into an arrangement to obtain computer equipments, mixing racks, cars etc, on non-cancellable operating lease for tenure ranging from twenty four months to forty eight months. As per the lease agreement the Joint Ventures do not have an option to purchase the assets.
- In addition, certain overseas subsidiaries have also taken certain assets on operating lease.
- Future minimum lease rentals payable as at 31st March, 2014 as per the lease agreements:

	As at 31.03.2014	As at 31.03.2013
i) Not later than one year	16.30	11.19
ii) Later than one year and not later than five years	16.95	13.85
iii) Later than five years	1.03	0.85
TOTAL	34.28	25.89

Notes to Consolidated Financial Statements

- (e) Lease payments recognised in the statement of profit and loss for the period is ₹ 14.59 crores. (Previous year ₹ 11.28 crores).

III. Assets taken on finance lease

- (a) Certain subsidiaries have taken plant and equipment on finance lease which effectively transferred to the respective subsidiaries substantially all of the risks and benefits incidental to the ownership.
- (b) Future minimum lease rentals payable as at 31st March 2014 as per the lease agreements:

(₹ in Crores)

	As at 31.03.2014			As at 31.03.2013		
	Minimum lease payments	Finance charge allocated to future periods	Present value	Minimum lease payments	Finance charge allocated to future periods	Present value
i) Not later than one year	0.51	0.16	0.35	0.33	0.09	0.24
ii) Later than one year and not later than five years	1.02	0.17	0.85	0.67	0.10	0.57
iii) Later than five years	-	-	-	-	-	-
	1.53	0.33	1.20	1.00	0.19	0.81

- c) The information on gross amount of leased assets, depreciation and impairment is given in Note 11.

IV. Assets given on finance lease

- a) Certain subsidiaries have leased some of their plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.
- b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2014 is as under:

(₹ in Crores)

	As at 31.03.2014			As at 31.03.2013		
	Gross investment in lease	Unearned finance Income	Present value receivables	Gross investment in lease	Unearned finance Income	Present value receivables
i) Not later than one year	1.04	0.51	0.53	0.61	0.24	0.37
ii) Later than one year and not later than five years	0.43	0.11	0.32	0.08	0.01	0.07
iii) Later than five years	-	-	-	-	-	-
	1.47	0.62	0.85	0.69	0.25	0.44

Notes to Consolidated Financial Statements

NOTE 36 : Pursuant to the Accounting Standard (AS 29) – Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2014 is as follows:

(₹ in Crores)

	Provision for Excise (1)		Provision for Sales Tax (2)		Provision for Other Statutory Liabilities (3)		Provision for Warranties(4)	
	2013 – 14	2012 – 13	2013 – 14	2012 – 13	2013 – 14	2012 – 13	2013 – 14	2012 – 13
Opening Balance	1.25	1.25	10.72	9.95	-	-	2.14	1.93
Additions pursuant to investment in Sleek International Pvt Ltd. [Refer Note 27 C(a)]	-	-	1.21	-	2.37	-	-	-
Additions/(write back)	0.02	-	1.13	0.77	-	-	0.20	0.16
Utilisations	-	-	-	-	(0.12)	-	(0.43)	(0.11)
Reversals	-	-	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-	0.19	0.16
Closing Balance	1.27	1.25	13.06	10.72	2.25	-	2.10	2.14

- (1) Excise provision made towards matters disputed at various appellate levels.
- (2) Sales tax provisions made towards non receipt of 'C' forms and towards matters disputed at various appellate level.
- (3) Provision for other statutory liabilities represent provision for probable outflow towards employee related statutory liabilities.
- (4) Provision for warranties represents management's best estimate of the liability for warranties granted on paints by some of the subsidiaries based on past experience of claims.

NOTE 37 : Information on related party transactions as required by Accounting Standard (AS) – 18 for the year ended 31st March, 2014.

(₹ in Crores)

Particulars	Key Management Personnel ^		Companies Controlled by Directors/ Relatives		Employee benefit plans where control exists		Promoters & their relatives having control ^		Promoters of subsidiary companies/ Joint ventures		Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sale of goods and Other Miscellaneous items	-	-	3.29	5.47	-	-	-	-	5.87	10.15	-	-
Other recoveries	-	-	0.56	-	-	-	-	-	0.88	0.36	-	-
Reimbursement of Expenses – received	-	-	-	-	-	-	-	-	0.98	-	-	-
Purchase of goods	-	-	292.85	245.41	-	-	-	-	9.33	11.74	-	-
Remuneration	5.21	4.20	-	-	-	-	4.43	3.91	-	-	-	-
Retiral Benefits	-	-	-	-	-	-	0.21	0.21	-	-	-	-
Commission to Promoter Non-executive Directors	-	-	-	-	-	-	1.06	1.14	-	-	-	-
Sitting Fees Paid to Promoter Non-executive Directors	-	-	-	-	-	-	0.08	0.08	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	1.50	1.00
Contributions during the year	-	-	-	-	25.19	23.90	-	-	-	-	-	-
Rent Paid	-	-	-	-	-	-	0.15	-	-	-	-	-
Other services - Paid	-	-	0.20	-	-	-	0.08	-	-	0.09	-	-

Notes to Consolidated Financial Statements

(₹ in Crores)

Particulars	Key Management Personnel [^]		Companies Controlled by Directors/ Relatives		Employee benefit plans where control exists		Promoters & their relatives having control [^]		Promoters of subsidiary companies/ Joint ventures		Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Purchase of Assets	-	-	0.15	-	-	-	-	-	-	0.04	-	-
Sale of assets	-	-	0.14	-	-	-	-	-	-	-	-	-
Issue of equity shares	-	-	-	-	-	-	-	-	54.93	4.51	-	-
Repayment of Loans taken	-	-	3.10	-	-	-	-	-	-	-	-	-
Interest paid on loan taken	-	-	0.05	-	-	-	-	-	-	-	-	-
Security Deposits paid	-	-	0.41	-	-	-	0.18	-	-	-	-	-
Outstanding as at 31st March	-	-	-	-	-	-	-	-	-	-	-	-
Advances Given	-	-	-	-	2.14	-	-	-	-	-	-	-
Amount receivable	-	-	0.12	0.58	-	-	-	-	2.97	2.42	-	-
Amount payable	2.15	1.65	11.28	3.66	3.00	8.76	1.06	1.14	0.31	0.07	-	-

[^] Key management personnel and relatives of promoters who are under the employment of the Group are entitled to post-employment benefits and other long term employee benefits recognised as per AS-15 (Revised) Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

DISCLOSURE IN RESPECT OF TRANSACTIONS WHICH ARE MORE THAN 10% OF THE TOTAL TRANSACTIONS OF THE SAME TYPE WITH RELATED PARTIES DURING THE YEAR:

(₹ in Crores)

	2013-14	2012-13
Sale of goods		
Resins & Plastics Ltd.	3.26	5.04
Santo Hardware Ltd	1.20	1.62
Port Villa Hardware Ltd	1.64	3.72
Orasscom Construction Industries	2.10	4.36
Others	0.96	0.88
	9.16	15.62
Other Recoveries		
PPG Industries Securities LLC	0.88	0.36
Palmleaf Furnitech Private Ltd	0.54	-
M/S Kitchen Creations	0.02	-
	1.44	0.36
Reimbursement of Expenses - received		
PPG Industries, Inc.	0.19	-
PPG Industries Securities, LLC.	0.79	-
	0.98	-
Purchase of goods		
Hi-Tech Plast Containers (I) Ltd.	224.66	199.95
Others	77.52	57.20
	302.18	257.15

Notes to Consolidated Financial Statements

	(₹ in Crores)	
	2013-14	2012-13
Remuneration		
K.B.S. Anand	5.21	4.20
Jalaj Dani	1.91	1.69
Manish Choksi	2.07	1.90
Others	0.45	0.32
	9.64	8.11
Retiral Benefits		
Ashwin Choksi	0.07	0.07
Ashwin Dani	0.07	0.07
Abhay Vakil	0.07	0.07
	0.21	0.21
Commission to Promoter Non-executive Directors		
Mahendra C. Choksi	0.20	0.18
Amar A. Vakil	0.18	0.18
Ashwin Choksi	0.24	0.24
Ashwin Dani	0.18	0.18
Others	0.26	0.36
	1.06	1.14
Sitting Fees Paid to Promoter Non-executive Directors		
Mahendra C. Choksi	0.02	0.01
Amar A. Vakil	0.01	0.01
Ashwin Choksi	0.01	0.01
Ashwin Dani	0.01	0.01
Abhay Vakil	0.01	0.02
Ina Ashwin Dani	0.01	0.02
Malav Dani	0.01	-
	0.08	0.08
Donations		
Asian Paints Charitable Trust	1.50	1.00
	1.50	1.00
Contributions during the year		
Asian Paints Office Provident Fund	4.78	11.57
Asian Paints Factory Employees Provident Fund	5.56	4.81
Asian Paints (I) Ltd. Employees Gratuity Fund	13.13	6.39
Asian Paints Management Cadres Superannuation Scheme	1.72	1.13
	25.19	23.90
Rent Paid		
Thakur Ahuja	0.15	-
	0.15	-

Notes to Consolidated Financial Statements

	(₹ in Crores)	
	2013-14	2012-13
Other services - Paid		
AR Intertect Design Private Limited	0.05	
Kitchen Creations	0.07	-
Palmleaf Furnitech Private Limited	0.08	-
Thakur Ahuja	0.08	-
PPG Industries Securities LLC	-	0.09
	0.28	0.09
Purchase of Assets		
Kitchen Creations	0.15	-
PPG Industries Securities LLC	-	0.04
	0.15	0.04
Sale of assets		
Ess Ess Industries	0.14	-
	0.14	-
Issue of Shares		
PPG Industries Securities LLC	32.00	4.51
Al Hassan Investment and Trading LLC	4.01	-
Rajesh Ahuja	11.00	-
Monesh Ahuja	7.92	-
	54.93	4.51
Repayment of Loans taken		
Jyoti Ahuja	0.69	-
Thakur Ahuja	1.43	-
Seema Ahuja	0.51	-
Prakash Ahuja	0.47	-
	3.10	-
Interest paid on loan taken		
Seema Ahuja	0.02	-
Prakash Ahuja	0.02	-
Others	0.01	-
	0.05	-
Security Deposits paid		
Rajesh Ahuja	0.18	-
Monesh Ahuja	0.18	-
Thakur Ahuja	0.18	-
Others	0.05	-
	0.59	-

Notes to Consolidated Financial Statements

I. KEY MANAGERIAL PERSONNEL:

K.B.S. Anand Managing Director & CEO

II. PROMOTERS' AND THEIR RELATIVES HAVING CONTROL:

Directors:	Designation
Shri Ashwin Choksi	Non-Executive Chairman
Shri Ashwin Dani	Non-Executive Vice Chairman
Shri Mahendra Choksi	Non-Executive Director
Shri Amar Vakil	Non-Executive Director
Shri Malav Dani	Non-Executive Director (w.e.f. 21 st October, 2013)
Shri Abhay Vakil***	Non-Executive Director (Till 23 rd September, 2013)
Mrs. Ina Dani****	Non-Executive Director (Till 20 th October, 2013)

*** Shri Abhay Vakil resigned from the post of Non-Executive Director on 24th September, 2013

**** Mrs. Ina Dani resigned from the post of Non-Executive Director on 21st October, 2013

Relatives of promoters who are under the employment of the Group:

Shri Jalaj Dani *

Shri Manish Choksi**

Shri Jigish Choksi

Shri Varun Vakil

Shri Vivek Vakil

* Shri Jalaj Dani, a relative of Company's Non-Executive Director(s), is also a Non-Executive Chairman of Berger International Limited, Director on the Board of some of the subsidiary companies and one of the joint venture companies.

** Shri Manish Choksi, a relative of Company's Non-Executive Director(s) is also on the Board of a subsidiary company and one of the joint venture companies.

III. COMPANIES OVER WHICH THE DIRECTORS HAVE SIGNIFICANT INFLUENCE OR CONTROL :

AR Intertect Design Pvt. Ltd	Germinait Solutions Pvt. Ltd.	Rayirth Holding and Trading Co. Pvt. Ltd.
Avinash Holding and Trading Co. Pvt. Ltd.	Unnati Trading and Investments Pvt. Ltd.	Rituh Holding and Trading Company Pvt. Ltd.
Asteroids Trading and Investments Pvt. Ltd.	Hitech Plast Ltd.	Riash Realty Private Ltd.
Castle Investment and Industries Pvt. Ltd.	Haish Holding and Trading Co. Pvt. Ltd.	Rangudyan Insurance Broking Services Ltd.
Centaurus Trading and Investments Pvt. Ltd.	Hydra Trading Pvt. Ltd.	Resins and Plastics Ltd.
Clear Mipak Packaging and Solutions Ltd.	ISIS Skills Development Pvt. Ltd.	Ricinash Oil Mill Ltd.
Coatings Specialities (India) Ltd.	ISIS Holding and Trading Co. Pvt. Ltd.	Rupen Investment and Industries Pvt. Ltd.
Canes Venatici Trading Company Pvt. Ltd.	Jalaj Trading and Investments Pvt. Ltd.	S.C. Dani Research Foundation Pvt. Ltd.
Dani Finlease Ltd.	Jaldhar Trading and Investments Pvt. Ltd.	Sadavani Investments and Trading Co. Pvt. Ltd.
Doli Trading and Investments Pvt. Ltd.	Kalica Paper Industries Pvt. Ltd.	Sapan Investments Pvt. Ltd.
Elcid Investments Ltd.	Lambodar Investment and Trading Co. Ltd.	Satyadharma Investments and Trading Co. Pvt. Ltd.
ELF Trading and Chemicals Mfg. Ltd	Lyon Investment and Industries Pvt. Ltd.	Sudharva Investments and Trading Co. Pvt. Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Murahar Investments and Trading Co. Ltd.	Suprasad Investments and Trading Co. Pvt. Ltd.
Gujarat Organics Ltd.	Navbharat Packaging Industries Ltd.	Suptaswar Investments and Trading Co. Pvt. Ltd.
Smiti Holding and Trading Co. Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Suryakant Paint Accessories Pvt. Ltd.
Pragati Chemicals Ltd.	Parekh Plast India Ltd.	Tru Trading and Investments Pvt. Ltd.
Vijal Holding and Trading Co. Pvt. Ltd.	Vikatmev Containers Ltd.	

