



Asian Paints Limited
Asian Paints House
6A, Shantinagar
Santacruz (E)
Mumbai 400 055
T : (022) 6218 1000
F : (022) 6218 1111
www.asianpaints.com

APL/SEC/20/355

11th July, 2020

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Fort, Mumbai – 400 001
Scrip Code: 500820

The National stock Exchange of India Limited
Exchange Plaza, Plot No. C/1
Block G, Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
Symbol: ASIANPAINT

Sir/Madam,

Sub: Annual Report of the Company, Notice convening 74th Annual General Meeting (“AGM”) and Intimation of Record Date

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed Notice convening the 74th AGM and the Annual Report of the Company for the financial year 2019-20.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2019-20 has been sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The AGM of the Company will be held on **Wednesday, 5th August, 2020**, at **2.00 p.m.** through Video Conferencing/ Other Audio Visual Means in accordance with the aforesaid circulars.

The Notice of AGM along with the Annual Report for the financial year 2019-20 is also being made available on the website of the Company at:

<https://www.asianpaints.com/more/investors.html>





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Further to our letter no. APL/SEC/20/328, dated 23rd June, 2020, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Friday, 24th July, 2020 as the Record Date for determining entitlement of members to final dividend for the financial year ended 31st March, 2020. Payment of dividend, subject to approval of the members at the ensuing AGM, will be made on or after Thursday, 6th August, 2020.

This is for your information and record.

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**

JEYAMURUGAN
RAMALINGAM
JEYAPANDIYAN

Digitally signed by
JEYAMURUGAN RAMALINGAM
JEYAPANDIYAN
Date: 2020.07.10 22:32:02
+05'30'

R J JEYAMURUGAN
CFO & COMPANY SECRETARY

Encl: As above





Credits: Kannagi Art District, Chennai. Artist - A-kill

BRINGING **JOY** TO
PEOPLE'S LIVES

TRANSFORMING SPACES • HOMES • LIVES



At Asian Paints, we resonate with a culture of ceaselessly reimagining the world around us. As one of India's most loved brands, we are all about spreading joy to people around us through our innovative and unique solutions. We believe in bringing revolutionary change by focusing on three key areas - on transforming spaces around us, on transforming homes and on transforming lives. We are committed to improve the way people perceive their surroundings by transforming spaces, homes and lives with our efforts.



TRANSFORMING HOMES

For us, Home is an impassioned aspect of love, filled with values and foundation of nurturing. We are extremely passionate about partnering with our customers to deliver their dream home. Through our ingenious products and services, we have strived to transform the customers' journey of choosing home paint and décor. With a singleminded focus on bringing infinite moments of joy to our customers - we have developed various avenues like AP Homes, beautifulhomes.com, Interior Design service, Asian Paints Colour Ideas Stores among others - to facilitate a holistic and integrated customer experience. To provide a wholesome customer experience of home renovation, we are also present in the kitchen and bath fittings segment.

Our focus remains on transforming the customers' home through innovative solutions and offerings.



TRANSFORMING SPACES

Asian Paints is committed to making infinite dreams come to life by revolutionising customer experiences and creating infinite moments of celebration.

We believe inclusion of art is one of the most accessible and practical ways of transforming our spaces.

We feel that embedding art within the neglected and often forgotten turns of the country will help bring back attention to them. We look to embellish every nook of India with colours of lived realities and transform the country into a humungous open-air art gallery for citizens. Our journey of transforming public spaces has taken us to the known and the not-so-known regions of India; and has been instrumental in starting conversations around pressing social concerns. We are democratising art and working to make India a country identified by beautiful, clean public spaces and a liberal way of thought.



TRANSFORMING LIVES

As an organisation operating in the industry for over seven decades, our key to staying motivated is the awareness that our solutions make a positive difference in our stakeholders' lives. Our innovative product targeting the health and hygiene segment - Royale Healthshield, an anti-bacterial paint - was a natural extension of our journey. Taking our commitment to Health and Hygiene to the next level, we launched another variant called Royale Health Shield – Asthma and Allergy Friendly variant. This product provides a more suitable environment for people with allergies and asthma post painting and helps create a healthier environment indoors. This variant has also been certified as **asthma & allergy friendly™** by Allergy Standards Ltd.

In addition to our focus on creating customer centric products and innovations, we also ensure that our skilling programmes are enabling painters and contractors to take control of their own career growth.

Our CSR focus on making primary healthcare accessible through static clinics and mobile medical units is among the myriad ways in which we are delivering joy and enriching lives.



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ART GOES OUT OF THE GALLERIES

ST+ART India Foundation and Asian Paints are working together to make art accessible to a wider audience by taking it out of the conventional gallery space and embedding it within the cities we live in - making art truly democratic and for everyone. We are working to make India a country identified by beautiful, clean public spaces. You will find some of our community street art initiatives across this report.

PERFORMANCE IN 2019-20

Financial*

4.9% ₹17,194.1 Crores Revenue from operations	11.2% ₹4,214.6 Crores EBITDA
24.5% ₹2,654.0 Crores Profit after tax	24.5% ₹27.7 Earnings per share

*Standalone

Environment

158% Of fresh water consumed has been recharged by our water projects	39.46 _{MW} Installed renewable energy capacity
1,800 _{MT} Flexible plastics collected	77% Reduction in specific trade effluent over 5 years

Social

₹74.6 Crores CSR spent	~1,47,400 Cumulative participants skilled at Asian Paints Colour Academy
7,600+ Employee hours contributed to employee engagement activities	

COMPANY PROFILE

CRAFTING HOME DÉCOR FOR DECADES

For over 75 years, we have put our hearts to embellishing and enriching millions of homes across Asia, the Middle East, Africa and the South Pacific. Our forte in all these years has been unwavering consumer focus and a relentless zest for innovation. Since 1942, Asian Paints has remained a reliable partner in making dream homes a vibrant reality.

We not only manufacture a wide range of paints for decorative and industrial use, but also offer end-to-end painting and designing services, colour and decor consultancy, waterproofing solutions and much more.

Highest standards of ethics, professionalism, stakeholder transparency and a deep desire to excel in whatever we do have fuelled our fast-track growth and helped us build an industry-leading brand recall.

In the Industrial coatings space, Asian Paints operates through two strategic 50:50 joint ventures with PPG Inc., USA, a global leader in coatings. The first JV - 'PPG Asian Paints Pvt Ltd', services the increasing requirements of the Indian automotive coatings market. This JV also manufactures packaging and marine coatings. The second JV - 'Asian Paints PPG Pvt Ltd' services the protective, industrial powder and light industrial coatings markets in India.



OFFERINGS

Products

Paints | Chemicals | Wall coverings | Textures
Painting aid | Waterproofing solutions |
Wall stickers | Mechanised tools | Kitchen
fittings | Bath fittings and sanitaryware |
Sanitizers and surface disinfectants |
Adhesives | Kitchens & Wardrobes

Services

Home Painting Services | Interior Design
Services | Experience Retail Stores | Colour
Consultancy | Projects | Sanitization services

We are also present in the Home improvement and décor space in India in the area of kitchen, bath fittings and sanitaryware. Sleek is a major player in the organised contemporary 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, and so on. Ess Ess is a prominent player in the bath segment in India and has high-quality products in this segment, including bath fittings and a wide range of sanitaryware.

We have crossed many milestones, but the next horizon always beckons us, creating a more sustainable business model, which takes into account the insights and interests of all stakeholders. Integral to our sustainability journey is our continuous endeavour to conserve water and energy and optimise their use.

Our people across continents are passionate, innovative and work with integrity. We together help make the world beautiful by creating adorable home décor.



BRINGING JOY TO PEOPLE'S LIVES

CHAIRMAN'S LETTER

Dear Shareholders,

Yet another exciting and challenging year came to a close at Asian Paints. It has truly been a year of many learnings. As always, we worked relentlessly to offer solutions that deliver enhanced value to a wide cross section of consumers, communities and citizens. Despite a difficult economic environment, we registered healthy growth in each of the first three quarters. The lockdown in March this year affected performance in the last quarter and to an extent cast its impact on the results for year. Viewed in the context of the challenges, we were able to deliver a good performance and make considerable progress across businesses.

Transitions

After a journey spanning four decades and many roles, Mr. KBS Anand retired as Managing Director and CEO of the Company. Under his able leadership, the Company moved from being a product-centric to a consumer and service-oriented brand, forayed into Home Improvement, made international acquisitions and established world-class manufacturing plants. His contribution to our growth and development have been truly commendable.

Despite a difficult economic environment, we registered healthy growth in each of the first three quarters

Mr. Amit Syngle, who has succeeded Mr. KBS Anand is a veteran with thirty years of experience in the Company. Credited with game-changing innovations in marketing colour, introducing new age retailing and envisioning product innovations in the industry, Amit brings strong and determined leadership which, I am sure, will take the Company to new heights. Another leadership change was the appointment of Mr. R J Jeyamurugan as Company Secretary and CFO, in place of Mr. Jayesh Merchant who retired after an illustrious 17 years in the organisation.

I am confident that the Company will benefit immensely under the guidance of the new leadership.

Key Areas of Focus

The unexpected events towards the close of the year notwithstanding, Asian Paints achieved many milestones in FY 2019-20. The Decorative business focused on product innovations and growing the overall market in various areas

like value for money emulsions, innovative solutions in the waterproofing and construction chemicals segment and more inspiring options in Home décor. In the Home Improvement business, some of the developments in the year included new choices in the Full Kitchen business and a strengthened offering in sanitaryware business. On the International front, attention was on re-energising our business in markets like Egypt, Bangladesh and Sri Lanka which were performing below their potential. The industrial business saw emphasis being put on certain key areas in protective coatings and improved product offerings.

People and the Community

Being one with the community of which we are a part and playing an active role in its development and progress has been an integral aspect of our philosophy. Our Colour Academies continued to hone talents within the painter and contractor teams, orienting them towards taking responsibility for the overall project. In Himachal Pradesh, upskilling programmes were conducted for plumbers, opening the door to more opportunities. Our associations like that with St+Art Foundation resulted in many new initiatives in Chennai and Goa. We made significant strides in promoting inclusive education and health and hygiene awareness in our adjoining communities. During the year, 43,000 persons benefited through our employee volunteering programmes which carried out successful healthcare camps in rural communities. I am also pleased to report our participation in restoration of safe water structures in parts of Gujarat.

Responding to the Pandemic

The ongoing pandemic and consequent lockdowns are having a devastating effect on lives, occupations and wellbeing of people at large. We have taken several steps to help the community navigate through these troubled times. Contributions to Central and State Emergency Relief Funds, support to NGOs supplying essential items to the needy, protocols to ensure employee safety, addition of hand sanitizers and surface disinfectants to our product portfolio, launch of safe painting campaigns, mitigating hardships faced by retailers and contractors and helping shops restart their business safely are amongst the many initiatives implemented by the Company.

Being a responsible & caring Brand, the Company has forayed into the hand sanitizers and surface disinfectants to support the Government and its stakeholders. To deepen the connect with the consumers and all the stakeholders, the Company has launched a Safe Painting Campaign which continues to receive a very good response. The campaign has attempted to assure the consumers about the Safe Painting Services by helping them overcome their reservations following the pandemic and strengthen the bond which the Company enjoys with the consumers.



In line with our brand saliency, we attempted to connect more strongly with our customers through multiple campaigns and events. Our campaigns promoted our connect with homes, showcasing common day-to-day life moments to bring joy and happiness in customers' lives while at the same time giving a social message of staying safe and at home during the lockdown.

Navigating the New

As the world hesitatingly limps back to normalcy, much would change. Business in a post-pandemic world will be full of new challenges and new opportunities. The customer who emerges after months of lockdown would come with new expectations. Skills learnt and talents discovered while in prolonged isolation will not be forsaken easily. As people at large seek to make changes in the way they live, work, travel or unwind or look for new ways to pursue leisure, sports and entertainment, it will inevitably impact our business. Winners will be the organisations that guide customers through the transition with innovative ideas and solutions and bring joy to their lives. I am sure our inherent resilience and the unparalleled dedication of our employees will help us navigate through the exciting times ahead and continue to create unmatched value for all.

I take this opportunity to thank you all for your unwavering support and commitment that continues to provide us strength to forge ahead in our endeavour.

Yours sincerely,

ASHWIN DANI
Chairman



USHERING THE BRAND IN THE 'NEW NORMAL'

FROM THE MD & CEO'S DESK



Dear Shareholders,

It is great to be communicating with you. We are in the midst of some exceptional and unprecedented times. Covid-19 has posed challenges across the Globe and disrupted our lives like never before. I want to assure you that even in these uncertain times your Company has been taking all the measures to not just successfully mitigate risks and navigate business but also take care of its employees, our assets and our stakeholders and customers in a strong sustainable manner.

We see huge changes as we look at the 'new normal' and we are working to see how do we look at anticipating the needs of the ever evolving customer, so that we are able to sustain our core values and ensure that we take the Company to a different trajectory.

The year that was.

Decoratives, India

Over the last few years, Asian Paints has strived to evolve itself into a décor company for its customers, empowering them to create their dream homes. These efforts saw a new high in FY 2019-20 and have resulted in a large focus being placed on providing inspirational décor ideas through our website beautifulhomes.com, exciting customers in a unique way. The social media following of customers of this site has been unprecedented and we are confident that we continue to influence a lot of customers in this area of Home Décor. We accelerated our entry into complete Home Décor providing décor fulfilment through 10 fully operational AP Homes Stores, ensuring that we are able to offer a complete Home Décor offering under one roof.

We have also given a new edge to the paradigm of 'partnering the customer' by providing complete delivery of home décor to customers through the newly started 'Beautiful Homes' service. In addition, we have taken our 'Paint Total' service, offering the full Painting Solutions through our Retailers forward with a footprint in more than 200 cities. At the same time we looked at lacs and lacs of customer interactions

through 'Colour Consultancies' across our ever increasing 'Colour Ideas' and 'Ezy Colour' Stores.

Product Innovation has been the hallmark of our strategy and we have been expanding the paint market as a leader over the years. In the last financial year, we looked at expanding the whole 'value for money' emulsion segment by looking at upgradation from the 'bottom of the pyramid' by educating consumers and also innovating to introduce unique price points with the Ace and Tractor Emulsion 'Sparc' range. We also expanded the market by introducing a unique patented product 'GloMax' by targeting the unorganised 'Polish' market offering customers a unique quality product.

The Health and Hygiene segment has been looked at strongly and we have offered anti-bacterial all surface coatings under our Luxury Royale Health Shield which comes with approval from Indian Medical Association and also external accreditation. Our top end, Ultra premium products in Wood Finishes in conjunction with our collaborator Renner Italia, has really expanded at the top end. Our endeavour to offer the best solutions to the customers have motivated us to offer unique patented products at the top end in the Waterproofing category with a pioneering 'polyurea' chemistry. We are now

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clearly an expert in the Smartcare Waterproofing area and a strong preferred brand.

All these efforts have enabled the Company to register a strong double digit volume growth performance despite an overall tough operating environment through the year in the domestic market, not to mention the complete closure of business for most part of the last fortnight of the year due to the lockdown. The growth registered in the Projects segment of the Decorative business has been especially significant, taking into account the ailing real estate and infrastructure development space in the country. And all this has happened with a consistent approach of providing a strong value proposition to all consumers – be it retail or projects.

Home Improvement

Even the Home Improvement business in the Kitchen and Bath space performed well. Notwithstanding the difficult on-ground environment, both the businesses have diligently worked to expand their network spread as well as their product offerings laying a strong foundation for future growth. The year also saw a strong foray in the Sanitaryware business and also investment into building brands and a strong service for Full Kitchen delivery.

Industrial Business

The Industrial business in the domestic market has definitely been impacted with the large scale downturn in key industrial sectors, especially the key automotive segment. But despite this, the business has delivered higher profitability with strong work on enhancing product propositions to retain large customers.

International Business

The International business portfolio too performed well and much better in comparison to the previous year. We have been able to do good work on improving the product propositions in some key units like Egypt, Bangladesh, Nepal and Sri Lanka.



The Company also took strong steps to tackle the foreign exchange crisis in Ethiopia by working on enhancing the localized content of raw materials and this has helped the business.

Overall

Overall, I am very pleased with the strong performance delivered by the Group in a very difficult environment. As we look at the Indian market, we have grown faster and have expanded the overall paint potential by opening new avenues. This performance is driven by a strong and persistent focus on keeping the customer needs at the centre of everything that we do. Our singular zeal to anticipate the changing customer needs and preferences, to continuously adapt our product and service propositions and delivering 'best in class value' to the customers has stood us in good stead all through our journey.

The Way ahead

As we step into the 'new normal' we would continue to take steps to understand the evolving needs of the customer and bringing joy and happiness in their lives. As a Responsible and Caring brand, we are strengthening our foray into the 'Health and Hygiene' category by getting into new innovations. Our recent foray into Hand, Surface and Spaced Sanitizers is a strong step in that direction. We continue to partner the customer in making large investments in the 'Services' area. We recently launched a Sanitization service 'San Assure' and 'San Assure Pro' for offering a complete peace of mind for the customers for their shops, offices, homes and a professional variant for Housing Societies, Hospitals, hotels and institutions. We have also introduced a 'Safe Painting Service' so that we can provide an assurance to the customers of a safe and secure painting environment in these uncertain times. We are also looking at innovations in our Waterproofing, Wood finishes and emulsions in our endeavour to provide the best solutions to the customers and enlarging the overall paint potential. Our foray into Home décor will continue in a strong manner so that we offer the customer her dream home which is inspiring and exciting.

With many of the markets now open for business, we have put the highest priority on the safety of our employees by ensuring regular sanitization, safe distance working practices and use of protective gears by employees. We continue to monitor the evolving situation closely with a cautious approach in committing any large spends.

The speed, the adaptability, the customer focus which the entire team at Asian Paints has consistently demonstrated over these many years of its leadership and more specifically over the last few months, gives me the highest confidence in our organisation's ability to not only successfully navigate through the immediate uncertainties posed by the pandemic but also keep on delivering sustainable value to all its stakeholders.

Warm regards,

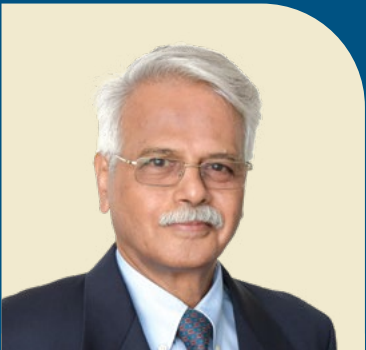
AMIT SYNGLE
Managing Director & CEO

BOARD OF DIRECTORS

DIVERSE
EXPERIENCED
BOARD



JIGISH CHOKSI
Non-Executive Director



DEEPAK SATWALEKAR
Independent Director



Dr. S SIVARAM
Independent Director



ASHWIN DANI
Non-Executive Chairman



MANISH CHOKSI
Non-Executive Vice-Chairman



ABHAY VAKIL
Non-Executive Director



M K SHARMA
Independent Director



VIBHA PAUL RISHI
Independent Director



R SESHASAYEE
Independent Director



AMIT SYNGLE
Managing Director & CEO



MALAV DANI
Non-Executive Director



AMRITA VAKIL
Non-Executive Director



PALLAVI SHROFF
Independent Director



SURESH NARAYANAN
Independent Director

GEOGRAPHICAL PRESENCE

CLOSER TO CUSTOMERS AROUND THE WORLD

Our manufacturing operations encompass 15 countries of the world including India, with considerable presence in South Asia and the Middle East. We have steadily enhanced our global capacities and our facilities are equipped with technologies that ensure resolute focus on quality and consistently high productivity.