Notes to Consolidated Financial Statements

IV. ASSOCIATES, PROMOTERS AND AFFILIATES OF SUBSIDIARY COMPANIES / JOINT VENTURES:

LKP Hardware, Solomon Islands	PPG Industries Securities LLC
Sultan Bin Sulayem, UAE	PPG Industries Inc.
Santo Hardware	PPG India Private Limited
Asset Management Unit	Orasscom Construction Industries
Port Vila Hardware	Al Hassan Investment & Trading LLC
Aladdin Investments Limited	Germinait Solutions Private Limited
Informate Mobile Intelligence Pvt. Ltd.	Cross-Tab Marketing Services Pvt. Ltd.
Blueocean Market Intelligence Services Pvt. Ltd.	Just legal Corporate Advisors Pvt Ltd.
Kitchen Creations Private Limited	Palmleaf Furnitech Private Limited
Kitchen Grace (India) Private Limited	Kitchen creations
Sleek International	Star Solutions
Thakur T. Ahuja HUF	Borderless Access Panels Pvt. Ltd.
	Quasar Consolidated Services Private Limited
	MRJ Industries
	ESS ESS Industries
	Monesh T. Ahuja HUF

V. EMPLOYEE BENEFIT FUNDS WHERE CONTROL EXISTS:

Asian Paints Office Provident Fund
Asian Paints Factory Employees' Provident Fund
Asian Paints Management Cadres' Superannuation Scheme
Asian Paints (India) Limited Employees' Gratuity Fund

VI. OTHER ENTITIES OVER WHICH THERE IS A SIGNIFICANT CONTROL:

Asian Paints Charitable Trust
Sleek Foundation Trust

NOTE 38 : SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2014

(i) Primary segment information - Business segment:

	2013-14			(₹ in Crores)
	Paints	Home Improvement *	Total	2012-13 Paints
REVENUE				
External Sales (Net)	12,635.55	79.26	12,714.81	10,938.61
Inter-Segment Sales	-	-	-	-
Other Income	7.64	0.06	7.70	7.49
Total Revenue	12,643.19	79.32	12,722.51	10,946.10
RESULT				
Segment result	1,750.33	(0.36)	1,749.97	1,584.87
Operating Profit			1,749.97	1,584.87
Finance costs			(42.22)	(36.65)
Interest Income			13.87	13.73

Notes to Consolidated Financial Statements

	2013-14			(₹ in Crores)
	Paints	Home Improvement*	Total	2012-13 Paints
Dividends			65.47	32.89
Profit on sale of short term investments			2.68	1.05
Profit on sale of long term investments			9.61	26.21
Profit on sale of fixed assets			7.11	4.21
Other non-operating income			27.78	28.90
Income taxes			(571.51)	(495.69)
Profit after tax			1,262.76	1,159.52
OTHER INFORMATION				
Segment assets	7,872.15	167.28	8,039.43	6,786.85
Segment liabilities	3,968.50	31.71	4,000.21	3,402.56
Capital expenditure	184.67	22.71	207.38	732.31
Depreciation, Amortisation and Impairment	241.53	4.13	245.66	154.60

* Home Improvement business is identified as a separate business segment pursuant to acquisition of Sleek International Private Limited (Formerly known as Silverline Wire Products Pvt. Ltd.) by the parent company on 8th August, 2013. [Refer note 27 C(a)]

(ii) Secondary segment information - Geographical Segment:

	2013-14			2012-13			(₹ in Crores)
	Domestic Operations	International Operations	TOTAL	Domestic Operations	International Operations	TOTAL	
Segment revenue	11,046.85	1,675.66	12,722.51	9,493.43	1,452.67	10,946.10	
Carrying cost of segment assets	6,938.58	1,100.85	8,039.43	5,834.44	952.41	6,786.85	
Additions to fixed and intangible assets*	248.14	34.41	282.55	1,241.76	52.99	1,294.75	

* Additions in 2013-14 include additions pursuant to acquisition of Sleek International Private Limited [Refer Note 27 C (a)] and in 2012-13 include transfers pursuant to Composite Scheme of restructuring (Refer Note 28).

NOTE 39 : Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.

Signatures to Notes to Consolidated Financial Statements

As per our report of even date

For and on behalf of the Board

For **B S R & Associates LLP**
Chartered Accountants
F.R.N. 116231W

For **Shah & Co.**
Chartered Accountants
F.R.N. 109430W

Ashwin Choksi
Chairman

K.B.S. Anand
Managing Director
& CEO

Dipankar Basu
Chairman of
Audit Committee

Bhavesh Dhupelia
Partner
Membership No: 042070
Mumbai
14th May, 2014

Ashish Shah
Partner
Membership No: 103750
Mumbai
14th May, 2014

Jayesh Merchant
CFO & Company Secretary,
President - Industrial JVs
Mumbai
14th May, 2014

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956

All figures except exchange rates in ₹ crores

Subsidiary Name	Currency	Exchange Rate		Accounting Period		Capital		Reserves		Total Liabilities		Total Assets		Investment (other than in subsidiaries)		Turnover		PBT		Tax provision		PNT		Dividends Proposed/Paid	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Asian Paints (Bangladesh) Ltd	Taka	0.79	0.71	Apr 13 to Mar 14	Apr 12 to Mar 13	31.02	27.97	(3.19)	(10.72)	76.06	65.79	103.93	83.04	-	-	218.60	159.72	15.25	7.00	(6.51)	(3.05)	8.74	3.95	-	-
Asian Paints (International) Ltd	US \$	59.92	54.28	Apr 13 to Mar 14	Apr 12 to Mar 13	148.41	134.44	56.71	55.50	41.02	14.22	246.14	204.16	-	34.85	-	-	20.46	22.90	(1.41)	(1.15)	19.05	21.75	25.83	-
Asian Paints (Middle East) LLC	OMR	156.04	141.40	Apr 13 to Mar 14	Apr 12 to Mar 13	17.51	8.80	31.05	20.49	22.61	20.01	71.16	49.30	-	-	96.05	77.61	9.52	7.08	(1.08)	(0.80)	8.44	6.28	-	1.76
Asian Paints (Nepal) Pvt Ltd	Nepal Rs	0.62	0.64	14 Mar 13 to 14 Mar 14	14 Mar 12 to 13 Mar 13	1.98	2.03	55.72	42.37	44.61	44.90	102.32	89.29	-	-	137.94	113.24	23.26	19.92	(5.06)	(3.94)	18.20	15.99	3.97	2.43
Asian Paints (S.L.) Ltd	SL \$	8.24	7.44	Apr 13 to Mar 14	Apr 12 to Mar 13	0.52	0.47	9.79	8.75	6.15	6.03	16.46	15.26	1.68	1.51	16.33	14.68	6.06	5.02	(0.03)	(0.09)	6.02	4.93	5.94	4.83
Asian Paints (South Pacific) Ltd	Fiji \$	32.74	30.70	Apr 13 to Mar 14	Apr 12 to Mar 13	1.56	1.46	49.09	35.19	19.19	17.47	69.83	54.13	2.37	2.14	95.90	80.50	14.13	8.70	(2.58)	(1.71)	11.55	6.99	-	4.37
Asian Paints (Tonga) Ltd	\$ Top	32.32	31.04	Apr 13 to Mar 14	Apr 12 to Mar 13	0.39	0.37	5.53	5.08	1.96	1.65	7.87	7.10	0.83	0.76	7.52	6.34	0.89	0.66	(0.26)	(0.15)	0.63	0.51	0.39	0.37
Asian Paints (Vanuatu) Ltd	Vanu	0.64	0.60	Apr 13 to Mar 14	Apr 12 to Mar 13	1.98	1.85	2.04	2.45	2.10	1.36	6.12	5.66	0.01	0.01	6.61	6.78	1.03	1.17	-	-	1.03	1.17	1.60	0.90
Asian Paints Industrial Coatings Ltd	₹	1.00	1.00	Apr 13 to Mar 14	Apr 12 to Mar 13	30.45	30.45	9.14	10.86	4.24	3.53	43.82	44.84	25.55	18.30	8.50	9.22	(1.57)	(0.17)	(0.15)	0.17	(1.72)	-	-	-
Asian Paints Lanka Ltd	SL Rs	0.46	0.43	Apr 13 to Mar 14	Apr 12 to Mar 13	36.05	33.67	(3.82)	(3.19)	33.33	20.42	65.56	50.90	-	-	84.12	75.66	0.41	1.00	(0.81)	(1.39)	(0.41)	(0.39)	-	-
Berger International Ltd	SGS	47.64	43.77	Apr 13 to Mar 14	Apr 12 to Mar 13	175.08	160.86	(204.27)	(203.99)	214.20	188.48	185.01	145.34	-	-	-	-	19.57	5.97	(0.41)	(0.26)	19.15	5.71	1.39	-
Berger Paints Bahrain W.L.L	BHD	159.36	146.03	Apr 13 to Mar 14	Apr 12 to Mar 13	6.66	6.10	39.71	31.06	15.15	15.30	61.53	52.46	-	-	86.89	79.07	12.20	9.07	-	-	12.20	9.07	6.37	4.38
Berger Paints Barbados Ltd	Barbados \$	29.66	27.85	Apr 13 to Mar 14	Apr 12 to Mar 13	5.58	5.24	22.44	19.18	8.82	7.89	36.84	32.32	-	-	50.44	47.11	4.18	3.59	(0.50)	(0.33)	3.67	3.26	1.19	0.28
Berger Paints Emirates Ltd	AED	16.32	14.78	Apr 13 to Mar 14	Apr 12 to Mar 13	1.63	1.48	23.50	18.90	79.31	66.96	104.44	87.34	-	-	187.99	162.15	2.62	0.24	-	-	2.62	0.24	-	-
Berger Paints Jamaica Ltd	Jamaican \$	0.55	0.56	Apr 13 to Mar 14	Apr 12 to Mar 13	7.80	7.98	15.78	19.06	25.05	23.30	48.63	50.34	-	-	95.59	90.52	4.44	2.65	(1.42)	(0.73)	3.02	1.92	1.53	1.57
Berger Paints Singapore Pte Ltd	SGS	47.64	43.77	Apr 13 to Mar 14	Apr 12 to Mar 13	69.28	63.65	(37.77)	(36.97)	25.44	21.35	56.55	48.03	0.02	0.02	86.95	89.81	3.07	1.08	(0.60)	(0.18)	2.47	0.89	-	-
Berger Paints Trinidad Ltd	Trinidad \$	9.41	8.62	Apr 13 to Mar 14	Apr 12 to Mar 13	5.56	5.09	21.47	20.27	9.69	12.50	36.72	37.86	-	-	60.84	55.29	4.11	1.10	(1.24)	(0.42)	2.87	0.68	0.24	0.22
Enterprise Paints Ltd	GBP	99.42	82.55	Apr 13 to Mar 14	Apr 12 to Mar 13	1.45	1.20	(16.86)	(14.00)	21.45	17.81	6.04	5.01	-	-	-	-	-	-	-	-	-	-	-	-
Lewis Berger (Overseas Holdings) Ltd	GBP	99.42	82.55	Apr 13 to Mar 14	Apr 12 to Mar 13	18.59	15.44	20.49	16.34	0.56	0.17	39.64	31.95	-	-	6.23	5.33	2.58	1.36	(0.78)	(0.68)	1.81	0.69	0.99	0.64
Mazbhumi Developers Limited	₹	1.00	1.00	Apr 13 to Mar 14	Apr 12 to Mar 13	0.05	0.05	(0.29)	(0.24)	14.44	14.29	14.20	14.10	-	-	-	-	(0.05)	(0.04)	-	-	(0.05)	(0.04)	-	-
Nivana Investments Ltd	GBP	99.42	82.55	Apr 13 to Mar 14	Apr 12 to Mar 13	-	-	1.88	1.56	-	-	1.88	1.56	-	-	-	-	-	-	-	-	-	-	-	-
Samoa Paints Ltd	WST \$	26.41	23.92	Apr 13 to Mar 14	Apr 12 to Mar 13	0.24	0.22	3.70	3.24	1.12	0.38	5.06	3.84	-	-	6.24	5.12	1.15	0.41	(0.31)	(0.12)	0.84	0.30	0.71	0.43
SCIB Chemicals S.A.E.	EGP	8.75	8.04	Apr 13 to Mar 14	Apr 12 to Mar 13	15.75	14.48	163.06	137.12	102.01	106.70	280.82	258.30	56.51	64.01	462.96	378.44	58.69	58.75	(15.00)	(14.44)	43.68	44.31	29.74	27.35
Universal Paints Ltd	GBP	99.42	82.55	Apr 13 to Mar 14	Apr 12 to Mar 13	4.27	3.54	72.89	54.94	-	-	77.16	58.48	-	-	-	-	6.74	4.05	-	-	6.74	4.05	0.01	0.01
Multifacet Infrastructure (India) Ltd	₹	1.00	1.00	Apr 13 to Mar 14	Apr 12 to Mar 13	0.05	0.05	(0.04)	(0.04)	0.03	0.03	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	-
Sheek International Private Limited*	₹	1.00	1.00	Apr 13 to Mar 14	Apr 12 to Mar 13	0.12	0.05	134.71	0.09	28.40	11.23	163.24	11.37	28.10	-	81.08	25.76	(3.58)	(2.46)	(0.14)	(0.37)	(3.71)	(2.83)	-	-
Kitchen Grace (India) Private Limited*	₹	1.00	1.00	Apr 13 to Mar 14	Apr 12 to Mar 13	1.39	0.56	8.66	0.81	7.32	16.36	17.37	17.73	1.13	1.08	18.25	14.76	1.99	(3.15)	(1.60)	(1.02)	0.39	(2.13)	-	-

Note - Figures pertaining to foreign subsidiaries have been translated at the exchange rate as at 31.03.2014 for current period and 31.03.2013 for previous period

* Refer Note 27 c (e) of Notes to Consolidated Financial Statements.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Asian Paints' philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly cemented which is reflected in your Company's business practices and work culture. The sound governance processes and systems guide the Company on its journey towards continued success. The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the aspirations of its stakeholder's and societal expectations.

Your Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure highest ethical and responsible standards being practiced by your Company. Comprehensive disclosures, structured accountability in exercise of powers, adhering to best practices and commitment to compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way the business is done.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement. This chapter, along with chapters on Management Discussion and Analysis and General Shareholder Information, constitutes Asian Paints' compliance with Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS:

Composition:

As on date, the Board of Directors comprises of fifteen (15) Directors of which six (6) are Non-Executive Directors, eight (8) are Non-Executive/Independent Directors and one (1) is the Managing Director & CEO of the Company. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

The details of the composition, nature of Directorship, relationship of Directors with each other and the directorships held in other companies by the Directors of the Company are detailed below:

Name of the Director	Nature of Directorship	Relationship with each other	As on 31 st March, 2014		
			Directorship in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other Companies (**)	
				Committee Member	Committee Chairman
Ashwin Choksi	Non-Executive Chairman/ Promoter	Brother of Mahendra Choksi	-	-	-
Ashwin Dani	Non-Executive Vice Chairman / Promoter	Father of Malav Dani and Husband of Ina Dani	6	4	1
Abhay Vakil #	Non-Executive Director/ Promoter	Brother of Amar Vakil and Uncle of Amrita Vakil	NA	NA	NA
K.B.S. Anand	Managing Director & CEO	Not related to any of the Directors	-	-	-
Mahendra Choksi	Non-Executive/ Promoter	Brother of Ashwin Choksi	-	-	-
Amar Vakil	Non-Executive/ Promoter	Brother of Abhay Vakil and Father of Amrita Vakil	2	-	-
Ina Dani @	Non-Executive/ Promoter	Wife of Ashwin Dani and Mother of Malav Dani	NA	NA	NA
Malav Dani ^	Non-Executive/ Promoter	Son of Ashwin Dani and Ina Dani	4	1	-
Amrita Vakil &	Non-Executive/ Promoter	Daughter of Amar Vakil and niece of Abhay Vakil	NA	NA	NA
Tarjani Vakil §	Non-Executive/ Independent	***	NA	NA	NA
Dipankar Basu	Non-Executive/ Independent	***	6	3	1
Deepak Satwalekar	Non-Executive/ Independent	***	3	2	1
R.A. Shah	Non-Executive/ Independent	***	14	9	4
S. Sivaram	Non-Executive/ Independent	***	3	1	-
Mahendra Shah	Non-Executive/ Independent	***	2	-	-
S. Ramadorai	Non-Executive / Independent	***	13	8	2
M.K. Sharma	Non-Executive/ Independent	***	9	5	-
Vibha Paul Rishi +	Non-Executive/ Independent	***	NA	NA	NA

Notes:

Shri Abhay Vakil ceased to be a Director w.e.f. 24th September, 2013

@ Mrs. Ina Dani ceased to be Director w.e.f. 21st October, 2013

^ Shri Malav Dani was appointed as a Director in Casual Vacancy w.e.f. 21st October, 2013

£ Ms. Amrita Vakil was appointed as an Additional Director w.e.f. 14th May, 2014

\$ Ms Tarjani Vakil retired as Director w.e.f. 24th June, 2013

+ Mrs. Vibha Paul Rishi was appointed as an Additional Director w.e.f. 14th May, 2014

* Excludes directorship in Asian Paints Limited. Also excludes directorship in Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

** For the purpose of considering the limit of the Committee Memberships and Chairmanships of a Director, the Audit Committee and the Shareholders/ Investors Grievance Committee of Public Limited Companies have been considered.