Brands

1

asianpaints

2

CAUSEWAY PAINTS

3

asianpaints BERGER

4

KADISCO asianpaints

5

scib Paints

6

apco

7

TAUBMANS

Region-wise revenue from international operations (%)

Asia

Bangladesh, Nepal, Sri Lanka and Indonesia

44

Middle East

Oman, Bahrain and UAE

27

Africa

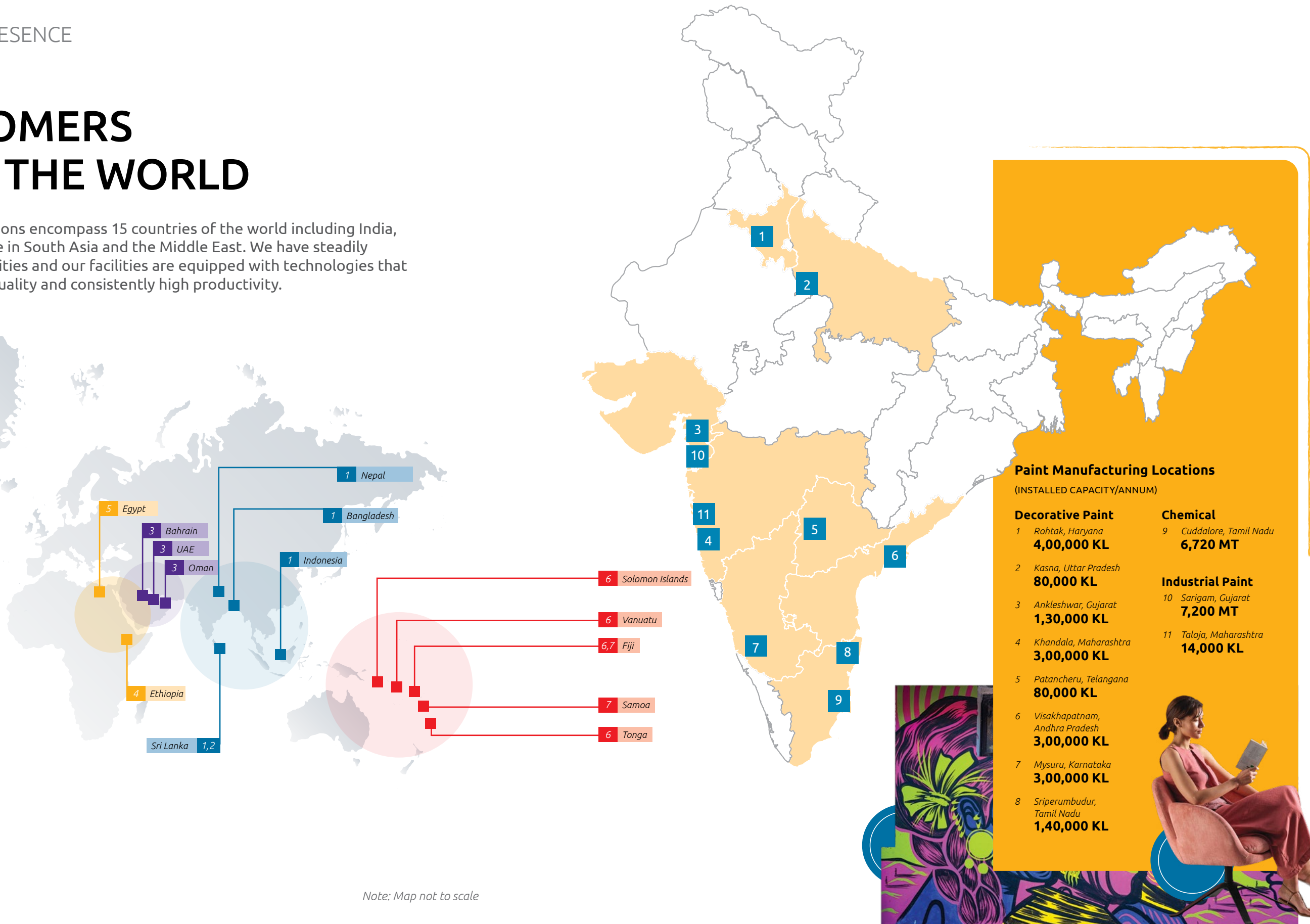
Egypt and Ethiopia

24

South Pacific

Fiji, Solomon Islands, Samoa, Tonga and Vanuatu

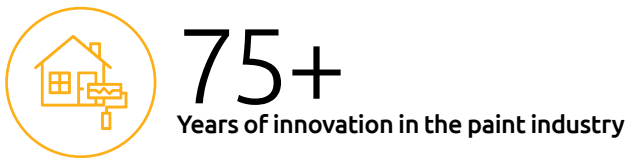
5



Note: Map not to scale

RESILIENT EXISTENCE

CREATING
AND SHARING VALUE



EXPERIENCE AND INSIGHT

In over seven decades, we have shaped and reinforced our leadership through consistent innovation in products and services in line with evolving customer aspirations.



GLOBAL PRESENCE

We have manufacturing operations in India and 14 other strategic markets. We are consistently deepening our global presence across existing and new geographies and are servicing consumers in over 60 countries.



SETTING TRENDS

Our Research & Technology (R&T) facility in India with over 200 scientists supports our strategy around new technology adoption and product development, focusing also on creating sustainable products, as well as value re-engineering for productivity improvement and cost optimisation.



DISTRIBUTION STRENGTH

Our wide distribution network, nurtured for decades, provides an exceptional customer experience at every touchpoint.



AP HOMES

These are multi-category integrated décor stores offering products and solutions across categories of paints wallpapers, modular kitchens, bath fittings, sanitaryware, furnishings and light fittings, among others.



MANUFACTURING SCALE

Our production facilities across the globe are equipped with robust operating practices. We are ensuring optimum utilisation of all manufacturing assets, driving better economies of scale.



TALENT POOL

We provide a work environment where everyone can perform to their full potential every day. Our culture is inclusive with the right people in pertinent roles, who are engaged, empowered and appropriately rewarded.

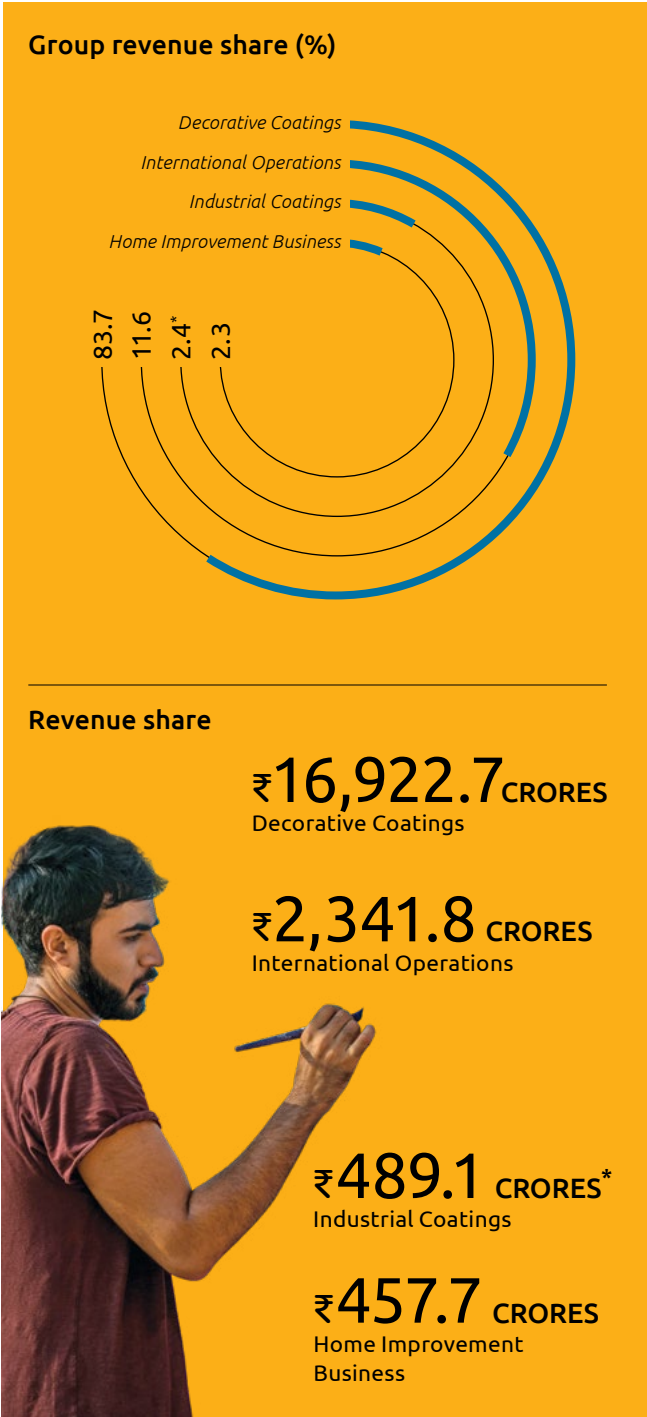


COLOUR IDEAS STORES

These stores offer a relaxed environment for end consumers to browse through various painted panels of special effects, new finishes and trend colours. It also offers in-store colour consultancy by trained colour consultants.

BUSINESS DIVISIONS

UNLOCKING VALUE ACROSS OFFERINGS



*Only Asian Paints PPG Pvt Ltd. (AP-PPG) revenues are considered



DECORATIVE COATINGS

We have eight decorative paint manufacturing plants across the country, supporting an extensive distribution platform. Our products cater to varied price points and requirements, consisting primarily of four segments – interior walls, exterior walls, wood finishes and metal finishes. We also introduced new categories such as water proofing, wall coverings, painting tools and implements, alongside adhesives and sanitizers.

Aligned to ever-changing consumer requirements, we are consistently strengthening our brand value proposition by emerging as a comprehensive décor solutions provider.



20+
New products
launched every year



INTERNATIONAL OPERATIONS

We operate in four regions across Asia, the Middle East, South Pacific and Africa through the seven corporate brands viz. Asian Paints, Apco Coatings, Asian Paints Berger, Causeway Paints, SCIB Paints, Taubmans and Kadisco Asian Paints. Our presence in the Middle East and South Asia is significant, and we are expanding with key focus on Africa and Indonesia.