*** There is no relationship between any of the Independent Directors.

BOARD MEETINGS AND PROCEDURES:

Number of Board Meetings and Attendance:

During the financial year ended 31st March, 2014, seven (7) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed four (4) months. These were held on 9th May, 2013; 22nd July, 2013; 8th August, 2013; 21st October, 2013; 20th January, 2014; 11th March, 2014 and 28th March, 2014.

Details of attendance at the Board meetings and the last Annual General Meeting (AGM):

Name	Attendance at Board Meeting		Attendance at last AGM
	Held	Attended	
Ashwin Choksi (Chairman)	7	7	Yes
Ashwin Dani	7	7	Yes
Abhay Vakil #	7	3	Yes
K.B.S. Anand	7	7	Yes
Mahendra Choksi	7	7	Yes
Amar Vakil	7	5	No
Ina Dani @	7	4	Yes
Malav Dani ^	7	3	NA
Tarjani Vakil \$	7	1	Yes
Dipankar Basu	7	6	Yes
Deepak Satwalekar	7	6	Yes
R.A. Shah	7	6	No
S. Sivaram	7	6	Yes
Mahendra Shah	7	7	Yes
S. Ramadorai	7	5	Yes
M.K. Sharma	7	7	Yes

Shri Abhay Vakil ceased to be a Director w.e.f. 24th September, 2013

@ Mrs. Ina Dani ceased to be Director w.e.f. 21st October, 2013

^ Shri Malav Dani was appointed as a Director in Casual Vacancy w.e.f. 21st October, 2013

\$ Ms Tarjani Vakil retired as Director w.e.f. 24th June, 2013

BOARD PROCEDURES:

The Board meets atleast once in a quarter to review the quarterly financial results and operations of the Company. In addition

to the above, the Board also meets as and when necessary to address specific issues concerning the business. The tentative annual calendar of Board Meetings for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman.

Presentations are made by the Managing Director & CEO and the Senior Management on the Company's performance, operations, plans and other matters on a periodic basis. The Board has complete access to any information within the Company which includes following information as specified in Annexure IA to the Clause 49 of the Listing Agreement:

- Annual budgets, strategic and operating plans & policies, cash flows and capital allocations and budgets,
- Quarterly, half yearly and annual results of the Company and its operating divisions or business segments along with the consolidated results of the group,
- Minutes of meetings of the Audit committee and other committee(s) of the Board,
- Information on recruitment of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution concerns,
- Any materially relevant defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,

- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant initiatives and developments on the human resource and industrial relations fronts,
- Sale of a material nature of investments, subsidiaries and assets, which are not in the normal course of business,
- Investment of funds of the Company,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Status on legal cases,
- Proposals for investments, divestments, loans, guarantees, mergers and acquisitions,
- Approval of related party transactions,
- Compliance reports of laws applicable to the Company,
- Minutes of the meetings of the Board of Directors of subsidiary companies including international subsidiaries,
- Risk management reports and presentations made by the senior management,
- Disclosures made by the senior management personnel as to all material financial and commercial transactions, where they have personal interest; and
- All other information which is relevant for decision making by the Board.

The Minutes capturing the proceedings of the meetings of the Board of Directors/ Committees of the Board of Directors are maintained as per the applicable laws.

COMMITTEES OF THE BOARD:

Currently, there are five (5) Committees of the Board, namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and Investors Grievance Committee, CSR Committee and Shareholders' Committee. The Board approves the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

AUDIT COMMITTEE:

Composition and terms of reference

As on date, the Audit Committee comprises of three (3) Independent Directors. The members of the Audit Committee are Shri Dipankar Basu (Chairman), Shri Mahendra Shah, and Shri M.K. Sharma, all of whom possess accounting and financial management expertise/ exposure.

Consequent to the retirement of Ms. Tarjani Vakil, Shri Dipankar Basu was appointed as the Chairman of the Committee w.e.f. 19th July, 2013.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

1. investigate any activity within its terms of reference
2. seek information from any employee
3. obtain outside legal or professional advice
4. secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee invites the Managing Director & CEO, CFO & Company Secretary, President – Industrial JVs, General Manager – Accounts and Taxation, Statutory Auditor(s) and Chief Internal Auditor to attend the meetings of the Audit Committee. The CFO & Company Secretary, President – Industrial -JVs acts as Secretary to the Committee. The minutes of each Audit Committee are placed and discussed at the next meeting of the Board.

The Audit Committee is constituted and functions in accordance with Section 177 of the Companies Act, 2013 and Listing Agreement.

The details as to the date(s) on which the meetings were held and attendance of the Committee members during the financial year ended 31st March, 2014 are as follows:

Date(s) on which the meeting(s) were held

8 th April, 2013	18 th November, 2013
7 th May, 2013	17 th January, 2014
19 th July, 2013	12 th March, 2014
18 th October, 2013	

Name	Meeting details	
	Held	Attended
Dipankar Basu (Chairman)	7	7
Mahendra Shah	7	7
M.K. Sharma	7	6
Tarjani Vakil \$	7	2

\$ Ms Tarjani Vakil retired as Director w.e.f. 24th June, 2013

The role of the Audit Committee, *interalia*, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service.
3. Recommending to the Board of Directors, the appointment of Cost Auditor for the Company.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 217(2AA) of the Companies Act, 1956;
 - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any related party transactions; and
 - e. Qualifications in the draft audit report, if any.
5. Reviewing with management quarterly, half-yearly, nine-months and annual financial statements, standalone as well as consolidated before submission to the Board for approval.
6. Reviewing with the management performance of statutory and internal auditors.
7. Discussion with the internal auditors on any significant findings and follow-up thereon.
8. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow-up thereon.

11. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders and creditors, if any.
12. Reviewing the appointment of the Chief Internal Auditor of the Company.
13. Reviewing the Company's financial and risk management policies.
14. Reviewing with the management and the Statutory Auditors anticipated changes in the Accounting Standards.
15. Reviewing the Management Discussion and Analysis of the financial condition and results of operations.
16. Reviewing the statements of significant related party transactions, the financial statements and investments made by the unlisted subsidiary companies.
17. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy; and
18. Any other matter referred to by the Board of Directors.

The Company has an internal audit team, headed by the Chief Internal Auditor, who reports to the Managing Director & CEO and the Audit Committee. From time to time, the Company's adequacy of internal controls covering financial, operational, compliance, IT applications, etc., are reviewed by the Internal Audit Department and presentations are made to the Audit Committee on the findings of such reviews.

NOMINATION AND REMUNERATION COMMITTEE:

Composition and terms of reference

As on date, the Nomination and Remuneration Committee comprises of four (4) Non-Executive Directors, viz., Shri Deepak Satwalekar (Chairman), Shri Dipankar Basu, Shri M.K. Sharma and Shri Ashwin Dani. A Nomination Committee was constituted in addition to the duly constituted Remuneration Committee by the Board at its meeting held on 20th January, 2014. In compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and revised Clause 49 of the Listing Agreement, both the Committees were merged and re-constituted as one Committee i.e. "Nomination and Remuneration Committee" of the Board of Directors of the Company in April, 2014.

The Committee's terms of reference includes

1. identifying persons who are qualified to become directors and who may be appointed in senior management in

accordance with the criteria laid down, and recommend to the Board their appointment and removal;

2. carry on the evaluation of every director's performance;
3. formulation of the criteria for determining qualifications, positive attributes and independence of a director;
4. recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
5. formulation of criteria for evaluation of Independent Directors and the Board;
6. devising a policy on Board diversity; and
7. any other matter as the Board may decide from time to time.

Shri Mahendra Choksi was inducted as a member of the erstwhile Remuneration Committee by the Board at its meeting held on 20th January, 2014. However, he did not continue as a member on reconstitution of the Nomination and Remuneration Committee. Also, Shri Ashwin Dani was inducted as a member of the erstwhile Nomination Committee by the Board at its meeting held on 20th January, 2014.

The erstwhile Nomination Committee did not meet during the financial year 2013-14.

The details of the dates on which the meetings of the erstwhile Remuneration Committee were held and the attendance of the erstwhile Remuneration Committee members during the financial year ended 31st March, 2014 are as follows:

Date(s) on which the meeting(s) were held		
24 th April, 2013		
21 st October, 2013		
17 th January, 2014		
Name	Meeting details	
	Held	Attended
Deepak M. Satwalekar (Chairman)	3	3
Dipankar Basu	3	3
R.A. Shah	3	3
Tarjani Vakil §	3	1
Mahendra Choksi	3	NA

§ Ms Tarjani Vakil retired as Director w.e.f. 24th June, 2013

Shri Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs acts as the Secretary to the Committee.

REMUNERATION POLICY:

The Remuneration policy aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and

consistency in rewarding the employees. The performance of individual, of the function as well as the performance of the Company forms the basis of the Remuneration Policy.

The salary structure of employees comprises of basic salary, perquisites, allowances and performance incentive. The salary involves a balance between fixed and variable pay which reflects the performance objectives of the individual as against the earmarked Key Performance Indicator's and the performance of the Company and the strategic objectives of the Company. The components of total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc.

Details of remuneration paid to the Directors of the Company are as follows:

MANAGING DIRECTOR:

The Nomination and Remuneration Committee comprising of Non-Executive Directors recommends to the Board the remuneration payable to the Managing Director within the overall limits approved by the shareholders.

The remuneration payable to Managing Director & CEO, Shri K.B.S. Anand is decided considering the performance of the Company, his achievements against objectives as set out by the Nomination and Remuneration Committee and approved by the Board. It is also in line with industry standards. A comparative statement showing the remuneration paid by other companies of comparable size is considered by the Committee in deciding the remuneration payable to the Managing Director. His remuneration structure comprises of salary, perquisites, commission, etc. Annual increments are decided by the Nomination and Remuneration Committee and recommended to the Board within the limits mentioned in the contract and as approved by the shareholders. No severance is payable to him on termination of employment.

The erstwhile Remuneration Committee which was constituted in accordance with the Listing Agreement, considered and recommended to the Board of Directors, the remuneration payable to the Managing Director & CEO of the Company within the overall limits approved by the shareholders.

NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission paid to Non – Executive Directors is as per limits approved by the shareholders and computed in accordance with Section 309(5) of the Companies Act, 1956. The commission payable to Non-Executive Directors is distributed broadly on the basis of their

attendance and contributions at the Board/ Committee meetings and Chairmanship of Committees of the Board. Approval of the members is sought at the ensuing Annual General Meeting under Section 197 of the Companies Act, 2013 for payment of remuneration to Non-Executive Directors by way of commission not exceeding one (1) percent of net profits of the Company. The Board of Directors at its meeting held on 14th May, 2014, increased the sitting fees payable to its Non-Executive Directors for attending the Board and Committee meetings. The sittings fees payable to the Non-Executive Directors is increased from ₹ 20,000 (Rupees twenty thousand only)

to ₹ 50,000 (Rupees fifty thousand only) for attending the Board and Audit Committee meetings and ₹ 30,000 (Rupees thirty thousand only) for attending other Committee meetings (except Shareholders Committee Meetings).

Your Company benefits immensely from the expertise and invaluable experience of the Non-Executive / Independent Directors in achieving corporate excellence.

Details about Remuneration paid to the Directors for the year 2013-14 are as follows:

					(Amount in ₹)
Name of the Director	Salary	Perquisites*	Sitting Fees	Commission	Total
Ashwin Choksi	-	7,20,000	1,40,000	24,00,000	32,60,000
Ashwin Dani	-	7,35,000	1,40,000	18,00,000	26,75,000
Abhay Vakil #	-	7,20,000	60,000	8,00,000	15,80,000
K.B.S. Anand *	1,38,00,000	1,68,41,294	-	2,15,00,000	5,21,41,294
Mahendra Choksi	-	-	2,20,000	20,00,000	22,20,000
Amar Vakil	-	-	1,00,000	18,00,000	19,00,000
Ina Dani @	-	-	1,00,000	10,00,000	11,00,000
Malav Dani ^	-	-	1,00,000	8,00,000	9,00,000
Tarjani Vakil \$	-	-	80,000	3,00,000	3,80,000
Dipankar Basu	-	-	3,20,000	22,00,000	25,20,000
Deepak Satwalekar	-	-	1,80,000	20,00,000	21,80,000
R.A. Shah	-	-	1,80,000	18,00,000	19,80,000
S. Sivaram	-	-	1,20,000	18,00,000	19,20,000
Mahendra Shah	-	-	3,60,000	20,00,000	23,60,000
S. Ramadorai	-	-	1,00,000	18,00,000	19,00,000
M.K. Sharma	-	-	2,60,000	18,00,000	20,60,000

Notes:

* Perquisites for Shri K.B.S. Anand include Company's contribution to provident fund, medical and leave travel allowance, special allowance etc., as well as monetary value of perquisites as per Income Tax rules in accordance with Shri K.B.S. Anand's contract with the Company. Perquisites in case of Shri Ashwin Choksi, Shri Ashwin Dani and Shri Abhay Vakil, Non-Executive Directors are retiral benefits like pension and medical reimbursement as per their contracts entered with the Company in their erstwhile capacity as Executive Directors which ended on 31st March, 2009.

Shri Abhay Vakil ceased to be a Director w.e.f. 24th September, 2013

@ Mrs. Ina Dani ceased to be Director w.e.f. 21st October, 2013

^ Shri Malav Dani was appointed as a Director in Casual Vacancy w.e.f. 21st October, 2013

\$ Ms Tarjani Vakil retired as Director w.e.f. 24th June, 2013

The Company has not granted any Stock Options to any of its Directors.

Directors with materially significant, pecuniary or business relationship with the Company:

There is no pecuniary or business relationship between the Non-Executive Directors/ Independent Directors and the Company, except for the commission payable to them annually in accordance with the applicable laws and with the approval of the shareholders. Shri R.A. Shah, Independent Director of the Company, is a senior partner of M/s. Crawford Bayley & Co., Solicitors & Advocates, of the Company, which renders professional services to the

Company. The quantum of fees paid to M/s. Crawford Bayley & Co., is an insignificant portion of their total revenue, thus, M/s. Crawford Bayley & Co., is not to be construed to have any material association with the Company.

Employees holding an office or place of profit in the Company pursuant to Section 188 of the Companies Act, 2013 who are relatives of the Directors:

Shri Jalaj Dani, President – HR, International & Chemicals, relative of Shri Ashwin Dani, Vice Chairman and Shri Malav Dani, Director had earned gross remuneration of ₹ 1,90,71,885 (Rupees one

crore ninety lacs seventy one thousand eight hundred eighty five only) during the financial year 2013-14.

Shri Manish Choksi, President – Home Improvement, IT & Supply Chain, relative of Shri Mahendra Choksi, Director and Shri Ashwin Choksi, Chairman, had drawn a gross remuneration of ₹ 2,07,37,515 (Rupees two crore seven lacs thirty seven thousand five hundred and fifteen only) during the financial year 2013-14.

Shri Varun Vakil, Area Manager – Project Sales, relative of Shri Amar Vakil, Director and Ms. Amrita Vakil, Additional Director, had drawn a gross remuneration of ₹ 19,16,507 (Rupees nineteen lacs sixteen thousand five hundred and seven only), during the financial year 2013-14.

The appointment and the terms and conditions including remuneration of Shri Jalaj Dani, Shri Manish Choksi, and Shri Varun Vakil have been approved by the shareholders and the Central Government / Ministry of Corporate Affairs. Further, approval of the shareholders was taken at the Annual General Meeting held on 24th June, 2013 for revision in the remuneration payable to Shri Jalaj Dani and Shri Manish Choksi. Necessary applications for such revision in remuneration were filed with the Central Government/ Ministry of Corporate Affairs. However, the submissions made are still pending before the Central Government/ Ministry of Corporate Affairs for approval.

In the interim, as per Section 188 of the Companies Act, 2013, the Audit Committee and Board of Directors have approved the revision in remuneration payable for the financial year 2014-15 to Shri Jalaj Dani and Shri Manish Choksi. The said revision in remuneration of Shri Jalaj Dani and Shri Manish Choksi is in the ordinary course of business of the Company and at arm's length i.e remuneration paid to them is commensurate with the remuneration paid to other employees in their respective cadres.

Shri Jigish Choksi, relative of Shri Ashwin Choksi, Chairman and Shri Mahendra Choksi, Director, holds the position of Executive – Marketing and had drawn a gross remuneration of ₹ 11,79,490 (Rupees eleven lacs seventy nine thousand four hundred and ninety only), during the financial year 2013-14. The appointment of Shri Jigish Choksi and the terms and conditions including remuneration was approved by the shareholders at the Annual General Meeting held on 16th July, 2010.

Shri Vivek Vakil, relative of Shri Amar Vakil, Director and Ms. Amrita Vakil, Additional Director holds the position of Executive – Finance and had drawn a gross remuneration of ₹ 8,29,661 (Rupees eight lacs twenty nine thousand six hundred and sixty one only), during the financial year 2013-14. The appointment of Shri Vivek Vakil and

the terms and conditions including remuneration was approved by the shareholders at the Annual General Meeting held on 24th June, 2013.

The shareholding of the Non-Executive/Independent Directors of the Company as on 31st March, 2014 is as follows:

Name of the Director	Nature of Directorship	No of shares held *	Percentage to the paid up capital
Ashwin Choksi	Non-Executive/ Promoter	785,700	0.08
Ashwin Dani	Non-Executive/ Promoter	2,084,870	0.22
Mahendra Choksi	Non-Executive/ Promoter	2,196,180	0.23
Amar Vakil	Non-Executive/ Promoter	13,031,170	1.36
Malav Dani	Non-Executive/ Promoter	3,305,510	0.34
Dipankar Basu	Non-Executive/ Independent	Nil	Nil
Deepak Satwalekar	Non-Executive/ Independent	Nil	Nil
R.A. Shah	Non-Executive/ Independent	18,090	0.00
S. Sivaram	Non-Executive/ Independent	Nil	Nil
Mahendra Shah	Non-Executive/ Independent	Nil	Nil
S. Ramadorai	Non-Executive/ Independent	Nil	Nil
M.K. Sharma	Non-Executive/ Independent	Nil	Nil
TOTAL		21,421,520	2.23

* As per the declarations made to the Company by the Directors as to the shares held in their own name or held jointly as the first holder or held on beneficial basis as the first holder.

Shri K.B.S. Anand, Managing Director & CEO holds 270 equity shares of the Company as on 31st March, 2014.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE: Composition and terms of reference

As on date, the Corporate Social Responsibility Committee (CSR) comprises of four (4) Directors, viz., Shri Mahendra Choksi (Chairman), Shri Malav Dani, Shri Mahendra Shah and Shri K. B.S. Anand. The Committee was constituted by the Board at its meeting held on 20th January, 2014 to specifically undertake and drive the CSR activities of the Company.

The Committee has been formed in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. During the Financial Year 2013-2014, the Committee met twice on 5th February, 2014 and 26th March, 2014.

The details as to the composition of the CSR Committee, date(s) on which the meetings were held and the attendance of the members of the Committee during the financial year ended 31st March, 2014 are as follows:

Name	Meeting details	
	Held during the year	Attended
Mahendra Choksi (Chairman)	2	2
Malav Dani ^	2	2
Mahendra Shah	2	2
K.B.S. Anand	2	2

^ Shri Malav Dani was appointed as a Director in Casual Vacancy w.e.f. 21st October, 2013

The Committee's terms of reference includes

1. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. recommend the amount of expenditure to be incurred on the activities referred to above;
3. monitor the CSR Policy of the Company from time to time;
4. prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities proposed to be undertaken by the Company; and
5. such other activities as the Board of Directors may determine from time to time.

STAKEHOLDERS RELATIONSHIP AND INVESTORS GRIEVANCE COMMITTEE:

During the financial year 2013-14, the nomenclature and terms of reference of Shareholders/Investors Grievance Committee was changed to Stakeholders Relationship and Investors Grievance Committee pursuant to Section 178 of the Companies Act, 2013.

During the financial year 2013-14, the Committee met twice on 18th October, 2013 and 26th March, 2014.

The details as to the composition of the Stakeholders Relationship and Investors Grievance Committee, and the attendance of the members of the Committee during the financial year ended 31st March, 2014 are as follows:

Name	Meeting details	
	Held during the year	Attended
Mahendra Shah (Chairman)	2	2
K.B.S. Anand	2	2
Mahendra Choksi	2	2
Ina Dani @	2	1
Abhay Vakil#	2	NA

@ Mrs. Ina Dani ceased to be Director w.e.f. 21st October, 2013
Shri Abhay Vakil ceased to be a Director w.e.f. 24th September, 2013

The terms of reference of the Committee were also amended pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The revised terms of reference includes enquiring into and redress complaints of shareholders and investors and to resolve the grievance of security holders of the Company.

Shri Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs is the Compliance Officer for complying with the requirements of the Securities Law and the Listing Agreement.

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2014 are given as follows:

Nature of Complaints	Received during the year
Non-receipt of Dividend warrants	6
Non-receipt Share Certificate(s)	2
Others/Miscellaneous	4
TOTAL	12

All the requests, queries and complaints received during the financial year ended 31st March, 2014, were duly addressed by the Company/Registrar & Transfer Agent, Sharepro Services (India) Private Limited, appropriately and no queries are pending for resolution on that date except where they are constrained by dispute or legal impediments or due to incomplete or non submission of documents by the shareholders. Certain Court cases are pending in the Courts/Consumer Forums, relating to disputes over the titles to the shares of the Company in which either the Company has been made a party or necessary intimation thereof has been received by the Company.

SHAREHOLDERS' COMMITTEE:

As on 31st March, 2014, the Committee comprised of four (4) Members viz. Shri Ashwin Dani (Chairman) and Shri Ashwin

Choksi, Shri K.B.S. Anand, Managing Director & CEO and Shri Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs.

The terms of reference for the Shareholders Committee as on 31st March, 2014 were as follows:

- To issue duplicate share certificates as and when the requests are received by the Company;
- To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits; and
- To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard.

The Committee has met 16 times during the financial year 2013-14.

Further, the Board of Directors has delegated certain officials of the Company to authorize and approve the requests relating to transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Clause 49(IV) (G)(iv) of the Listing Agreement.

GENERAL BODY MEETINGS:

The venue and the time of the last three Annual General Meetings of the Company are as follows:

Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2012-2013	Yashwantrao Chavan Pratisthan Auditorium Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	24 th June, 2013	10.00 a.m.	5
2011-2012	Yashwantrao Chavan Pratisthan Auditorium Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021	25 th June, 2012	3.00 p.m.	Nil
2010-2011	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai – 400020	24 th June, 2011	3.00 p.m.	Nil

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

Postal Ballot:

During the year, no resolutions were passed through postal ballot.

SUBSIDIARY COMPANIES:

Your Company does not have a material non-listed Indian subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or networth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, in terms of Clause 49 (III) of the Listing Agreement.

The Audit Committee reviews the financial statements including investments by the unlisted subsidiary companies of the Company. Also, copies of the minutes of the subsidiary companies of the Company are placed before the Board of the Company on a periodical basis.

CEO/CFO CERTIFICATION:

As required by Clause 49(V) of the Listing Agreement, the CEO/CFO Certificate for the financial year 2013-14 signed by Shri K.B.S. Anand, Managing Director & CEO and Shri Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs was placed before the Board of Directors at their meeting held on 14th May, 2014.

DISCLOSURES:

1. Disclosures on materially significant related party transactions:

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management, etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

2. Details of non-compliance(s) by the Company:

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

3. Disclosure of Accounting Treatment:

The Company follows Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. In preparation of financial statements, the Company has not adopted a treatment different from what is prescribed in the Accounting Standards.

4. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement:

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. Following is the status of the compliance with the non-mandatory requirements:

a) Non-Executive Chairman's Office:

The Chairman of the Company is a Non-Executive Director and hence, in compliance with this requirement.

b) Remuneration Committee:

The Board of Directors has constituted a Nomination and Remuneration Committee comprising of Non – Executive/ Independent Directors and the Chairman being an Independent Director. Please refer to para on "Nomination and Remuneration Committee".

c) Shareholder's Rights:

Half-yearly results of the Company are sent to all

shareholders of the Company. The Company makes presentations to Institutional Investors and Equity Analysts on the Company's performance on a regular basis.

d) Audit Qualifications:

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

e) Training of Board Members:

The Managing Director & CEO, Business Heads and other senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

f) Mechanism for evaluating Non-Executive Board Members:

Your Company is in the process to formalise the mechanism for evaluating the performance of the Non-Executive Members of the Board. However, the commission paid to them is based on their overall performance and their commitment towards attending the meetings of the Board and devoting time and attention to the affairs of the Company.

g) Whistle Blower Policy:

Your Company has adopted a Whistle Blower Policy with an objective to provide employees and Business Associates a framework and to establish a formal mechanism or process whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the Compliance Officer, i.e., the CFO & Company Secretary, President - Industrial JVs and the Head of the Human Resources function. During the year, the Board at its meeting held on 22nd July, 2013

amended the Whistle Blower Policy so as to include an additional reporting channel i.e. Asian Paints Ethics Hotline (toll free number/ web reporting facility). The employees can make Protected Disclosures to the Ethics Committee using Asian Paints Ethics Hotline regarding any malpractices or event or activity that may have occurred in the organization and which may be considered as unethical or fraudulent. The employees may, where the matters are of grave nature, make Protected Disclosures directly to the Chairman of the Audit Committee of the Board of Directors of the Company.

5. Risk Management:

Your Company has constituted a Risk Council comprising of Business heads and other functional heads of the Company including the CFO & Company Secretary, President – Industrial JVs and the Chief Internal Auditor of the Company. The Risk Council meets on a periodical basis to review the risk management framework and discuss on risk mitigation plans. The Risk Council has laid down procedure for risk assessment and minimization which are presented to the Audit Committee and the Board of Directors on a periodical basis.

6. Code of Conduct:

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of the Company in accordance with the requirement under Clause 49(I)(D) of the Listing Agreement. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2014. The declaration to this effect signed by Shri K.B.S. Anand, Managing Director & CEO of the Company forms part of the report.

7. Code of Conduct for Prevention of Insider Trading:

Asian Paints' Code of Conduct for Prevention of Insider trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and such other designated employees of the Company, who may have access to unpublished price sensitive information relating to the Company. The insiders are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as "Quiet Period". The insiders are restricted from entering into opposite transaction, i.e., buy or sell any number of shares during the next six months

following the prior transaction and also are restricted from taking any position in derivative transactions in the shares of the Company at any time. Shri Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs is the Compliance Officer.

8. Management Discussion and Analysis:

This annual report has a detailed section on Management Discussion and Analysis.

MEANS OF COMMUNICATION:

- Quarterly/ Half-yearly/ Nine-months and Annual Audited Financial Results of the Company are published in the all India editions of Business Standard, Maharashtra edition of Punyanagri and Mumbai editions of Free Press Journal and Navshakti newspapers.
- The annual report, Quarterly/ Half-yearly/ Nine-months and Annual Audited Financial Results of the Company are also put up on the Company's corporate website: www.asianpaints.com. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.
- All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.
- Your Company provides necessary information to the Stock Exchanges in terms of the Listing Agreement and other rules and regulations issued by the Securities Exchange Board of India.

Pursuant to Section 20, 101 and 136 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014; Companies (Accounts) Rules, 2014 and Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, companies can serve documents to its shareholders through electronic transmission. Accordingly, your Company has given an option to the shareholders to receive documents General Meeting Notices (including AGM), Annual Report, ECS intimations and other documents in electronic form.

Your Company encourages its shareholders to participate in the cause of Green Initiative by opting to receive communications from the Company in electronic form, by registering their e-mail addresses:

- in case the shares are held in electronic form (demat) with the Depository Participant
- in case the shares are held in physical form with the Company or its Registrar & Transfer Agent, Sharepro Services (India) Private Limited.

ASIAN PAINTS LIMITED

CIN: L24220MH1945PLC004598

Website: www.asianpaints.com

6A, Shantinagar, Santacruz (E), Mumbai - 400 055

E-mail: investor.relations@asianpaints.com

Tel. No.: 022-39818000 Fax No.: 022-39818888

SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit: Asian Paints Limited

13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange
Lane, Off. Andheri-Kurla Road,

Sakinaka, Andheri (E), Mumbai - 400 072

E-mail: sharepro@shareproservices.com

Tel. No.: 022-67720300/ 67720400/ 28511872

Fax No.: 022-2859 1568

OR

SHAREPRO SERVICES (INDIA) PVT. LTD.

Unit: Asian Paints Limited

912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai - 400 021.

E-mail: sharepro@shareproservices.com

Tel. No.: 022-2288 1568/ 2288 1569/ 2282 5163/ 2288 4527

Fax No.: 022-2282 5484

General Shareholder Information

68th ANNUAL GENERAL MEETING OF THE COMPANY:

Date	Thursday, 26 th June, 2014
Venue	Yashwantrao Chavan Pratisthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400 021.
Time	3.00 p.m.

FINANCIAL CALENDAR:

Financial year: 1st April to 31st March

For the year ended 31st March, 2014, quarterly financial results were announced on:

22 nd July, 2013	First Quarter
21 st October, 2013	Second Quarter and Half Yearly
20 th January, 2014	Third Quarter and Nine Months
14 th May, 2014	Fourth Quarter and Annual

For the year ending 31st March, 2015, quarterly financial results will be announced as per the tentative schedule below:

On or around 22 nd July, 2014	First Quarter
On or around 22 nd October, 2014	Second Quarter and Half Yearly
On or around 29 th January, 2015	Third Quarter and Nine Months
On or around 14 th May, 2015	Fourth Quarter and Annual

BOOK CLOSURE:

The dates of book closure are from 18th June, 2014 to 26th June, 2014, inclusive of both days.

DIVIDEND:

An interim dividend of ₹ 1.10 (Rupees one and paise ten only) per equity share of ₹ 1 (Rupee one) each was declared and paid in October, 2013. A final dividend of ₹ 4.20 (Rupees four and paise twenty only) per equity of ₹ 1 (Rupee one) each was recommended by the Board of Directors at its meeting held on 14th May, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be paid/ dispatched on or after 27th June, 2014 as follows:

- in respect of the shares in physical form, to those members whose names will appear on the Company's Register of

Members, after giving effect to all valid share transfers in physical form lodged on or before 17th June, 2014.

- in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 17th June, 2014.

The details of dividend declared and paid by the Company for the last five years are as below:

Year	Percentage (%)	In ₹ per share (face value of ₹ 1 each)*	Dividend Amount (₹ in crores)
2008-2009	175	1.75	167.9
2009-2010	270	2.70	258.9
2010-2011	320	3.20	306.9
2011-2012	400	4.00	383.7
2012-2013	460	4.60	441.2
2013-2014 (interim)	110	1.10	105.51

* The shareholders at the 67th Annual General Meeting of the Company held on 24th June, 2013, approved the sub-division of the face value of the equity shares of the Company from ₹ 10 (Rupees ten) to ₹ 1 (Rupee one) each. Accordingly, the dividend value per share has been adjusted to reflect the sub-division in 2013-14.