We are amongst
the top 3 players in
decorative paints in
12 of the 14 countries
outside India

INDUSTRIAL COATINGS

We cater to the Indian industrial coatings market through two strategic joint ventures with PPG Inc. of USA, a global leader in coatings, offering the entire spectrum of industrial coatings products such as automotive coatings, refinishes, protective coatings, floor coatings and powder coatings, among others. We are the market leader in the auto refinish segment and the second largest player in the automobile OEM segment. Our industrial coatings manufacturing capacity is being steadily enhanced to address the growing OEM demand.



HOME IMPROVEMENT BUSINESS

Kitchens and Wardrobes

We offer kitchen and wardrobes solutions that can be customised to our customers' needs. We help our customers create the kitchen space of their choice in their dream homes.



Bath Fittings and Sanitaryware

Under this category, we offer bath fittings and accessories, curated washroom areas and smooth surface work with flawless finish. The elements in use are infused with glaze surfaces that come with germicide to fight bacterial growth. We are leveraging our distribution strength and customer understanding around décor to scale this business.



BRAND PORTFOLIO

INSPIRING
SHADES OF INNOVATION

As markets evolve and aspirations shift, the innovation pipeline moves in sync. We continue to bring new ideas to life for our consumers.

INTERIOR PAINTS



Royale Aspira, Royale Health Shield, Royale Shyne, Royale Luxury Emulsion, Royale Play Metallics, Royale Play Safari, Apcolite Advanced Shyne, Apcolite Advanced Emulsion, Tractor Emulsion, Tractor Sparc, Tractor Acrylic Distemper

EXTERIOR PAINTS



Apex Ultima Allura Venezia, Apex Ultima Allura Torino, Apex Ultima Protek Duralife (Basecoat & TopCoat), Apex Ultima Protek Lamino, Apex Ultima Protek (Basecoat & TopCoat), Apex Ultima, Apex Createx Roller Finish, Apex Shyne, Apex, Ace Shyne, Ace, Ace Sparc

METAL FINISHES (ENAMELS)



Apcolite Rust Shield, Apcolite Satin Enamel, Apcolite Premium Gloss Enamel, Tractor Enamel

WOOD FINISHES RANGE



Woodtech Polyester Gold, Emporio PU, Woodtech Insignia, Woodtech PU Palette, Woodtech Aquadur PU, Woodtech PU, Woodtech Melamyne, Woodtech Touchwood, Woodtech GloMax



RANGE OF TOOLS



BATH FITTINGS & SANITARYWARE



ADHESIVES



SMARTCARE RANGE OF WATERPROOFING PRODUCTS



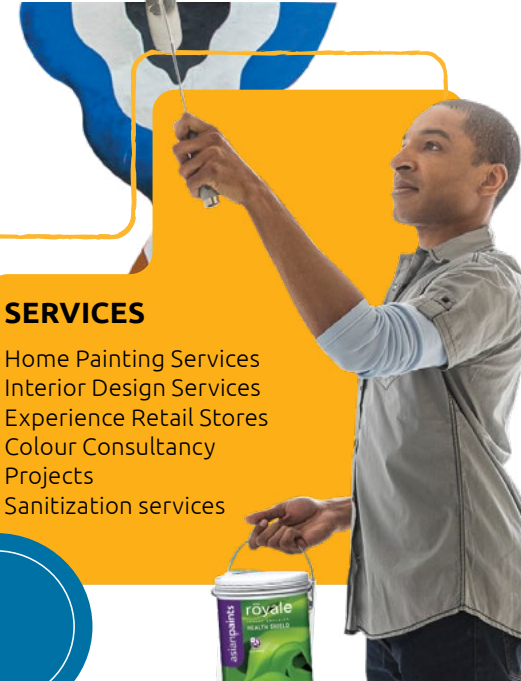
KITCHENS AND WARDROBES



NILAYA RANGE OF WALL COVERINGS



SANITIZERS AND SURFACE DISINFECTANTS



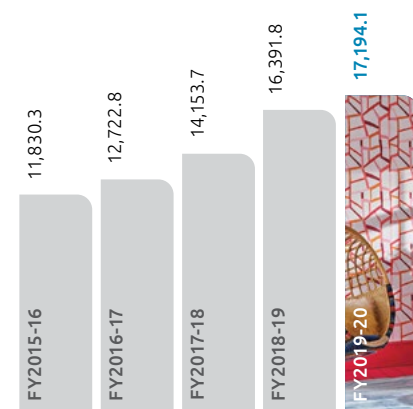
SERVICES

Home Painting Services
Interior Design Services
Experience Retail Stores
Colour Consultancy
Projects
Sanitization services

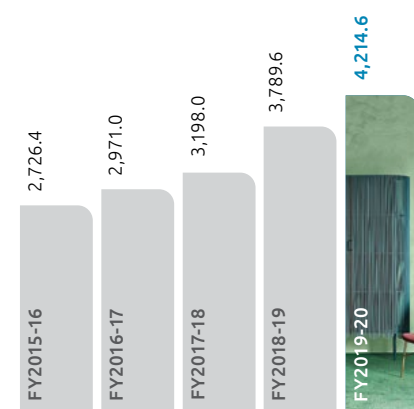
KEY PERFORMANCE INDICATORS (STANDALONE)

PROGRESSING WITH OPTIMISM

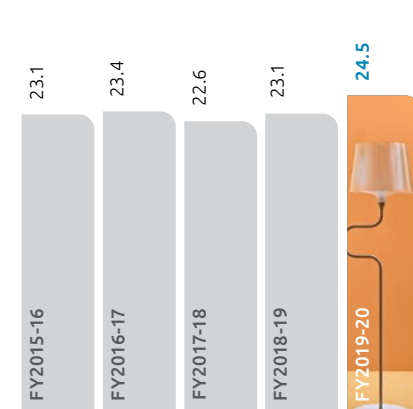
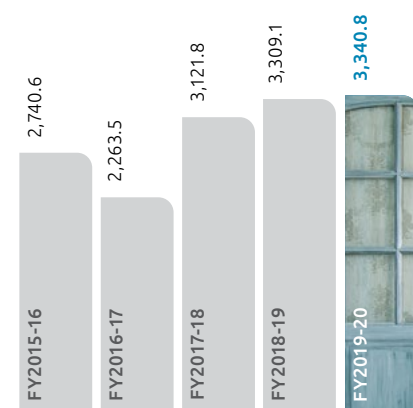
Profit and Loss metrics

Revenue from Operations
(₹ in Crores)

9.5%
5-year CAGR

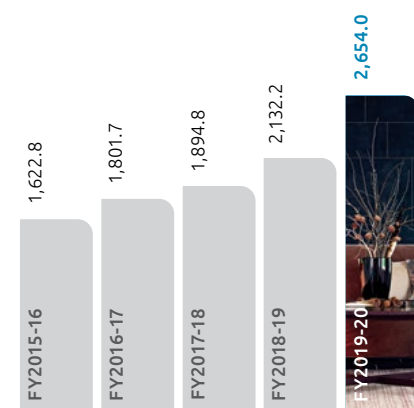
4.9%
y-o-y growth

EBITDA
(₹ in Crores)

13.9%
5-year CAGR

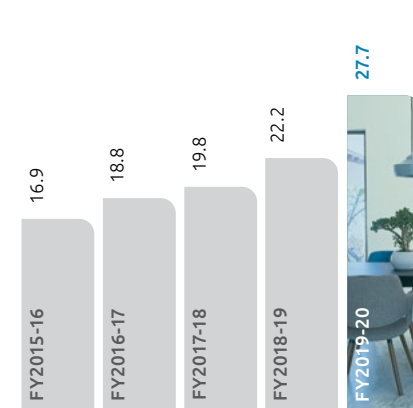
11.2%
y-o-y growth

EBITDA margin
(in %)

Cash generated from operations
(₹ in Crores)

14.0%
5-year CAGR

1.0%*
y-o-y growth

Profit after tax (PAT)
(₹ in Crores)

14.9%
5-year CAGR

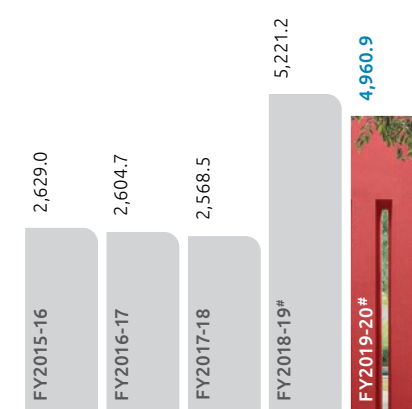
24.5%
y-o-y growth

EPS after Exceptional Items
(in ₹)

14.9%
5-year CAGR

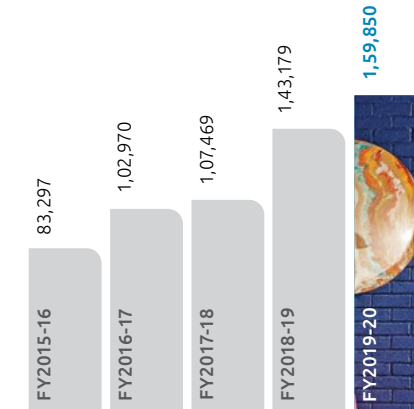
24.5%
y-o-y growth

*The lockdown imposed in last fortnight of March 2020 due to COVID19 pandemic resulted in higher working capital requirement.

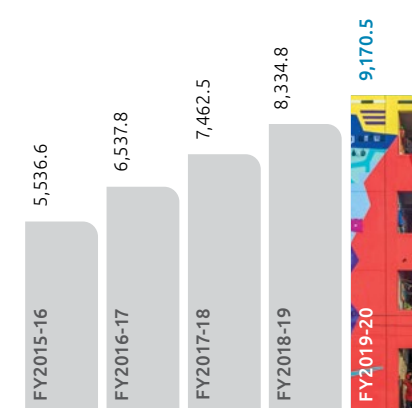
Balance Sheet metrics

Net Fixed Assets
(₹ in Crores)

17.4%
5-year CAGR*

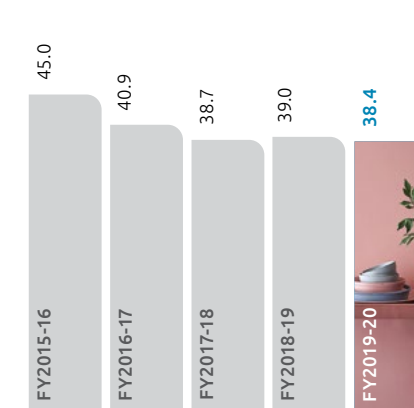
(5.0%)
y-o-y growth

Market Capitalisation
(₹ in Crores)

15.5%
5-year CAGR

11.6%
y-o-y growth

Average Capital Employed
(₹ in Crores)

13.9%
5-year CAGR

10.0%
y-o-y growth

Return on Capital Employed (ROCE)
(in %)


* Excluding impact of Ind AS 116 - Leases

Includes impact of Ind AS 116 - Leases, addition of new plants in Mysuru and Visakhapatnam.