LISTING:

The Company's shares are listed on:

- BSE Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

The Company has paid the listing fees for the financial year 2014-15 to the stock exchange(s) on which Company's shares are listed.

STOCK CODES:

BSE	500820
NSE	ASIANPAINT
ISIN for depositories	INE021A01026

STOCK PRICE DATA:

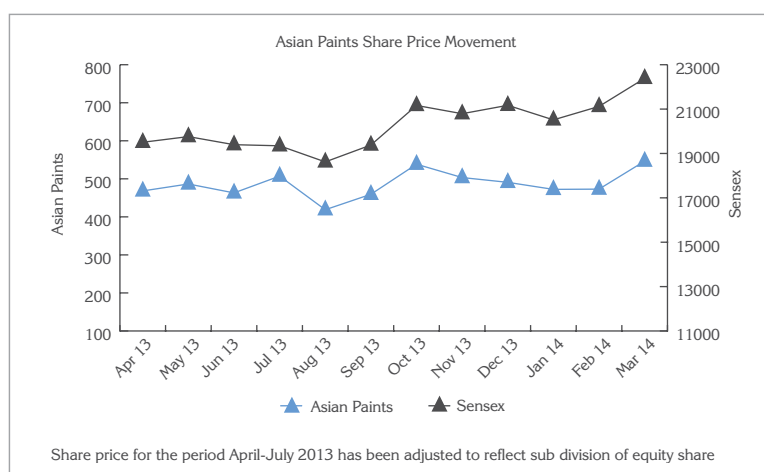
The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the year ended 31st March, 2014 are given as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No of Shares)
2013						
April	4,974.50	4,460.00	3,56,696	4,982.00	4,476.55	18,09,296
May	4,952.00	4,590.50	2,58,321	4,949.00	4,590.00	19,03,124
June	4,864.20	4,302.00	1,81,363	4,859.90	4,294.70	16,80,974
July (upto 29 th July, 2013)*	5,246.60	4535.05	2,69,710	5,247.75	4,527.35	18,84,383
July (from 30 th July, 2013)*	524.70	496.00	3,06,046	522.40	495.15	16,99,649
August	516.00	376.35	35,58,367	515.00	373.40	2,66,32,591
September	504.00	395.75	27,16,486	504.80	395.00	2,36,45,428
October	540.00	452.00	30,29,963	541.95	451.00	3,15,77,629
November	560.00	499.75	14,70,493	561.75	499.45	1,84,84,086
December	514.70	482.90	14,96,059	516.25	482.00	1,69,47,822
2014						
January	505.75	464.75	39,01,479	505.10	463.95	2,64,34,325
February	495.00	461.00	15,73,377	495.00	460.20	1,38,33,419
March	548.00	469.10	31,50,661	550.00	468.50	1,57,32,118

Note: *The Share Price became ex-date for sub-division with effect from 30th July, 2013.

High and low are in ₹ per traded share. Volume is the total monthly volume of trade in Asian Paints shares on BSE and NSE.

The chart below shows the performance of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2013-14 (based on month end closing).



SHARE TRANSFER SYSTEM:

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (R&TA) M/s. Sharepro Services (India) Private Limited. The applications and requests received by

your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under applicable laws. Shareholders, beneficial owners and depository participants (DPs) are requested to send/ deliver the documents/ correspondence

relating to the Company's share transfer activity etc. to Sharepro Services (India) Pvt. Ltd., R&TA of the Company.

The Board of Directors of the Company have delegated the authority to approve the requests for transfer/transmission/name deletion etc. of the shareholders as mentioned in Clause 49(IV) (G)(iv) of the Listing Agreement to the designated officials of the Company. As on 31st March, 2014 the transactions in respect

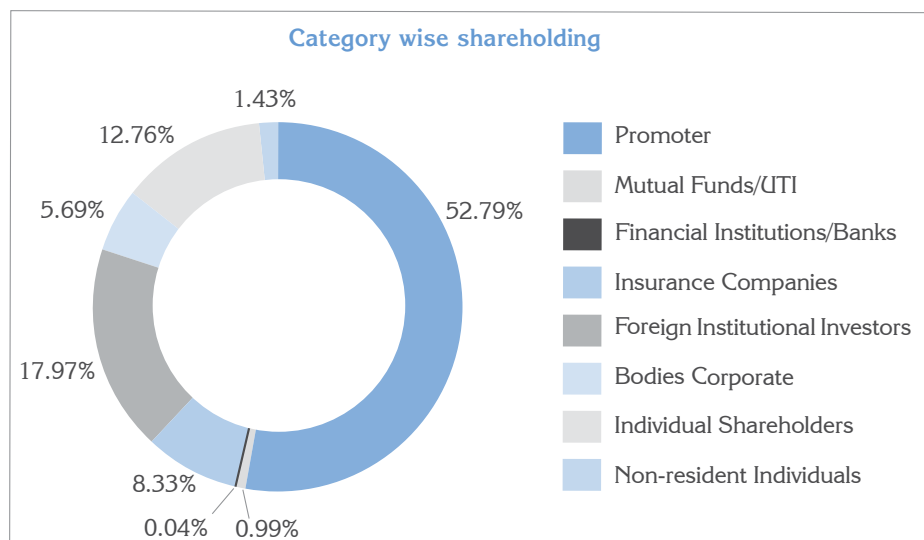
of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Shareholder's Committee of the Board of Directors of the Company.

A summary of all the transfers, transmissions, issue of duplicate share certificate requests, deletion requests, etc., are placed before the Board of Directors from time to time for their review.

DISTRIBUTION OF SHAREHOLDINGS:

The distribution of shareholding of the Company as on 31st March, 2014 was as follows:

Category wise shareholding	Total Number of Shares	Percentage of total no. of shares
(A) Shareholding of Promoter and Promoter Group		
(a) Individuals/Hindu Undivided Family	10,21,85,327	10.65
(b) Bodies Corporate	40,41,94,305	42.14
Total Shareholding of Promoter and Promoter Group	50,63,79,632	52.79
(B) Public shareholding		
(1) Institutions		
(a) Mutual Funds/ UTI	95,16,221	0.99
(b) Financial Institutions/ Banks	4,00,499	0.04
(c) Insurance Companies	7,99,04,923	8.33
(d) Foreign Institutional Investors	17,23,23,740	17.97
Sub-Total (B)(1)	26,21,45,383	27.33
(2) Non-Institutions		
(a) Bodies Corporate	5,45,81,968	5.69
(b) Individuals		
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	11,30,04,054	11.78
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	94,02,291	0.98
(c) Individual (Non-Resident individuals)	1,36,84,462	1.43
Sub total (B)(2)	19,06,72,775	19.88
Total Public Shareholding (B)=(B)(1)+(B)(2)	45,28,18,158	47.21
TOTAL (A)+(B)	95,91,97,790	100.00



Distribution of shareholding of the Company by number of shareholders and shares held as on 31st March, 2014 is as follows:

		Shareholders		Shareholding	
		Number	% To Total	Number	% To Total
UPTO	500	62,910	71.48	60,37,326	0.62
501	1000	5,581	6.34	44,62,804	0.47
1001	2000	5,023	5.71	75,45,312	0.79
2001	3000	3,025	3.44	76,48,228	0.80
3001	4000	1,994	2.27	71,69,956	0.75
4001	5000	2,651	3.01	1,22,80,376	1.28
5001	10000	4,132	4.70	3,25,37,692	3.39
10001	AND ABOVE	2,681	3.05	88,15,16,096	91.90
TOTAL		87,997	100.00	95,91,97,790	100.00

Details of the Company's dematerialized shares as on 31st March, 2014:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
93,92,75,010	97.92	79,827	90.72

Break up of shares in physical and demat form as on 31st March, 2014 is as follows:

	No. of Shares	% of Shares
Physical segment	1,99,22,780	2.08
Demat segment:		
NSDL	92,33,58,783	96.26
CDSL	1,59,16,227	1.66
TOTAL	95,91,97,790	100.00

Shareholders, who continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact the R&TA of the Company. The shareholders have the option to hold Company's shares in demat form through NSDL or CDSL.

Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments and their impact on equity:

The Company does not have any outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments as on 31st March, 2014.

Details of public funding obtained in the last three years:

The Company has not obtained any public funding in the last three years.

Other Information:

Corporate Identification Number (CIN):

L24220MH1945PLC004598

Reconciliation of Share Capital Audit:

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

National Electronic Clearing System (NECS) for dividend:

The remittance of dividend through Electronic Clearing System has been moved to National Electronic Clearing System (NECS) platform through core banking system effective 1st October, 2009. Accordingly, dividend will be credited to the shareholders' bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository/ Company as the case may be, the Company will print details available in its records on the dividend warrants to be issued to the shareholders.

Shareholders holding shares in physical form:

Investors who would like to avail NECS facility and are holding shares in physical form may send in their NECS Mandate Form, duly filled in to the Company's R&TA, Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone

Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072 or Sharepro Services (India) Private Limited, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021. The NECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature lodged with the Company.

Members holding shares in physical form are requested to dematerialise their shares i.e. hold shares in electronic form. This will enable the members to avoid the risks associated with physical certificates such as forged transfers, fake certificates and loss of certificates.

Shareholders holding shares in electronic/ dematerialised form:

Investors holding shares in demat or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the R&TA cannot make any change in such records received from the Depository.

Nomination facility:

Pursuant to the provision of Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of the shares held by them. Members holding shares in physical form and desirous of making a nomination are requested to

send their requests to the Company's Registrar and Transfer Agent, Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Unclaimed Dividend/ Shares:

In terms of Section 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

In accordance with Clause 5A II of the Listing Agreement, the Company had sent three reminders to the shareholders whose share certificates are lying unclaimed with the Company. The Company has now dematerialised and transferred 3,04,800 equity shares comprised in 943 folios to the "Asian Paints Limited – Unclaimed Suspense Account".

Due dates for transfer of unclaimed dividend to IEPF are as follows:

Financial Year	Type	Dividend Paid (₹ in crores)	Unclaimed Dividend as on 31.03.2014		Dues date for transfer to IEPF
			₹	%	
2006-2007	2 nd Interim	62.3	13,78,189.00	0.22	12.04.2014
	Final	95.9	3,42,338.00	0.36	25.07.2014
2007-2008	Interim	62.3	16,63,825.00	0.27	18.11.2014
	Final	100.7	28,29,320.00	0.28	23.07.2015
2008-2009	Interim	62.3	21,70,096.50	0.35	23.11.2015
	Final	105.5	36,51,989.00	0.35	25.07.2016
2009-2010	Interim	81.5	31,51,939.00	0.39	21.11.2016
	Final	177.5	49,60,061.00	0.28	15.08.2017
2010-2011	Interim	81.5	24,41,174.45	0.30	26.11.2017
	Final	225.4	65,86,088.00	0.29	23.07.2018
2011-2012	Interim	91.1	28,20,052.00	0.31	20.11.2018
	Final	292.6	93,61,325.00	0.32	24.07.2019
2012-2013	Interim	91.1	33,78,297.00	0.37	24.11.2019
	Final	350.1	1,10,59,832.00	0.32	23.07.2020
2013-2014	Interim	105.5	43,36,759.00	0.41	20.11.2020

Registrar and Transfer Agent:

Sharepro Services (India) Pvt. Ltd. is the Registrar and Transfer Agent of the Company.

Sharepro Services (India) Pvt. Ltd.

Unit: Asian Paints Limited

13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka
Telephone Exchange Lane, Off. Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai - 400 072

Tel. No.: 67720300/ 67720400

Fax No.: 2859 1568

E-mail: sharepro@shareproservices.com

Sharepro Services (India) Pvt. Ltd.

Unit: Asian Paints Limited

912, Raheja Centre, Free Press Journal Road, Nariman Point,
Mumbai - 400 021.

Tel. No.: 2288 1568, 2288 1569, 2282 5163, 2288 4527

Fax No.: 2282 5484

E-mail: sharepro@shareproservices.com

For the benefit of shareholders, documents will continue to be accepted at the Registered Office of the Company:

Asian Paints Limited

CIN : L24220MH1945PLC004598

6A, Shantinagar, Santacruz (E), Mumbai - 400 055

Tel. No.: 022-39818000 • Fax No.: 022-39818888

Website: www.asianpaints.com

Members are requested to quote their e-mail address, telephone number and full address for prompt reply to their communication.

E-mail ID for Investor's Grievances:

The e-mail address for investor grievance is
investor.relations@asianpaints.com

The above exclusive e-mail id is disclosed by the Company on its websites and all the various material correspondence, publications and communication to the shareholders at large.

Plant locations

Paint Plants:

Lal Bahadur Shastri Marg, Bhandup, Mumbai - 400 078,
Maharashtra.

Plot Nos. 2602/ 2702, GIDC Industrial Area,
Ankleshwar 393 002, Gujarat.

Plot Nos. 50-55, Industrial Development Area, Phase II,
Patancheru - 502 319, Dist. Medak, Andhra Pradesh.

A-1, UPSIDC Industrial Area, Kasna - II, Kasna Village, Greater
Noida, Dist. Gautambudh Nagar - 203 207, Uttar Pradesh.

SIPCOT Industrial Park, Plot No. E6-F13,
Sriperumbudur - 602 105, Kancheepuram District, Tamil Nadu.

Plot No. 1, IMT, Sector 30 B, PO Kherisadh Village,
Rohtak - 124 027, Haryana.

Plot A1, MIDC, Khandala Industrial Area, Taluka Khandala,
Satara - 412 802, Maharashtra.

Taloja Plant (Industrial Paints):

Plot No. 3/ 2, MIDC, Taloja, Raigad - 410 208, Maharashtra.

Phthalic Plant:

Plot No. 2702, GIDC Industrial Area, Ankleshwar - 393 002,
Gujarat.

Penta Plant:

B-5 and 10, Sipcot Industrial Complex, Cuddalore - 607 005,
Tamil Nadu.

Annexure to Report on Corporate Governance for the year ended 31st March, 2014

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2014.

K.B.S. Anand

Managing Director & CEO

Mumbai

14th May, 2014

Certificate by the Joint Statutory Auditors as to the compliance of the conditions of Corporate Governance

The certificate by the Joint Statutory Auditors of the Company as to the compliance of the conditions of Corporate Governance pursuant to Clause 49(VII)(1) of the Listing Agreement is given below:

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF ASIAN PAINTS LIMITED

We have examined the compliance of conditions of Corporate Governance by Asian Paints Limited ('the Company'), for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W

Bhavesh Dhupelia

Partner

Membership No: 042070

Mumbai

14th May, 2014

For **Shah & Co.**

Chartered Accountants

Firm Registration No: 109430W

Ashish Shah

Partner

Membership No: 103750

Mumbai

14th May, 2014

Annual Business Responsibility Report (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity** : L24220MH1945PLC004598
Number (CIN)
2. **Name of the Company** : Asian Paints Limited
3. **Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400055
4. **Website** : www.asianpaints.com
5. **E-mail id** : investor.relations@asianpaints.com
6. **Financial Year reported** : 1st April, 2013 to 31st March, 2014
7. **Your Company is engaged in (industrial activity code-wise):**

Group*	Description
202	Manufacture of paints, varnishes, enamels or lacquers
202	Manufacture of surfacing preparations; organic composite solvents and thinners, and other related products
201	Manufacture of organic and inorganic compounds n.e.c.

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. **The Key Product that your Company manufactures (as per Balance Sheet) is** Paints
9. **Total number of locations where business activity is undertaken by the Company:**

- i. Number of International Locations – 22 international subsidiaries having business operations in 16 countries
- ii. Number of National Locations -

Paint Manufacturing facilities	8
Chemical Plants	2
Sales locations	115
Admin Offices	23
Distribution centres	6
Other offices including the registered office	25

10. **Markets served by the Company – Local/State/National/International:**

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : ₹ 95.92 Crores
2. **Total Turnover (INR)** : ₹ 10,418.78 Crores
3. **Total Profit After Tax (INR)** : ₹ 1,169.06 Crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (PAT) (%)**:
Your Company's total spending of CSR for the financial year 2013-14 is ₹ 3.7 Crores, which is 0.32% of PAT.
5. **Some of the areas for which expenditure in 4 above has been incurred:**
 - a. Education and Literacy,
 - b. Environment,
 - c. Health care, Hygiene and Sanitation,
 - d. Infrastructure Development and other facilities for schools and
 - e. Rain Water Harvesting.

SECTION C: OTHER DETAILS

1. Your Company as on 31st March, 2014, has 6 Direct Subsidiary Companies and 21 Indirect Subsidiaries.
2. Your Company encourages its subsidiary companies to adopt its policies and practices. Certain policies and practices which form part of the Business Responsibility (BR) initiatives of your Company are applicable to the subsidiary companies also.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. **Details of Director/Directors responsible for BR**
 - a. Details of the Director responsible for implementation of the BR policy/policies
 - DIN : 03518282
 - Name : Shri K.B.S. Anand
 - Designation : Managing Director & CEO

b. Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN (if applicable)	NA
2.	Name	Shri Jayesh Merchant
3.	Designation	CFO & Company Secretary, President – Industrial JVs
4.	Telephone number	022 3981 8000
5.	e-mail id	investor.relations@asianpaints.com

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies [Reply in Yes(Y) / No(N)]

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and protect human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y This forms part of the Code of Conduct of your Company which is applicable to all its employees	Y The policy is part of your Company's Environment, Health and Safety (EHS) Policy and Quality Policy	Y Certain policies form part of the code of conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resource function of the Company from time to time	N Your Company is in the process of formulating a CSR policy	Y This forms part of the Code of Conduct of your Company which is applicable to all its employees	Y This forms part of your Company's EHS policy	N	N Your Company is in the process of formulating a CSR policy	Y Your Company has a Consumer Policy
2.	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	-	Y	Y	-	-	Y

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Does the policy conform to any national / international standards?	Y (Detailed in the report)	Y (Detailed in the report)	-	-	Y (Detailed in the report)	Y (Detailed in the report)	-	-	N
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y (It is signed by the Head of the Human Resources function)	Y (It is signed by the Managing Director)	Y (It is signed by the Head of the Human Resources function)	-	Y (It is signed by the Head of the Human Resources function)	Y (It is signed by the Managing Director)	-	-	Y (It is signed by the Managing Director)
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	-	Y	Y	-	-	Y
6.	Indicate the link for the policy to be viewed online?	www.asianpaints.com/pdfs/company-info/investors/coc_employees.pdf	www.asianpaints.com	These policies are internal policies and are not displayed on the website of your Company but have been displayed on the intranet site of your Company	-	www.asianpaints.com/pdfs/company-info/investors/coc_employees.pdf	www.asianpaints.com	-	-	www.asianpaints.com
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	-	Y	Y	-	-	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	-	Y	Y	-	-	Y

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	-	Y	Y	-	-	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 2:	Y	Y	Y	-	Y	Y	-	-	Y

Note 1 : While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders

Note 2: While the Company has not carried out independent audit of the policies; the Internal Audit Function of your Company periodically looks at the implementation of the policies of your Company

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick up to 2 options)

Sr.No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	✓	-	-	-	✓	-
5.	It is planned to be done within the next 1 year.	-	-	-	-	-	-	✓	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- The Board of Directors of your Company assesses various initiatives forming part of the BR performance of the Company on a periodic basis. During the year, the Corporate Social Responsibility Committee (CSR Committee) was constituted in accordance with the Companies Act, 2013 and rules thereunder to define the CSR Policy of the Company and prepare

a transparent monitoring mechanism for ensuring implementation of the projects/ programmes / activities to be undertaken by the Company.

- Your Company does not publish a BR or a Sustainability Report; however, details pertaining to Corporate Social Responsibility have been presented in the Management Discussion and Analysis Report in the Annual Report every year. This year, it forms part of this report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

- Your Company has a defined Code of Conduct which is applicable to all the employees including the employees of the subsidiaries which outlines the principle of carrying on the business and act with the highest standards of personal and professional integrity, honesty and ethical conduct. Employees are expected to uphold these guidelines and principles. The Code also provides for obligations of the employees with respect to non disclosure of confidential information, accounting and payment practices, accurate financial disclosures, etc. The Code as well as the Company's Policy on Prevention of Fraud applies to any irregularity, involving employees as well as vendors, contractors, customers and/or any other entities having a business relationship with the Company. Fraud includes acts such as deception, bribery, forgery, extortion and corruption. Annual affirmation to the Code of Conduct is taken by the Company from all its employees.
- The Company also has a Whistle Blower policy under which an Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Head of the Human Resources function has been constituted for the purpose of receiving and investigating complaints from any employee/business associates. During the year, your Company rolled out "Asian Paints – Ethics Hotline" which is a tool to enable employees to report any instances of fraud, abuse, misconduct or malpractices at workplace. This hotline is available for your Company as well as to all its subsidiaries including international subsidiaries in local languages.
- The Company has in place mechanisms for receiving and dealing with complaints from stakeholders and is responsive to any complaints received from stakeholders. During the year, your Company received twelve (12) investor complaints from shareholders which have been resolved.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- Your Company has given significant importance to Research & Development. Your Company has set directions towards developing products that meet internationally accepted green product standards. Your Company is committed to being Green and it has been making rapid strides to offer Best-In-Class, truly Green products.

- In support of your Company's commitment to produce greener products the major premium range products under Royale and Ultima brands have been made eco-friendly by removing VOC (Volatile Organic Compound), APEO (Alkyl Phenol Ethoxylates), CMR (Carcinogen, Mutagen and reproductive Toxin), formaldehyde and heavy metals as per the requirements of GS 11 standard. Your Company has created an internal green logo called "Green Assure" which assures end users of having truly green products.
- Your Company accords highest priority to better health and safety of its stakeholders. Accordingly, your Company has stopped direct addition of RCS (Respirable Crystalline Silica) bearing raw materials in its decorative product formulations which prevents potential exposure of the workmen in the shop floor of a factory, painters at the application site for their safety.
- Your Company intends to educate customers about the safe use of its products and your Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe for its people as well as the environment. A detailed note on the same can be accessed through the following link on your Company's website:

http://www.asianpaints.com/green_assure/index.aspx
- Focus on innovation has led to improvement in energy efficiency in the manufacturing processes at your Company's plants. Stringent targets for the specific power consumption are set and are closely monitored by the manufacturing hierarchy. During the year, your Company appointed a professional agency to study the energy consumption patterns in all its manufacturing locations and recommend solutions to reduce the energy consumption.
- Your Company believes in long-term engagement with its suppliers that commit to social responsibility and international standards. Your Company is committed to improve awareness about legal compliances, enhance eco-friendly efficiencies, packaging / logistics improvements at the suppliers end. Supplier and transporter meets are held on a periodical basis where your Company engages and encourages them to undertake sustainable practices across supply chain.
- Your Company has strategically created storage locations and introduced concept of Warehouse Management system for finished goods across the country for quick and easy serving and better transparency of stocks. Your Company drives its distribution plan using an ERP (Enterprise

Resource Planning) system to optimize freight cost. Your Company sources majority of its transport requirements from local vendors at all locations. It also promotes suppliers wherever feasible, to set up their manufacturing near to your Company's manufacturing locations.

- While setting up new factories / facilities for manufacturing of paints, your Company engages local persons for provision of certain services including construction of the facilities and operations thereafter. At certain locations, community development is also done by way of providing basic educational facilities and skill-sets for maintenance of livelihood to local population.
- Measures for Waste Minimization are undertaken by your Company in all its factories. These measures are reviewed by the General Works Manager of the respective factory/ manufacturing facility at a monthly interval and also by the Vice President of the Supply Chain function on six-monthly basis. Waste generated during the production operations, is disposed / recycled in compliance with the applicable environmental laws. Maximum efforts are made to reduce the quantum of waste-water generated due to cleaning operations in the factories. The trade effluent generated is treated in compliance with the applicable environmental laws and is recycled back into the production processes or discharged for landscaping / gardening/ horticulture-development purposes. The jumbo packaging used, for transfer of certain powder raw material by our suppliers is reused for a minimum of three times.
- Your Company is constantly working towards adopting the best standards in environment management. In the last year, the factories have begun working on identifying better means of waste disposal. In line with the United Nations agenda for World Environment Day for the year 2013, the factories had implemented programs towards educating and influencing employees towards reduction in food wastage as part of the U.N. agenda of "EAT.FOOD. SAVE." Worldwide, co-processing is considered to be the best form of hazardous waste management. Accordingly, the factories have also been in discussions with multiple cement manufacturing companies towards co-processing of the hazardous waste in cement kilns.

Principle 3

Businesses should promote the well being of all employees

- Your Company has a total number of 5870 permanent employees in India (includes permanent women employees).

Details of women employees and contracted work force in India are listed below:

Sr. No.	Category of Employees	No. of Employees
1.	Contracted Workforce	8563
2.	Temporary Workforce	248
Number of permanent women employees:		252
Number of differently abled permanent employees:		3

- Since inception, your Company's business practices have been governed by integrity, honesty and fair dealing. Your Company safeguards the employees' rights, values their cultural, social diversity and ensures safety and healthy work conditions. Your Company's policies prohibit sexual harassment, discrimination based on race, religion, national origin, ethnic origin, colour, gender, age, citizenship, veteran status marital status or a disability.
- Your Company has a Policy on Occupational Health and Safety Policy to comply with all applicable health and safety statutory regulations and ensure zero accidents, zero dangerous occurrences and zero notifiable diseases. Your Company provides regular training to its employees on health and safety in order to conduct their jobs in safe manner.
- Your Company has a policy for Prevention of Sexual Harassment which applies to employees of your Company at all its establishments. It ensures prevention and deterrence towards commission of acts of sexual harassment and communicates procedures for their resolution, settlement or prosecution.
- There are recognized trade unions at your Company's manufacturing locations and certain sales units affiliated to various trade union bodies. Approximately 33% of permanent employees are members of recognized employee unions.
- Your Company's policy prohibits engaging of any child labour or involuntary labour. There are no complaints relating to child labour, forced labour, involuntary labour and sexual harassment.

- Percentage of employees who were given safety & skill up-gradation training in the last year are:

i.	Permanent Employees:	79%
ii.	Permanent Women Employees:	78%
iii.	Casual/Temporary/Contractual Employees:	73%
iv.	Differently Abled Employees:	100%

Principle 4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- Your Company engages with its stakeholders on an ongoing basis for a constructive consultation process. Engagement mechanisms whereby each stakeholder group provides timely feedback and response through formal and informal channels are in place. Various initiatives including generation of employment for the local communities around its manufacturing units by giving preference to employment of local people, enhancing education of people towards the importance of water conservation and preservation, provision of welfare facilities like subsidised food, rest rooms, medical check-ups and medical facilities, etc., have been undertaken by your Company.
- Safety training programs which are conducted for employees and workmen are also extended to contractual employees. Your Company runs training academies and trains more than 15000 painters in a year.

Principle 5

Businesses should respect and promote human rights

- Your Company's Code of Conduct adheres to the principles of human rights as enshrined in the Universal Declaration of Human Rights of the United Nations and to act in accordance with the principles laid down in it. Several workshops explaining the principles enshrined in the Code of Conduct of your Company were organized for its employees.
- No stakeholders complaints have been received in the past financial year.

Principle 6

Business should respect, protect and make efforts to restore the environment

- Your Company has an EHS Policy which was reviewed extensively in the last year and the amended EHS Policy (signed by the Managing Director & CEO) is communicated

to all employees. Your Company considers compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate. The EHS Policy covers all employees including Contract Labour and Service providers. The Emissions/Waste generated by your Company is within the permissible limits given by Central Pollution Control Board / State Pollution Control Board (CPCB/SPCB) for the financial year being reported. There are no show cause/legal notices from CPCB/SPCB which are pending as on the end of financial year.

- The paint manufacturing facilities have established ISO systems (ISO 9001 and ISO 14001). As part of the ISO 14001 Environment Management system, every factory monitors the state of Environment inside the factory.
- Further, as part of the ISO 14001 Environment Management system, every factory conducts Aspect Impact study of various activities and identifies Controllable/Uncontrollable and Normal/Abnormal/Emergency scenarios of operation. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective And Preventive Action (CAPA).
- Your Company has setup systems and processes whereby Environment Management Review meetings are conducted every six months and chaired by the Vice President - Supply Chain and General Works Managers of all factories. The discussions in the meeting are centered on the topics of Natural Resource Conservation, Effluent Reduction, Water Conservation, Air Emissions, Waste Generation and disposal. The factory representatives present the status of the Environmental Targets and Management Plans for their respective factories. Confirmation on Statutory compliance is provided by each factory by way of adherence to various clauses of Environmental Laws. Your Company has a definite focus in EHS Policy to improve the contribution of Renewable Energy in our total energy consumption. Towards the end, some of the strategies that your Company is actively evaluating to implement over the next few years are to implement Solar Water Heating systems in the factories and/or install large scale Solar Plants in our upcoming factories as the de-facto source of electricity and/or to buy renewable energy from power companies.
- Energy Efficiency studies are conducted on annual basis by the Engineering teams in your Company's manufacturing facilities/factories. Further, a professional agency has been appointed to study the energy consumption patterns in all

its paint manufacturing facilities and to recommend steps to conserve and reduce energy consumption. The results of these studies help your Company to identify Engineering Controls to save Energy. Solar-based street-lighting initiatives are existent in some of your Company's factories. Details of measures taken in conservation of Energy are mentioned in Form A of the Directors Report forming part of the Annual Report.

- Research & Technology (R&T) Function of your Company has played a significant role in the growth of the organization. Your Company has continuously invested in R&T and has a dedicated team of scientists at the R&T Centre at Turbhe near Mumbai. In keeping with the trends world over, environment sustainability, renewability & freedom from toxicity are considered as the central tenets of new formulation design philosophy for decorative products. It supports your Company's Strategy around Technology Development, development of substantially new products, productivity improvement and cost reduction.
- Your Company believes that Fresh water is a precious natural resource. Supply of clean and safe drinking water is a problem in many parts of the world. Every society shares the global responsibility to promote sustainable use of fresh water resources on the Earth. To enhance the program of water conservation via public education, your Company has established Water Education Centre in the premises of the Company's plants in Mumbai and Kasna which is currently being used by teachers of all the nearby schools.
- Also, your Company has begun activities to implement water conservation measures by installing Water Recharging and Water Harvesting structures in villages neighboring to the factories. Your factory aims to work becoming water neutral in the long run.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- Your Company is a member of many trade associations, some of them are:
 - a) Confederation of Indian Industry (CII)
 - b) Federation of Indian Chambers of Commerce and Industry (FICCI)
 - c) Bombay Chamber of Commerce & Industry
 - d) The Associated Chambers Of Commerce and Industry of India (ASSOCHAM)

e) The Indian Paint Association (IPA)

- Your Company through The Indian Paint Association (IPA) has represented and worked towards the benefit and inclusive development policies for the Paint Industry as a whole.
- Your Company's scientists participate actively in meetings with statutory agencies like BIS (Bureau of Indian standards), Chemical Division Council and help evolving new standards for finished products and raw materials for human safety and environmental protection.