END-TO-END SOLUTIONS

ONE-STOP DÉCOR DESTINATION

We walk alongside our customers to help them realise their dreams of a perfect living space. Deep industry insight, continuous innovation and focus on customer preferences have enabled us to emerge as a global brand with a compelling recall.

01 End-to-end canvas

PAINTING SOLUTIONS

Our palette of products and services is enriched by rich industry experience and expertise in helping our customers own best-in-class living spaces.

- Wall finishes
- Waterproofing solutions
- Wood finishes
- Wall covering application
- Ezy painting services

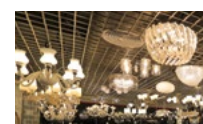


INTERIOR DESIGN SOLUTIONS

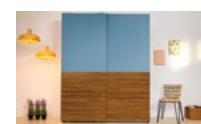
Our experts analyse the requirements of customers, understand their budgets, and offer them suggestions to spruce up their living spaces.



Modular Kitchen



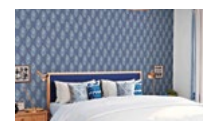
Lighting



Wardrobes and Flooring



Bath Fittings



Furniture and Furnishings

LARGE PAINTING PROJECTS

We offer a host of services that cater to the requirements of large-scale painting assignments. We are present in over 90 locations including metros across the country. Some of the projects we undertake include co-operative housing societies, new buildings, institutes, and government organisations.

- Painting solutions
- Waterproofing solutions

02

In-person experience

AP HOMES

AP Homes is a one-stop shop for all your home décor needs. We offer multi-category integrated décor stores, offering products and solutions across categories of paints, wallpapers, modular kitchens, bath fittings, sanitaryware, furnishings and light fittings, among others. Currently, we have 10 décor stores across Coimbatore (Tamil Nadu), New Delhi, Kochi (Kerala), Raipur (Chhattisgarh), Karur (Tamil Nadu), Tumkur (Karnataka), Jajpur (Odisha), Bengaluru (Karnataka), Nashik (Maharashtra) and Amritsar (Punjab).

COLOUR BY ASIANPAINTS

Customers here can experience colour in ways they had never imagined. One can browse through our exclusive range of finishes and create their dream home with our state-of-the-art technology. Located in Mumbai, the flagship signature store gives customers the option of expert assistance through a free one-on-one session with our colour consultants.

COLOUR IDEAS STORES

Our Colour Ideas stores provide bespoke customer experience with end-to-end wall décor solutions, from colour personalisation to safe painting and furnishings. We have 430+ Colour Ideas stores across hundreds of towns.

COLOUR WORLD

We have a network of 50,500+ Colour World stores across the length and breadth of India. These stores are equipped with proprietary colour tinting system, enabling them to offer widest range of colour options.



USP's OF OUR SERVICE

Expert advice, Trained professionals, Dust free mechanised painting, Superior finish, Full home cleaning after painting, Asian Paints warranty

03

Digital connect

ONLINE COLOUR CONSULTANCY

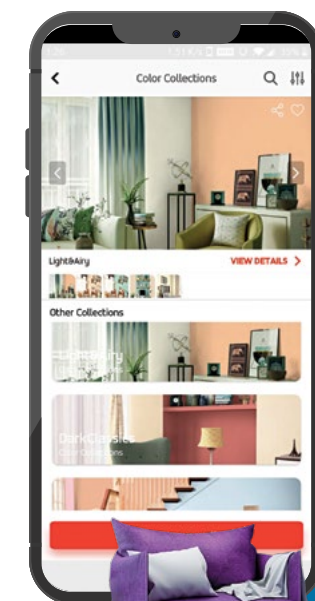
Ezy colour consultancy offers assistance from colour experts who answer queries regarding colour combinations with the help of visualisation technology and digital preview in just a few clicks. Additionally, a colour prescription and tips on suitable décor elements also facilitate decision-making.

BEAUTIFULHOMES.COM

'Beautiful Homes' is our online décor platform that offers innovative design ideas suited for myriad personal styles. It is a comprehensive guidebook for décor requirements and advice to guide customers every step of the way in their quest for the perfect living space.

MOBILE APPLICATION: COLOUR WITH ASIAN PAINTS

Colour with Asian Paints is our colour visualizer and wall painting application that lets customers try our wide range of wall colours, textures and wallpaper designs at the click of a button. It is possible to take a photograph of the wall one needs painted following which customers can pick from a range of colour combinations. They can also pick layouts from the gallery to sample wall colours and textures onto it.



END-TO-END SOLUTIONS

04 Applying innovation at speed and scale

We are innovating in the design and décor segment to offer differentiated value to our customers. Our aim is to reimagine living spaces through lateral ideas that challenge conventions, set trends and go beyond them.



INTERIOR DÉCOR PAINT SPRAYS

This is our latest addition to the mechanised painting tools range, which will usher the interior spray-painting revolution in the country. The sprayer atomizes the paint and ensures uniform deposition to deliver best-in-class and seamless finish. It also provides excellent coverage, besides significantly bringing down painting time.

NILAYA NATURALS

We launched Nilaya Naturals, a completely pure and organic paint. It is formulated using 95% natural ingredients sourced from soya bean extracts, casein, castor oil, among others. It keeps the air around you fresh and comes with a 10-year performance warranty. This new offering delivers vintage, matte finish with a special painting mechanism that combines base coat with topcoat.

The colour palette includes 35 handpicked shades of custom blend that creates deeply soothing outcomes, which pose zero harm to the environment and only becomes more vivid with years.

TRACTOR EMULSION SPARC

The Tractor emulsion Sparc is one of our economical interior paint solutions that provides utmost value for money vis-à-vis distemper. With this washable paint solution, we are offering over 850 colour selection options that provide smooth finish to the walls.

ACE SPARC

Ace Sparc is a water and acrylic based exterior emulsion, designed for moderately humid climatic conditions. It's weather guard properties resist chalking, cracking and weathering as compared to cement paints.

WALL STICKERS

Our offerings include an assorted collection of wall stickers, which are continuously augmented to accommodate diverse consumer requirements across various age groups and preferences. These stickers are fade-resistance and come with UV technology. In FY 2019-20, we added several exciting wall stickers to our collection that are crafted for children.

WATERPROOFING SOLUTIONS

Within our new smartcare waterproofing solutions range we have the following offerings:

1. SmartCare Ultron

This is our singular high-end polyurea chemistry waterproofing solution that is brush applied and comes with an open time of 90 minutes. It has superior properties and can be easily applied.

2. SmartCare Hypertron

This polyurea product has helped us reinforce our presence in the polyurea market. The product is sought after for its attractive price point and exceptional properties and has been launched in two variants of hybrid and pure composition to suit diverse customer requirements across India.

WOOD FINISHES

Our wood finish range has new categories:

- **Polyester Gold** is the gold standard in wood lamination category and offers clear finish and scratch resistance.
- **Affordable Polyester:** We were the first organised paints player to foray into this segment with an attractive value proposition.
- **GloMax Ultra Polish** has helped the Company become the first in India to launch a French polish equivalent. It provides world-class attributes, which help create unmatched outcomes.



- **Woodtech NC Sanding Sealer** marked our foray into the untapped large undercoat market. This was followed by the introduction of Woodtech A1 Thinner and Woodtech A1 Gold Thinner. They come with quality variants and were launched in some states in India.

05 Digital by design

We are putting greater emphasis on our digital assets to offer enhanced experience to consumers.

COLOUR WITH AP

This is our one-tap mobile application for visualisation, which was upgraded with more catalogues and tools to help consumers with their décor decisions. The interface has been designed to ease the user journey on the application from inspiration to visualisation and execution.

The catalogues that can be accessed through the application provides ideas on contemporary trends, designs and colour schemes. They include many wallpapers and stencils.

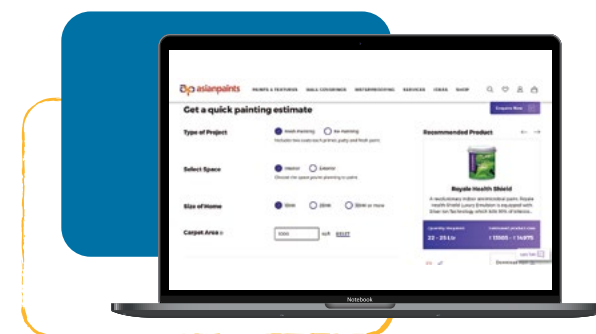
IN-SYSTEM EFFICIENCY

We provide customers easy-to-read, concise and relevant information across all digital touchpoints. Our digital capabilities are geared towards making the customer journey seamless with priority to consumer data security and privacy.

WEB PRESENCE

Our website now has state-of-the-art design and engaging content. It has been expanded with extensive and easy-to-use colour, texture and wallpaper catalogues with an extensive gallery of space and décor shots as recommendations for consumers to help facilitate decision-making and streamline the consumer design journey.

Our site is now more informative with relevant information for consumer queries, alongside offering useful tools, such as paint budget calculator, texture catalogue and paint selector.



IMAGINING AFRESH WITH THE CUSTOMER

In FY 2019-20, we embarked on a journey to analyse the broad mindset of Indians in the context of their homes and their interior décor.