Principle 8

Businesses should support inclusive growth and equitable development

- Your Company's manufacturing facilities engage in Corporate Social Responsibility (CSR) initiatives and these projects primarily focus on the following areas:
 - As a responsible organization focused on inclusive growth, your Company has steadfastly followed a proactive approach towards CSR. Your Company has been engaged in focused initiatives aimed at uplift of the communities residing in the vicinity of its facilities.
 - Education, health and hygiene and water management are the thrust areas of your Company's CSR focus. In line with your Company's CSR philosophy, your Company undertook several initiatives during the year towards building a sustainable CSR model.
 - **Education**
 - Adoption and infrastructure development for schools
 - Provision of educational items to students
 - Development of underprivileged children
 - Mobile vans for education programmes
 - Providing financial assistance to underprivileged children

No. of individuals benefitted from educational activities	25000+
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- **Health and hygiene**
 - Free medical camps for the people residing in villages
 - Development of hospital labs
 - Provision of mobile Medicare units and ambulances
 - Implementation of Sanitation projects

No. of individuals benefitted from the Health & Hygiene activities	35000+
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➤ **Community development**

- Self-defense camps for women
- Donation of mosquito foggers
- Medical camps for truck drivers

No. of individuals benefitted from Community Development Initiatives	7000+
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➤ **Water management**

- Rain water harvesting
- Water preservation

No. of individuals benefitted from the Water and Water Management Initiatives	10000+
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- Your Company has taken various steps to ensure that the CSR initiatives undertaken are successfully adopted by the community. The relevant stakeholders in the local

community are involved during needs assessment, project planning and implementation. Feedback is collected from the beneficiaries of the projects and course corrections are taken based on the same, wherever necessary.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

- Your Company has a Customer Centricity Department which carries out consumer survey/consumer satisfaction trends regularly.
- 26 consumers related legal cases are pending as on the end of the financial year.
- The products of your Company display all information which is mandated by law including the directions for use. Product information is not displayed on the product label. It is available in the product information sheet that is available with the dealers of your Company and on the website of your Company.
- There are no cases filed by any stakeholder against your Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

NOTICE

ASIAN PAINTS LIMITED

CIN: (L24220MH1945PLC004598)

Registered Office: 6A, Shantinagar, Santacruz (East), Mumbai - 400 055

Website: www.asianpaints.com

Email: investor.relations@asianpaints.com

Tel No.: 022 3981 8000, Fax No.: 022 3981 8888

NOTICE is hereby given that the **SIXTY-EIGHTH ANNUAL GENERAL MEETING OF ASIAN PAINTS LIMITED** will be held at Yashwantrao Chavan Pratisthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 on Thursday, 26th June, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.
2. To consider and declare payment of final dividend and confirm the interim dividend of ₹ 1.10 (Rupee one and paise ten only) per equity share, declared and paid during the financial year ended 31st March, 2014.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Amar Vakil (DIN: 00009252), a Director liable to retire by rotation, does not wish to seek re-appointment as a Director of the Company.

RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not filled”.

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Shah & Co., Chartered Accountants (Firm Registration Number 109430W) and M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration Number 101248W), be and are hereby appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors”.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri Malav Dani who was appointed as a Director of the Company with effect from 21st October, 2013 in the casual vacancy caused by the resignation of Mrs. Ina Dani and who in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

6. To consider, and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Ms. Amrita Vakil, who was appointed as an Additional Director of the Company with effect from 14th May, 2014 and who in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation”.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory

modification(s) or re-enactment thereof for the time being in force), Shri Dipankar Basu, Director of the Company in respect of whom the Company has received Notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Mahendra Shah, Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause

49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Deepak M. Satwalekar, Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. S. Sivaram, Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory

modification(s) or re-enactment thereof for the time being in force), Shri S. Ramadorai, Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri M.K. Sharma, Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** Mrs. Vibha Paul Rishi who was appointed as an Additional Director by the Board of Directors of the Company with effect from 14th May, 2014, pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification

of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri K.B.S. Anand as the Managing Director & CEO of the Company for a period of three (3) years commencing from 1st April, 2015 to 31st March, 2018.

RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement to be entered into by Shri K.B.S. Anand with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following:

Remuneration:

A. Basic Salary:

For the period from 1st April, 2015 to 31st March, 2018: not exceeding ₹ 16,56,000 (Rupees sixteen lacs fifty six thousand only) per month with an increment not exceeding 20% per annum at the discretion of the Board of Directors of the Company.

B. Commission:

The Managing Director & CEO shall be paid commission

with effect from 1st April, 2015, at the maximum of 0.75% for each financial year on the net profit of the Company as calculated under Section 198 and such other applicable provisions, if any, of the Companies Act, 2013, as may be determined by the Board of Directors from time to time.

Perquisites:

- A. The Managing Director & CEO will be provided furnished accommodation and in case no accommodation is provided by the Company, the Managing Director & CEO shall be entitled to House Rent Allowance not exceeding ₹ 3,50,000 (Rupees three lacs fifty thousand only) per month.
- B. Provident Fund: 12% of the basic salary.
- C. Superannuation: 15% of the basic salary.
The contribution stated at (B) and (C) is subject to any changes effected in the schemes / rules of the respective funds as per the policy of the Company.
- D. Car: Provision of Company cars for official and for personal purpose of the Managing Director & CEO including maintenance expenses.
- E. Telephone: Provision of 2 (two) telephones at the residence of the Managing Director & CEO and internet broadband and reimbursement of internet, mobile and telephone expenses. Personal international calls shall be billed by the Company to the Managing Director & CEO.
- F. Other Perquisites: The perquisites other than A, B, C, D and E above shall be within an overall limit of 55% of annual basic salary per annum of the Managing Director & CEO. Such other perquisites will include leave travel assistance, utilities expenses, reimbursement of personal driver's salary, payment of club fees (maximum of 2 clubs) excluding entrance fees, etc. but exclusive of reimbursement of medical expenses, any insurance premium paid as per the policy of the Company and reimbursement of petrol expenses (subject to a limit of 300 litres per month). The perquisites shall be valued as per the Income Tax Act, 1961, wherever applicable.

Benefits and Amenities:

- A. Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time.
- B. Leave: Leave on full pay and allowances at the rate of one month for every eleven months of service with liberty to accumulate such leave for a period of three

months. Leave encashment for a maximum of three months accumulated leave to be permitted at the end of the term. In addition he shall be entitled to Sick Leave as per the policy of the Company.

- C. Loan and Other Schemes: Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time subject to applicable laws.
- D. Other benefits and amenities: Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- E. Reimbursement of costs, charges and expenses: The Company shall pay or reimburse to the Managing Director & CEO and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri K.B.S Anand remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri K.B.S. Anand in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

15. To consider, and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. Directors other than the Managing Director and/or the Whole-time Directors) be paid remuneration by way of commission in addition to the sitting fees for attending the meetings of the Board of Directors and/or Committees thereof, as the Board of Directors may determine from time to time as remuneration computed on the basis of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, for each financial year, not exceeding one (1) percent of the net profits of the Company to all such Directors together.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

16. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. RA & Co., Cost Accountants (Firm Registration Number 000242) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, be paid remuneration amounting to ₹ 6,00,000 (Rupees six lacs only) excluding out of pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

NOTES:

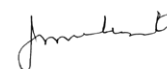
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a

member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

2. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 18th June, 2014 to 26th June, 2014 (both days inclusive).
6. Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid on or after 27th June, 2014 to those members whose names appear on the Register of Members as on 17th June, 2014. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on 17th June, 2014, as per the details furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
7. The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/send the following:

- Any change in their address/mandate/bank details;
 - Particulars of their bank account, in case the same have not been sent earlier to the Company's Registrar and Transfer Agent at: Sharepro Services (India) Private Limited, Unit: Asian Paints Limited, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021 or Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka, Telephone Exchange Lane, Off Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 at the earliest but not later than 17th June, 2014.
8. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
 9. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form annexed as a part of the Annual Report and send the same to the office of the Registrar and Transfer Agent of the Company.
 10. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
 11. Corporate Members are requested to send to the Company's Registrar and Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
 12. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2014-15, the Company has transferred the unclaimed or unpaid second interim dividend for the year ended 31st March, 2007 to IEPF on or before 12th April, 2014 and would be transferring, final dividend for the year ended 31st March, 2007 and first interim dividend for the financial year ended 31st March, 2008, to the IEPF on or before 25th July, 2014 and 18th November, 2014, respectively. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
 13. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
 14. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
 15. Electronic copy of the Notice convening the 68th Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form is being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice convening the 68th Annual General Meeting of the Company, along with the Annual Report, the process of e-voting and the Attendance slip and Proxy form is being sent to the members in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.

For Asian Paints Limited



Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

Registered Office:

6A, Shantinagar,
Santacruz (East),
Mumbai - 400 055

14th May, 2014

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5:

The Board of Directors at their meeting held on 21st October, 2013 appointed Shri Malav Dani (relative of the Company's Director, Shri Ashwin Dani) as a Non-Executive Director of the Company due to the casual vacancy created by the resignation of Mrs. Ina Dani who in terms of Section 161 of the Companies Act, 2013 holds office upto the date of this Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of Shri Malav Dani as a Director.

Director Identification Number	01184336
Date of joining the Board	21 st October, 2013
Profile of the Director	Shri Malav Dani has completed his B.S. in Business Management, from Purdue University in USA and MBA from Columbia University, USA. He was working with GE for six years on key business initiatives and has also worked on the customer centricity initiatives with Asian Paints Limited. In the year 2007, he joined Coatings Specialties (India) Limited as an Executive Director. In the year 2012, he was appointed as the Managing Director of Hitech Plast Limited. Shri Malav Dani was the honorary Director for the VOLACT program initiated by SOSVA an NGO working with the Gates Foundation to provide medical supplies for the AIDS programme. He was also involved in the activities of Young Leaders' Forum of the Indian Merchants' Chamber.
No. of shares held in the Company	3305510
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • Hitech Plast Limited, Member - Investor Grievances and Share Transfer Committee • Coatings Specialties (India) Limited • Rangudyan Insurance Broking Services Limited • Clear Mipak Packaging Solutions Limited

*Directorships and Committee memberships in Asian Paints Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

The Board of Directors propose the appointment of Shri Malav Dani as Director and recommend the resolution as set out in Item No. 5 for the approval of the shareholders at the ensuing Annual General Meeting.

Other than Shri Malav Dani, Shri Ashwin Dani and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 5 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 6:

The Board of Directors at their meeting held on 14th May, 2014 appointed Ms. Amrita Vakil (relative of the Company's Director Shri Amar Vakil) as an Additional Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of this Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of Ms. Amrita Vakil as a Director.

Director Identification Number	00170725
Date of joining the Board	14 th May, 2014
Profile of the Director	Ms. Amrita Vakil holds a Bachelor's of Science Degree in Human Resources and Economics Degree from Michigan State University, East Lansing, Michigan. She began her career at Asian Paints Limited, in 2003 in the Human Resource department and was responsible for end-to-end training of the executives of the Company. She was also instrumental in the launch of employees' intranet portal of Asian Paints Limited. In 2005, she joined Frost & Sullivan, an American Consulting Company as a Senior HR Executive and managed a Generalist HR profile. She handled HR operations for all their India & Middle East offices. She spent a total of 5 years at Frost and Sullivan and then she quit the organization to pursue her passion in the hospitality sector and she continues to work towards it.
No. of shares held in the Company	2566680
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • Suptaswar Investments and Trading Company Limited • Murahar Investments and Trading Company Limited

*Directorships and Committee memberships in Asian Paints Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

The Board of Directors propose the appointment of Ms. Amrita Vakil as the Director and recommend the resolution as set out in Item No. 6 for the approval of the shareholders at the ensuing Annual General Meeting.

Other than Ms Amrita Vakil, Shri Amar Vakil and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 6 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 7 TO 13:

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Dipankar Basu, Shri Mahendra Shah, Shri Deepak M. Satwalekar, Dr. S. Sivaram, Shri S. Ramadorai, Shri M.K. Sharma and Mrs. Vibha Paul Rishi as Independent Directors of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	Shri Dipankar Basu
Director Identification Number	00009653
Date of joining the Board	15 th April, 2000
Profile of the Director	Shri Dipankar Basu holds M.A. degree in Economics. He is the Non-Executive Chairman of Peerless General Finance & Investment Co. Limited and Peerless Securities Limited along with occupying directorships on the Board of few other companies. Shri Basu was a former Chairman of State Bank of India. He was also a member of the Narasimham Committee on Banking Sector Reforms during 1997-98. After retirement, Shri Basu served as a member of the Disinvestment Commission set up by the Government of India from 1996 to 1999. He is currently a member of the Investment Advisory Committee of the Army Group Insurance Fund and the Empowered Committee of Reserve Bank of India for External Commercial Borrowings.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • Deepak Fertilizers & Petrochemicals Corporation Limited, Chairman – Shareholders' Grievance Committee • Peerless General Finance & Investment Co. Limited • Peerless Securities Limited • Chambal Fertilizers & Chemicals Limited • RAIN CII Carbon (Vizag) Limited, Member–Audit Committee • RAIN Industries Limited. Member–Audit Committee
Name of the Director	Shri Mahendra Shah
Director Identification Number	00009786
Date of joining the Board	6 th June, 2001
Profile of the Director	Shri Mahendra Shah, who holds a Bachelor's degree in Electrical Engineering from University of Mumbai and a Master's degree in Industrial Engineering from New York University. He was the Managing Director of The Indian Card Clothing Co. Limited from 1985 until his retirement in 2001. Shri Shah was also the Managing Partner of the India operations of the multi-national trading cum- finance companies of The Pan-Africa/ The Plenum Group, headquartered in Hongkong. During his professional career, Shri Shah was also Chairman of several panels of the Textile Machinery Manufacturers' Associations representing the industry's interests with the Government of India in formulation of Government policies. He also led an all India Textile Machinery Manufacturers' delegation to Nigeria with distinction. He currently serves on the Boards of various companies.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • ICC International Agencies Limited
Name of the Director	Shri Deepak M. Satwalekar
Director Identification Number	00009627
Date of joining the Board	30 th May, 2000
Profile of the Director	Shri Deepak M. Satwalekar holds a degree in Technology from the Indian Institute of Technology (IIT), Bombay and an MBA from The American University, Washington D.C. He has been a consultant to the World Bank, the Asian Development Bank, United States Agency for International Development (USAID) and the United Nations Centre for Human Settlement (HABITAT). He was involved in policy work as a member of the Steering Committee on Urban Infrastructure and Housing for the Ninth Five Year Plan of the Government of India and Chairman of the Working group on avoidance of conflict of interest in the financial services sector set up by the Reserve Bank of India. Shri Deepak M. Satwalekar was holding the position of Managing Director & CEO of HDFC Standard Life Insurance Co. Limited, before his retirement in November 2008. Earlier, he served as the Managing Director of Housing Development Finance Corporation from 1993 to 2000.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • IL&FS Transportation Networks Limited • Piramal Enterprises Limited, Chairman – Investor's Grievance Committee • The Tata Power Company Limited, Member–Audit Committee

Name of the Director	Dr. S. Sivaram
Director Identification Number	00009900
Date of joining the Board	7 th April, 2001
Profile of the Director	Dr. S. Sivaram holds a M.Sc. degree in chemistry from the Indian Institute of Technology, Kanpur and a Ph. D and D. Sc (h.c) from Purdue University, W. Lafayette, Indiana, USA. He was a Research Associate at the Institute of Polymer Science, University of Akron, Akron, Ohio, USA. He is a scientist of distinction, having held leadership roles in R&D, in both, industry and academia. Dr. Sivaram has over forty years of experience in research in polymer synthesis, high performance polymers and surface chemistry of polymers. He has received wide recognition for his scientific contributions with several awards and honors. He is an elected Fellow of all the learned academies of science and engineering in India. The President of India honored him with "Padma Shri" in 2006 for his outstanding contributions in the field of science, technology and institution building. He has authored over two hundred peer reviewed scientific publications, authored/edited three books and is cited as an inventor in fifty US patents and forty seven Indian patents. He serves on the Editorial Board of several national and International journals in chemistry and polymer science.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • Apcotex Industries Limited • GMM Pfaudler Limited, Member–Audit Committee • Deepak Nitrate Limited
Name of the Director	Shri S. Ramadorai
Director Identification Number	00000002
Date of joining the Board	16 th September, 2009
Profile of the Director	Shri Ramadorai holds a Bachelors degree in Physics from Delhi University, a Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bangalore and a Masters degree in Computer Science from the University of California – UCLA (USA). He has been in public service since February, 2011. Currently he is the Chairman of National Skill Development Agency (NSDA) in the rank of a Cabinet Minister along with being the Chairman of the National Skill Development Corporation (NSDC). Shri Ramadorai continues as the Vice - Chairman of Tata Consultancy Services Limited, a company he has been associated with for the past 41 years. In recognition of his commitment and dedication to the IT industry he was awarded the Padma Bhushan in January, 2006. In April, 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations. He also holds directorships on the Board of a number of major companies.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • Tata Consultancy Services Limited, Member - Shareholders/ Investors Grievance Committee • Tata Industries Limited • Tata Technologies Limited, Member – Audit Committee • CMC Limited • Hindustan Unilever Limited, Member – Audit Committee • Piramal Enterprises Limited • Tata Elxsi Limited, Member – Audit Committee • Tata Teleservices (Maharashtra) Limited, Member – Audit Committee • Tata Communications Limited • Tata Advanced Systems Limited, Chairman – Audit Committee • BSE Limited, Chairman – Share Allotment and Shareholders/Investors' Grievance Committee, Member-Audit Committee • Tata Lockheed Martin Aerostructures Limited • Tata Aerospace Systems Limited
Name of the Director	Shri M. K. Sharma
Director Identification Number	00327684
Date of joining the Board	25 th October, 2012
Profile of the Director	Shri M.K. Sharma holds a Bachelors degrees in Arts and Law, and Post Graduate Diplomas in Personnel Management and Labour Laws. He has also attended the Advanced Management Programme at the Harvard Business School. Shri Sharma joined Hindustan Unilever Limited (HUL) in the year 1974 and subsequently joined the Management Committee of HUL in 1990. He has served on the Board of HUL for 12 years, with seven years as Vice Chairman of HUL starting from 2000 till his retirement in 2007. He has vast and rich experience in the field of Mergers and Acquisition, Corporate Restructuring and Law. Shri Sharma has served as a member of Corporate Law Committee formed by the Ministry of Company Affairs and Naresh Chandra Committee on Corporate Governance. He is a Director on the Boards of a number of major companies along with being actively involved in several industry associations and respected academic institutions.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> • ICICI Lombard General Insurance Company Limited • Thomas Cook (India) Limited, Member – Audit Committee, Member – Shareholders/ Investors Grievance Committee • Wipro Limited, Member – Audit Committee • International Paper APPM Limited, Member – Audit Committee • India Infradebt Limited • Blue Star Limited, Member – Audit Committee • IKYA Human Capital Solutions Limited • ICICI Prudential Asset Management Company Limited • Sterling Holiday Resorts (India) Limited

Name of the Director	Mrs. Vibha Paul Rishi
Director Identification Number	05180796
Date of joining the Board	14 th May, 2014
Profile of the Director	Mrs. Vibha Paul Rishi is an alumnus of FMS, Delhi. She started her career with the Tata Administrative Services and was part of the founding team of Titan Watches. Mrs. Rishi was an Executive Director – Brand and Human Capital of Max India Limited. She is a seasoned marketing professional with extensive experience in Indian and international markets, coupled with an abiding passion for people. Her last role was as the Director, Marketing and Customer Strategy at the Future Group, India's largest retail group. Prior to this she spent 17 years at PepsiCo in marketing and innovation roles in India, US and UK. She was one of the founding team employees of PepsiCo when they set up in India. She was also associated with Pratham, a NGO that works to provide education to underprivileged children in India.
No. of shares held in the Company	Nil
Directorships and Committee memberships in other companies*	<ul style="list-style-type: none"> Entertainment Network (India) Limited Future Consumer Enterprise Limited, Member – Audit Committee

*Directorships and Committee memberships in Asian Paints Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

The Board of Directors at its meeting held on 14th May, 2014 have appointed Mrs. Vibha Paul Rishi as an Additional Director on the Board of Directors of the Company. The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri Dipankar Basu, Shri Mahendra Shah, Shri Deepak M. Satwalekar, Dr. S. Sivaram, Shri S. Ramadorai, Shri M.K. Sharma and Mrs. Vibha Paul Rishi as Independent Directors as set out in Item Nos. 7 to 13 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 7 to 13 of this Notice. This

explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 14:

At the sixty-sixth Annual General Meeting of the Company held on 25th June, 2012 the shareholders, pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, accorded their approval through an Ordinary Resolution to the appointment of Shri K.B.S. Anand, as the Managing Director & CEO of the Company for a period of three (3) years commencing from 1st April, 2012 to 31st March, 2015.

The Board of Directors at their meeting held on 14th May, 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 13th May, 2014, approved the re-appointment of Shri K.B.S. Anand as the Managing Director & CEO of the Company for a period of three (3) years commencing from 1st April, 2015 to 31st March, 2018, not liable to retire by rotation. The Board also approved the terms and conditions of his appointment including remuneration, as recommended by the Nomination and Remuneration Committee, in accordance with the provisions of Sections 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment

Name of the Director	Shri K.B.S. Anand
Director Identification Number	03518282
Date of joining the Board	1 st April, 2012
Profile of the Director	Shri K.B.S. Anand is a Mechanical Engineer with Post Graduation in Management (IIM Calcutta). He joined the Company in the year 1979 and has held various positions in Decorative Sales/Industrial Sales/Chemical Sales functions of the Company. For eight years, he was in the manufacturing function looking after Kasna and Patancheru Plants of the Company. From 1998 to 2008, he served as Vice President – Sales and Marketing for the Decorative Business Unit of the Company. Prior to his appointment as Managing Director & CEO, he held the position of President – Decorative Business Unit from 2008 to 2012. He was appointed as the Managing Director & CEO of the Company since 1 st April, 2012.
No. of shares held in the Company	270
Directorships and Committee memberships in other companies*	NIL

*Directorships and Committee memberships in Asian Paints Limited and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

thereof, for the time being in force), subject to the approval of the shareholders at the ensuing Annual General Meeting.

The terms and conditions as to the appointment of Shri K.B.S. Anand are briefly mentioned as under:

1. The appointment of Shri K.B.S. Anand as the Managing Director shall be subject to the supervision and control of the Board of Directors of the Company. The Managing Director & CEO shall manage the business and affairs of the Company and exercise such powers as are vested in the Managing Director & CEO by the Board of Directors subject to any limitation or conditions which may be prescribed by the Act or the provisions of Memorandum and/ or Articles of Association of the Company or the Board of Directors or by the Company in General Meeting.
2. The Managing Director & CEO of the Company shall devote his whole time and attention to the business of the Company and shall use his best endeavour to promote its interest and welfare, excluding cases where he is appointed or nominated as a Director on the Board of any of the Company's subsidiaries, Joint Ventures and other associate Companies.
3. The Managing Director & CEO shall maintain confidentiality of as any information or knowledge in connection with the business affairs of the Company, obtained by him during the course of his tenure as the Managing Director & CEO or at any time thereafter.
4. The Managing Director & CEO after ceasing to be a Managing Director & CEO shall not either on his behalf or on behalf of any other person solicit business in competition with the Company from any clients of the Company.
5. Subject to the provisions of the Companies Act, 2013 and applicable provisions of the Companies Act, 1956, the Managing Director & CEO, while he continues to hold office of the Managing Director & CEO, shall not be liable to

retire by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors in fixing the number of Directors to retire, but shall *ipso facto* and immediately cease to be the Managing Director & CEO, if he ceases to hold office of a Director due to any cause.

6. Notwithstanding the fact that the Managing Director & CEO was appointed as a Director, forthwith upon termination of this employment agreement for any reasons whatsoever, he shall be deemed to have vacated his office as a Director in accordance with the provisions of Section 164(2) of the Companies Act, 2013.
7. The Agreement may be terminated by the Managing Director & CEO or the Company by giving, not less than six calendar months notice in writing. The Company shall be entitled to terminate the employment agreement forthwith at any time by paying him six months' basic salary in lieu of such notice.

Notwithstanding anything to the contrary herein, wherein any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director & CEO, remuneration, perquisites, benefits and amenities not exceeding the ceiling for the time being laid down in Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company and subject to such sanctions and approvals as may be necessary.

The scope and quantum of remuneration, perquisites, benefits and amenities specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and/ or the rules and regulations made thereunder and/ or such guidelines as may be notified by the regulatory authorities from time to time.

Shri K.B.S. Anand satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 13 of Section 196 of

the Companies Act, 2013 for being eligible to be appointed as a Managing Director & CEO of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Shri K.B.S. Anand as the Managing Director & CEO is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 14 for approval of the members.

Other than Shri K.B.S. Anand and his relatives, none of the other Directors, Key Managerial personnel or their relatives are interested or concerned in the proposed Resolution at Item No. 14 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

ITEM NO. 15:

At the Annual General Meeting held on 26th June, 2009, shareholders of the Company had accorded approval by a Special Resolution for payment of commission to the Non-Executive Directors of the Company for a period of five (5) years commencing from 26th June, 2009. The shareholders had then authorised the Board of Directors to determine the amount of commission payable to the Non-Executive Directors of the Company but not exceeding one percent of the net profits of the Company to all such Directors together, for each financial year.

Section 197 of the Companies Act, 2013, *inter-alia*, provides that the remuneration payable to the Non-Executive Directors shall not exceed one (1) percent of the net profits of the Company for one financial year, if the Company has a Managing or a Whole-time Director or Manager.

In view of the above, it is proposed to pay remuneration to the Non- Executive Directors of the Company, all together, not exceeding one (1) percent of the net profits of the Company for each financial year, calculated in accordance with the provisions of Companies Act, 2013, subject to the approval of the shareholders.

The aforesaid remuneration is exclusive of any fees payable to directors by way of fee for attending meetings of the Board

or Committee thereof and reimbursement of expenses for participating in such meetings.

Other than the Non-Executive Directors and their relatives, none of the Directors, Key Managerial personnel or their relatives are interested or concerned in the proposed Special Resolution at Item No. 15 of this Notice.

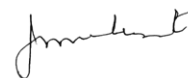
ITEM NO. 16:

The Board of Directors at its meeting held on 14th May, 2014 appointed M/s. RA & Co., Cost Accountants (Firm Registration No. 000242), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, at a remuneration amounting to ₹ 6,00,000 (Rupees six lacs only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 16 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 16 of this Notice.

For Asian Paints Limited



Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

Registered Office:

6A, Shantinagar,
Santacruz (East),
Mumbai - 400 055

14th May, 2014

Form No. SH-13

Nomination Form

*[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]*


To,
Asian Paints Limited
6A, Shantinagar,
Santacruz (East),
Mumbai – 400055

I/We _____ the holder(s) of the securities particulars
of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights
in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio. No	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

- 
- (a) Name:
 - (b) Date of Birth:
 - (c) Father's/Mother's/Spouse's name:
 - (d) Occupation:
 - (e) Nationality:
 - (f) Address:
 - (g) E-mail id:
 - (h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

Name: _____

Address: _____

Name of the Security Holder (s): _____

Signature: _____

Witness with name and address: _____



asianpaints

Asian Paints Limited

CIN: (L24220MH1945PLC004598)

Registered Office: 6A, Shantinagar, Santacruz (East), Mumbai - 400 055

ATTENDANCE SLIP

(To be presented at the entrance)

DP ID _____

Folio No./Client ID _____

I/We hereby record my/our presence at the **68th ANNUAL GENERAL MEETING** of the Company at Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400021 on Thursday, 26th June, 2014 at 3.00 p.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Signature of the Member/ Proxy



asianpaints

Asian Paints Limited

CIN: (L24220MH1945PLC004598)

Registered Office: 6A, Shantinagar, Santacruz (East), Mumbai - 400 055

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client ID: _____

DP ID: _____

I/ We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name: _____

Address: _____

E-mail Id: _____ or failing him;

(2) Name: _____

Address: _____

E-mail Id: _____ or failing him;

(3) Name: _____

Address: _____

E-mail Id: _____ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 68th Annual General Meeting of the Company to be held on Thursday, 26th June, 2014 at 3.00 p.m. at Yashwantrao Chavan Pratisthan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai – 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	RESOLUTIONS		
		For	Against
1	Ordinary Business		
2	Consider and adopt Financial Statements of the Company for the year ended 31 st March, 2014 together with the Reports of the Board of Directors and Auditors' thereon		
3	Declaration of final dividend and confirm the interim dividend of ₹ 1.10 (Rupees one and paise ten only) paid during the financial year ended 31 st March, 2014		
4	Shri Amar Vakil who retires by rotation and who does not wish to seek re-appointment as a Director of the Company and not filling up of the vacancy so created		
	Appointment of Joint Statutory Auditors of the Company and fixing their remuneration		

Resolution No	RESOLUTIONS	
	Special Business	
5	Appointment of Shri Malav Dani as a Non-Executive Director of the Company	
6	Appointment of Ms. Amrita Vakil as a Non-Executive Director of the Company	
7	Appointment of Shri Dipankar Basu as an Independent Director	
8	Appointment of Shri Mahendra Shah as an Independent Director	
9	Appointment of Shri Deepak M. Satwalekar as an Independent Director	
10	Appointment of Dr. S. Sivaram as an Independent Director	
11	Appointment of Shri S. Ramadorai as an Independent Director	
12	Appointment of Shri M.K. Sharma as an Independent Director	
13	Appointment of Mrs. Vibha Paul Rishi as an Independent Director	
14	Re-appointment of Shri K.B.S. Anand, Managing Director & CEO of the Company for a period of three (3) years commencing from 1 st April, 2015 to 31 st March, 2018 and fixing his remuneration	
15	Payment of remuneration to Non-Executive Directors	
16	Ratification of the remuneration payable to M/s. RA & Co., Cost Auditors of the Company for the financial year ending 31 st March, 2015	

Signed this _____ day of _____ 2014

Signature of the Shareholder _____

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Asian Paints Limited, 6A, Shantinagar,
Santacruz (East), Mumbai 400 055.

CIN: L24220MH1945PLC004598

Email: investor.relations@asianpaints.com

www.asianpaints.com

2nd June, 2014

FORM A

(Pursuant to Clause 31 (a) of the Listing Agreement)

1.	Name of the Company	Asian Paints Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not applicable

For Asian Paints Limited


K.B.S. Anand
Managing Director & CEO

For Asian Paints Limited

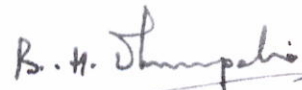

Jayesh Merchant
CFO & Company Secretary,
President – Industrial JVs

For Asian Paints Limited


Dipankar Basu
Chairman of
Audit Committee




For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W


Bhavesh Dhupelia
Partner
Membership No. 042070



For Shah & Co.
Chartered Accountants
Firm Registration No. 109430W


Ashish Shah
Partner
Membership No. 103750