92 Rented/owned home visits | 9 Cities | 5 Décor segments | 3 Interim workshops

1,20,000 Photographs chosen of the 2,50,000 taken

250 HOURS of survey

200 HOURS Of jamming and synthesising

Over a period of six months, we understood that people emotionally connect in different ways with their homes and interior décor. This helped us understand customer psychographics better, evolve our offerings and help them choose what is right fit for them.



INFLUENCER ENGAGEMENTS

PASSION IS EMPOWERING

Our media and public initiatives are conducted with the singular objective of bringing the community of designers, architects and creators together. We are committed to connecting, influencing and empowering individuals and firms that are doing substantial work in this field and are helping transform dreams around living spaces into reality.



01 End-to-end canvas

Our journey towards creating significant influence and impact on the design and décor community prompted a remarkable stride called The Masters 2019-20, a blend of myriad experiences. The programme included the following:

PERSONALISED SERVICE

We are partnering with architects and interior designers at every step of their projects. This includes providing product solutions that meet their expectations from the work at hand, supporting them through visualisation and sampling tools as well as execution.

EXCLUSIVE FINISHES

Our team is connecting budding architects and designers with finishes, which are exclusively owned by professionals. For instance, we provided them with the new Royale Play Calcecruda, which affords them a singular way of expressing creativity. Additionally, products like Nilaya Naturals was a strong focus this year among these creators.

RECOGNITION FOR OUTSTANDING WORK

To acknowledge some of the most evocative and creative sites rendered by various firms we created the Masters Gallery. It is a showcase of the esteemed sites where firms have used our products. We received 370 entries this year, as opposed to 200 in FY 2018-19.

ENGAGEMENT ACTIVITIES

This was an initiative to celebrate our success together where we saw 50 Firms travel for the prestigious India Design Week with us. We also recorded our presence in several prestigious exhibitions and events across the country, such as Association of Architects Builders Interior Designers (ABID) in Kolkata, AD-Design Show in Mumbai, Festival of Architecture and Interior Designing (FOAID) across several locations in India.

COLLABORATION

The event includes a programme that objectively tracks our relationship with each firm. They partner with us for large projects as well as retail sites. There is collaboration with colourpro applicators and bath fittings.



02 India Design Week



One of our most esteemed media programmes has been the year-on-year association with the India Design Week in the form of being the title sponsor for the event. This year it was hosted at NSIC Grounds in New Delhi. The event brought together new launches across segments and exclusive showcases, signature collections and magnificent installations alongside personalised walkthroughs around the location.

This is a unique opportunity to interact with the most esteemed of the exhibitors from India and overseas.

03 Masters Gallery

Our campaign offers consumers an opportunity to showcase the projects they are proud of, at our digital properties. Our initiative includes a photoshoot of the 10 best projects, explaining the design philosophy, the architectural elements and the overall inspiration behind the site.

04 Colour Scheme Pro

Colour Scheme Pro is a digital colour selection app that is designed to inspire the customer to build colour palettes, explore combinations and bring ideas to life.

The Colourpro team partners with architects and designers to instill in-depth understanding of the process, thus enabling superior outcomes.

With this initiative we are making 19,000 swatches and finishes of International Designer Collection (IDC) available to architects and designers, including 800+ swatches of Allura, 2,900 swatches for wood finishes, among others.

Some of the services offered by the team comprise:

- | | | |
|--------------------------|--------------------------|---------------------------------------|
| 01
Collateral support | 02
On-site assistance | 03
Contractor support and training |
|--------------------------|--------------------------|---------------------------------------|

Our influencer initiatives have specific focus on a few products like Nilaya, Luxury Woodfinishes, Allura where architects and interior designers play a crucial role.

5,000 FIRMS
Have partnered with the team

50 CITIES
Of the project's operations

RESPONSE TO COVID-19

HELPING MAKE THE BATTLE EASIER

The outbreak of the COVID-19 pandemic around the world has had a destabilising impact on businesses. As a responsible and resilient Company, we have worked to mitigate the effects of the crisis with agile responses. We committed ₹35 Crores to the PM Cares Fund and other state-run emergency relief programmes. We are working with multiple non-profit organisations to ensure the dissemination of essentials among communities.

HEALTH AND SANITIZATION PRODUCTS

We strengthened our nascent efforts within the hygiene space amid growing concerns around health and sanitization around the world. We introduced Viroprotek, our new range of hand and surface sanitizers, with an objective to partner government initiatives to arrest the spread of the pandemic. The product is being manufactured at our Ankleshwar plant in Gujarat, following statutory compliances and the Company is taking steps to set up additional capacity for these products at the plant at Rohtak, Haryana. The products in the range are made in line with highest safety standards and are available in various pack sizes. Earlier we introduced Royale Health Shield, a product that provides bacterial protection; thereby providing a more hygienic environment at home.



SAFE PAINTING

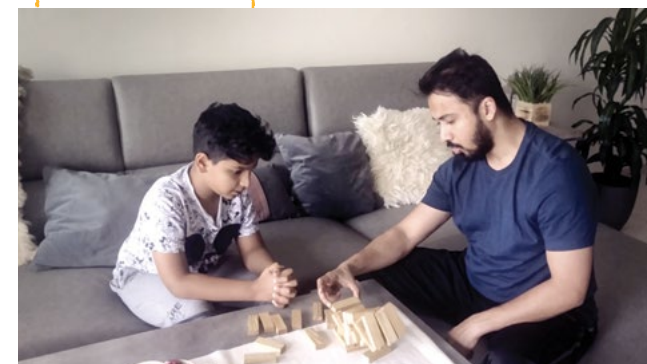
As much as painting your dream home can be exciting, it is imperative to ensure complete safety of one's family during the project. It is necessary to go beyond choosing products and painters consciously. We work to make lives easier on both sides with Asian Paints Safe Painting service that takes care of the following:

- Site evaluation and product consultation
- Complete adherence to safety protocol by team
- Complete masking and covering of furniture and valuables
- Dust-free mechanised painting
- Trained applicators
- Regular site supervision
- Free home sanitization following project completion

LOOKING OUT FOR OUR ASSOCIATES

We have joined forces with several NGO's to provide food, masks and sanitizers to our applicators, contractors and painters, such that their safety is ensured. At this hour of need, we stand by our team comprising contractors, painters, among others, who mostly work as daily wagers. By April this year we established the Direct Bank Transfer (DBT) drive through which we were able to transfer money to their bank accounts. Additionally, we are offering free sanitization services at our dealer outlets and extending insurance for the outlet employees.

40,000
Contractors reached
through the Direct benefit
Transfer (DBT) drive



STAY-AT-HOME CAMPAIGNS

We conceptualised campaigns to re-establish our connect with Indian homes in the contemporary context. Our newest ad film promotes a key message - #StayHomeStaySafe and captures Indians in their own space, engaged in myriad tasks or spending time with their near and dear ones during the nationwide lockdown. The TVC explores the negotiations each of us has had, adjusting to a new way of living.

Our other campaign #LiveFromHome shows a way to utilise the internet to stay engaged and communicate. The campaign featured popular artists performing live from their homes, in association with Kinnect. The first act was performed by Shaan, before which audiences were asked to submit their song requests to him on our social media platforms.



BUILDING THE LARGEST INDIAN SOLIDARITY PLATFORM

As part of the support we pledged to the PM CARES Fund, Asian Paints was among the key sponsors of the anthem dedicated to frontline warriors, battling the virus. The initiative, One Nation One Voice launched on May 17, 2020 with a song titled 'Jayatu Jayatu Bharatam, Vasudev Kutumbakkam' saw the coming together of members from Indian Singers Rights Association (ISRA). The song has multiple regional renditions and was released across TV, radio, social media, apps, OTT, VOD, ISP, DTH and CRBT, with over 100 broadcast, social, amplification and tech campaigns promoting the launch.

Each artist recorded their part from home during the lockdown with absence of professional recording equipment posing several challenges. Some of the legendary personalities who came onboard were Asha Bhosle, Shankar Mahadevan, Sonu Nigam, Anup Jalota, Alka Yagnik, Hariharan, Kailash Kher, Kavita Krishnamurthy and so on. For us, it is more than an anthem. It is a movement that reflects the collective and personal emotions of people in these trying times. We hope it will inspire and unite our country to emerge mightier from this crisis.

200+
Eminent Indian
Singers

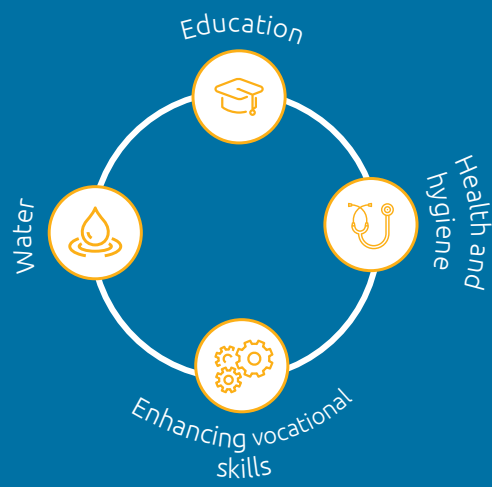
14
Regional renditions of
the anthem

100+
Platforms for release

COMPASSION FUELS COMMUNITY INITIATIVES

We are committed to playing a larger role towards making a tangible difference in the lives of beneficiaries we work with.

Our corporate citizenship lays down structured interventions focused on pressing social concerns in the following areas:



The year was all about streamlining systems and processes and ensuring better management through efficient fund allocation across programmes. We have put in place standard impact metrics to record progress across intervention areas. Our activities are put through regular evaluations and internal audits by Central CSR members across project sites. We have formulated a CSR 2025 Vision with a year-on-year implementation roadmap. The programme is poised to achieve breakthroughs and is embedded in the tenets of trust, care and fairness.

LIVES TOUCHED*

~1,62,100 Health and hygiene	~28,500 Education
~64,530 Water	~1,47,650 Skill development
7,600+ Employee hours contributed to employee engagement activities	

*Please note, these numbers are as compiled from reports shared by the NGO partners and not verified by any 3rd party

CORPORATE SOCIAL RESPONSIBILITY



Education

Our academic programmes are designed to improve learning outcomes through various activities focused on digital literacy, learning management system and virtual classes.



It includes supporting the basic infrastructure ecosystem to enable quality education. We provide scholarships for students who require financial support in completing their education and we also renovate school buildings. Our programmes include coaching for competitive examinations and sponsoring school buses. We conduct awareness sessions on sexual health, hygiene and water literacy and are helping drop-outs from schools to return back via the incentive of experiential learning and academic camps.

Gyan Shakti programme for school adoption

Through the three-year programme we offer a holistic approach to education for students between third and eighth grade focusing on the following:

- Remedial education in Mathematics, other Science subjects and English
- Technology-oriented learning experiences
- 21st century skills focusing on communication, creativity, collaboration, critical thinking and digital literacy



10%
Improvement in midline results vis-a-vis baseline results in learning levels of students

7%
Year-on-year increase in enrolment of students

6 SCHOOLS
In Patancheru (Telangana) and Rohtak (Haryana) where the programme is running

28,500+
Beneficiaries

144
Schools and centres impacted

2 SCHOOLS
Where virtual classrooms have been introduced

14
Centres for school dropouts enabling employment

ENHANCING EMPLOYABILITY

Naya Savera

Academic failure and unavailability of resources are some of the principal reasons for students dropping out of schools in India. The six-month-long programme is aimed at transforming the lives of school dropouts by educating them and creating job ready candidates. There is also an assurance of job placements. The students are provided with context-based learning, life skills training, career guidance, counselling and hands-on training. The programme is conducted in locations such as Kasna (Uttar Pradesh), Rohtak (Haryana), Visakhapatnam (Andhra Pradesh), Patancheru (Telangana), Ankleshwar (Gujarat), Cuddalore (Tamil Nadu), Khandala (Maharashtra), Mysuru (Karnataka), Mumbai, Delhi, Kolkata, among others.

15 LOCATIONS
Of the programme's operations

750 TRAINEES
Enrolled

₹8,409
Average monthly income of individual trainees



From a delinquent orphan to a business owner

Jayesh Shah, a school drop-out, grew up on the streets of Mumbai, successfully completed his six month training via the Naya Savera initiative. This gave him a chance to build a career around photography. He now works with a studio as an assistant and owns a mobile service shop. He now wants to scale up his business to support his children in their journey through life.



Project Udaan

This project is focused on providing career and skill courses for school dropouts between tenth and twelfth grades. The curriculum includes digital and financial literacy programmes and other courses, such as basic Information Technology (IT), advanced MS Word and MS Excel familiarisation alongside spoken English and personality development. The project is now being implemented in Kasna (Uttar Pradesh)

~600
Students registered for the programme

~138
Beneficiaries are placed in jobs against set target of 120

TABLAB

A tablet-based, plug-and-play, digital learning laboratory for government schools, the TABLAB is a platform that guides students to explore subjects in their regional language and English. This helps them bridge their learning gaps in a conducive environment. Student attendance has seen a rise following the implementation of this programme.

~1,10,000 HOURS
Digital learning facilitated

~6,500
Beneficiaries

Digital literacy through learning management systems

The project introduces computer-aided learning management system to young children and is currently active in Mumbai and Khandala (Maharashtra). Each student is given individual attention by the facilitator to enable:



Digital literacy to navigate the learning content on machines and online



Numerical literacy for basic calculations



English literacy to read, write, speak and communicate in English

~200 STUDENTS
Benefited

~2 CENTRES
Adopted in 2 locations

>50% STUDENTS
Improved their learning outcomes in English, Maths and digital literacy in less than 6 months



CORPORATE SOCIAL RESPONSIBILITY



Health and hygiene

With our integrated healthcare initiatives, we are making primary healthcare accessible for all. We also focus on raising awareness on government schemes and drive referrals for advance treatment at hospitals. We have also launched women's health sensitization initiatives in some locations.



Static Clinic

During the year, we established four static clinics near our manufacturing locations (Mysuru, Patancheru, Kasna, Khandala), in association with Piramal Swasthya. The static clinics address RMNCH+A (reproductive, maternal, newborn and child health + adolescent), non-communicable and communicable diseases, eye care and general OPD through screening and identification, ante-natal services, post-natal check-ups, hygiene etc. The clinic also provides free laboratory examinations for random blood sugar, urine, haemoglobin, malaria, pregnancy etc. Additionally, eye test for visual acuity, lipid profile, among other concerns are also addressed. During FY 2019-20 around 20,900 beneficiaries received treatment from these clinics.

Mobile Medical Units (MMUs)

Our MMUs help us reach out to communities across Kasna, Rohtak, Patancheru, Sriperumbudur, Visakhapatnam, Khandala, Mysuru. In association with HelpAge, we have been running 6 MMUs and this year we launched one MMU in Visakhapatnam with Piramal Swasthya. Our MMUs provide consultations, free medicines, basic diagnostics, referral to government hospitals, among others specially to those who are aged or too sick to make it across to clinics or health centres. These units also conduct awareness and quiz sessions on health within the community. Specialty camps are conducted every quarter wherein Asian Paints employees volunteer their time and effort. During FY 2019-20, over 1,54,000 treatments were provided to the beneficiaries. The Company's MMUs were deployed in Mumbai and Khandala for disaster management as well.



Rukkamma (76), Patancheru

"It was my fifth year of availing the MMU service when I fractured my leg. The team responded quickly and with empathy. They regularly paid visits to my home for counselling. Their efforts and support helped me start walking again. I believe that the Company and its initiative was a godsend for me and our entire village."



Safar

Safar, one of our healthcare initiatives, is directed towards improving health awareness and correcting lifestyle habits of the truckers. We also provide medical care facilities for this profile of beneficiaries that include both consultative and curative in nature. The project uses unique mass communication techniques like *nukkad natak* (street plays), games, interpersonal communication sessions and films to spread awareness on various health issues like ergonomic illnesses, skin diseases and gastritis, among others targeting truck drivers. The initiative is running across seven manufacturing locations in Kasna, Rohtak, Visakhapatnam, Mysuru, Patancheru, Khandala and Sriperumbudur. During the year, we covered the treatment of over 32,000 truckers, while reaching out to around 78,800 beneficiaries through behaviour change communication.

Project Drishyam

At Ankleshwar, Project Drishyam is catering to diseases related to eyesight and distribution of spectacles. They are currently working in eight villages near the plant locations and have treated over 1,000 patients in the year.



Khushbu Sukhdevibhi Rohit, Ankleshwar

"I was diagnosed with Subluxated Cataract in both eyes through the Project Drishyam eye camp held in September in our village, Kosamdi. I was running the risk of permanently losing vision in one eye with the disease quickly spreading to the second eye, if not immediately treated. Following the diagnosis, I was immediately admitted in Kaka Ba Hospital and my surgery was conducted in Vadodara. The surgery was completely successful and I recovered quickly."

Employee Volunteering

We put much thought into strategising which employee is suited for our myriad ongoing CSR Initiatives. Our volunteering initiatives are made keeping in mind parameters of empathy, expertise, time and effort. Additionally, activities are also mapped out in terms of the intensity of engagement. For instance, one-time contributions are required for programmes, such as donation drives, Plogging, among others, whereas interventions, such as Naya Savera, Me Superhero, Pro-bono volunteering, audio book recordings require more regular and rigorous participation.

Some of the programmes where our employees volunteered are as follows:

- Audiobook recording for visually impaired children
- Participating in a free, online quiz game with multiple choice questions where the more you play, the more quantities of free rice is donated to families in need.
- A clean-up marathon called Plogging where you must pick up trash from the streets while you jog
- Expressions, an exciting opportunity to work with school children, plan their learning activities and develop scientific academic models
- Donation drives
- Engagement with existing CSR projects through guest lectures, health camps, etc.

~700
Employees volunteered
for CSR activities

43,000
Beneficiaries



Relief for the Distressed

At Asian Paints, we have been at the forefront of providing relief to those affected by disasters and natural calamities. Some initiatives undertaken have been discussed:

- Response to Cyclone Fani that hit the Puri district in Odisha in May 2019 where we conducted a relief programme between May and June 2019 to distribute hygiene and shelter kits to 1,500 families in the villages of Jharapada, Panichhatra, Ranapada, Shorishapada, Benipur and Sapuasahi.
- Relief measures were provided to flood affected families in Bihar where close to 88 lakh people were uprooted from their places of residence and a further 130 casualties were incurred. We attended to the families in Sitamarhi district of Bihar to distribute hygiene kits, mosquito nets and shelter material. We were able to reach out to 1,200 families across seven villages of Runnisaidpur block.
- Relief for the 57.7 lakh people affected by the Assam floods scattered across 29 districts where we extended humanitarian support and provided rehabilitation in Baksa and Morigaon districts of Assam in the form of distribution of hygiene kits to 1,770 families, installation of water purification units and decontamination of water sources such as ponds, wells and hand pumps.
- Support for the families distressed by the Khandala and Mysuru floods was extended by our employees in the Company's Khandala and Mysuru plants. We distributed essential material to communities when the surrounding localities were flooded. The Khandala flood relief activities were carried out by the local MMU, which covered over 22 villages in Kolhapur and Sangli district and provided healthcare to over 2,800 beneficiaries.



CORPORATE SOCIAL RESPONSIBILITY

Enhancing vocational skills

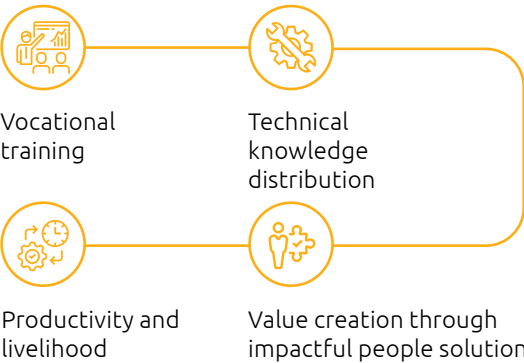
We are invested in the concept of inclusive growth and believe that everyone should be given a fair chance at a dignified life. We are becoming the medium for more people to be given the opportunity to rise above their immediate realities and chase bigger dreams.



Colour Academy

Our aim with this singular endeavour is to hone talents in India, so that the nation may become a hub for outstanding skills in the paint application trade. We are committed to this mission and are contributing towards upskilling those with an inherent predilection for the work. Our training programmes cover a multitude of subjects, such as designer finishes, emulsions, metal care, mechanisation, water proofing, wood finishes and wallpaper installation. This helps painters connect with lucrative professional opportunities in the industry. Our academies are equipped with contemporary facilities to provide hands-on experience to the participants.

The skill development programmes undertaken at the Colour Academy impart knowledge and expertise in the following ways:



50+
Colour Academies in India

~1,47,400
Participants skilled

₹26.1 CRORES
Total spend



Upskilling plumbers and carpenters

During the year we initiated upskilling programmes for plumbers in Himachal Pradesh and carpenters in Chennai with an objective to increase their earnings and disseminate knowledge and awareness to apprise them of latest techniques. The first training session for plumbers commenced in January 2020, for carpentry it was initiated in March 2020 with over 250 candidates completing the training during the year.



Making experts out of elementary painters

Parmeshwar Fakkad Koli was born to a painter father and the constant financial troubles in his family meant that he never received a chance at proper education. He joined his father in the painting profession but realised soon enough that his outcomes were restricted as a result of only basic technical know-how on the application of enamels, paints, polishes and distempers.

He was advised by a dealer to register with the Colour Academy, where he began with the Royale Play texture training. Upon completing the module, he was better equipped to offer superior décor solutions to his customers.

This helped augment his income and acclaim. With time, he signed up for other courses - waterproofing, IDF, mechanisation, wallpaper installation, wood finishing, and so on. He rose to be known as an adept contractor among his peers and is now a subject matter expert.

Water

We are helping communities around our manufacturing locations conserve water by developing integrated water-shed management programmes. The effort has increased the water potential and aided in conserving water in agricultural practices and allied activities.



Our future approach will be to make our locations completely water secure. We drafted this water vision for the Company with a pilot for the Khandala model under way. Expert implementation partners like NAF and Ambuja were taken on board at locations for long term collaboration.

Some of the interventions undertaken are as follows:

- Installing rooftop rainwater harvesting units and recharge systems in villages and schools
- Influencing irrigation practices and awareness on conservation of water in the farmer community.
- Recycling and reusing wastewater
- Identifying water bodies near our locations that need rejuvenating
- Construction activities to increase capacity for surface water storage
- Desilting of surrounding lakes and ponds

Some focused water conservation projects have been discussed at length.



Pond Restoration

We enhanced surface water and groundwater resources in the villages of Badanavalu and Sindhuveli. Three ponds have been rejuvenated by increasing total storage capacity by 45,200 KL. The inlets of the ponds were restored, helping in increasing the inflow. Additionally, the embankments of ponds were strengthened by providing stone pitching. With this, groundwater recharging in the aquifers increased considerably. This will arrest further decline of groundwater levels and improve water quality in nearby villages. Over 70 farmers benefitted from this project and are using the water from this pond for irrigation of over 550 acres of agricultural land and cattle rearing.



Phytoremediation

We conducted a water body rejuvenation project at Ladpura using phytoremediation. This technique predominantly through organic means, treats domestic effluent run-off leading to potential creation of 9,000 KL water annually. Apart from the recharge benefit, the project also enhanced hygiene and sanitation in the area.

Check dam restoration

We fortified and restored the check dam at Rojghat village in Gujarat, constructed in 1996. Our aim was to enable water to pass easily during flood situations. Over time the timber gates of the check dam got damaged, the body of the dam developed cracks and upstream got silted. We addressed the problem by repairing the cracks and removing the silt, thus increasing the depth of the water catchment area of the dam, which created additional water potential of 11,320 KL.

MANAGEMENT DISCUSSION AND ANALYSIS

Macro-economic scenario

GLOBAL ECONOMIC LANDSCAPE

FY 2019-20 was a year of synchronised slowdown in both the advanced as well as developing economies across the world. The escalation of the tariff war between the US and China for major part of the year led to significant pressure on global trade. The US economy grew at a relatively strong rate of 2.3%. The Chinese growth engine too slowed down with exports under pressure. However, due to its Government supported infrastructure investment drive, the economy recorded a moderate growth rate and stood at 6.1%. At the same time, the Eurozone continued to witness staggered growth with pressures from the Brexit uncertainty as well as political uncertainty in some of its member states.

The trade truce or partial deal between the US and China in the second half of the year brought along expectations of a revival in global trade and overall economic growth. However, the rapid spread of the COVID-19 pandemic across the world and the ensuing lockdown in several countries brought unprecedented testing times for the entire global economy as the financial year ended.

INDIAN ECONOMIC LANDSCAPE

The Indian economy continued with its slow growth trend, with quarterly growth rates trending downwards through the year. The decline was led by a slowdown in the key construction sector, a restricted real estate space and persistent downturn in the automotive sector. The fourth quarter witnessed a growth rate of 3% - the lowest in almost a decade. It aptly highlighted the concern of deceleration in the domestic economy even before the impact of COVID-19 shock.

The reasons for this consistent downward growth trajectory are multi-fold. The large-scale defaults and governance issues in few large non-banking financial

Paint being a discretionary spend item, there is a likelihood of customers putting their paint requirements on hold for some time, impacting renovation demand.

institutions resulted in liquidity squeeze in the corporate debt markets. This not only hurt some of the larger corporates, but also severely impacted the mid and small-size companies as the lending channels practically froze. At the same time, the vagaries of the monsoon – extended monsoon in some regions and deficit rainfall in others – also adversely impacted the rural sector. The easy monetary policy regime implemented by the Reserve Bank of India as well as measures taken by the Central Government like sharp reduction in corporate tax rates have not helped the economy get back to its growth trajectory.

On a relative basis, the Indian currency was stable for most part of the year. It faced significant downward pressure in the last quarter on bouts of increased volatility across global financial markets with the rising uncertainty around COVID-19. Similarly, crude oil prices also exhibited stability for most part of the year before seeing a sharp fall to historic lows in the last couple of months of FY 2019-20.

OUTLOOK

FY 2020-21 has started off on an unprecedented note with complete lockdown implemented in India as well as lockdowns / business restrictions of varying extent across the larger part of the world, due to the COVID-19 pandemic. Hence, the overall outlook for the year looks grim. Governments across the world as well as all Central Banks have moved in a synchronised manner to provide large economic relief packages and flood the financial markets with abundant liquidity as a measure to support the economy. However, the progress that we would exhibit in controlling the spread of the pandemic would largely determine the rate of recovery for the economy. This would have a direct impact on the demand conditions for all sectors of the economy. Inflation is expected to stay low with demand conditions being unsupportive; this is expected to provide a much-needed comfort to consumers and manufacturers alike. Paint being a discretionary spend item, there is a likelihood of customers putting their paint requirements on hold for some time, impacting renovation demand. The paint industry would also be looking for increased focus from the government in pushing infrastructure investments as the real estate market is not expected to recover soon.



MANAGEMENT DISCUSSION AND ANALYSIS

Industry synopsis

PAINT INDUSTRY

The domestic paint industry consisting of the decorative and industrial paint segment is estimated at ₹50,000 Crores. The decorative paint segment comprising categories such as exterior wall paints, interior wall paints, wood finishes, enamels, undercoats such as primers, putties, etc. constitutes more than 75% of the paint market. On the other hand, the industrial paint segment comprising automotive coatings, marine coatings, packaging coatings, powder coatings, protective coatings, floor coatings and other general industrial coatings makes up for the balance 25% of the paint market. Small unorganised paint manufacturers primarily catering to the lower end of the price points still maintain a sizeable 30- 35% share in the overall paint industry.

Industry trends

The overall demand conditions for the paint industry remained challenging during the course of FY 2019-20 due to the tough operating environment experienced by a large part of the domestic economy. The shorter festival season, compared to that in the previous financial year, as well as the extended monsoon season across many parts of the country further impacted the paint demand in the economy. In addition, the liquidity crunch affecting the non-banking financial sector and the resulting tight borrowing conditions for the real estate and infrastructure developers meant further pressure on the domestic decorative and industrial paint demand. The consistent

downward demand conditions in the key automobile sector also exerted pressure on the automotive coating players in the industry through the year. Moreover, the government implemented an abrupt shutdown on the entire supply chain in the last fortnight of the financial year to contain the spread of the pandemic. The year, thus, ended at a significantly lower growth rate for the paint industry as compared to the previous year. In such a difficult business environment, the soft raw material prices played a saving grace, helping the paint industry to not only maintain its operating margins, but also support the weak demand with some price reductions for customers in the market.

Outlook

The demand outlook would depend to a large extent on the way normalcy is restored in the economy. In general, paint demand mirrors the overall GDP growth in the economy. Hence, as soon as the overall demand in the economy improves, the demand conditions for the paint industry would also witness improvement. For larger sections of the economy to return to pre-COVID normalcy and for consumers to venture out once again for their home painting needs, we need a cure for the virus. The paint industry would also have to wait for the return of the migrant workforce to support the demand-generating sectors such as real estate and infrastructure development. The government's push on infrastructure development will be critical to spur the demand from these segments. At the same time, given the overall uncertainty in business conditions, raw material prices as well as exchange rates are expected to exhibit increased volatility. They would need to be critically monitored to cushion the impact on profitability.



The industry has been witnessing a shift towards branded modular kitchen solutions from local carpenters and interior designers.

KITCHEN SOLUTIONS

Industry overview

The modular kitchen solutions market comprises hardware, cabinets, accessories and appliance products. The overall market in India is estimated to be worth more than ₹15,000 Crores and is a fragmented market with many unorganised players. The hardware and appliances categories have many local as well as multinational players. Within the industry, the market for full modular solutions, which combines both product and installation as a service, is gradually growing strong. A large part of the market for full modular kitchen solutions is served by local interior designers/carpenters who work independently or along with architect designers to provide a range of designs.

Industry trends

The year started well for the industry. However, by the second quarter, the industry started witnessing a degrowth due to the overall slowdown in the economy. The real estate segment faced further stress due to the crisis in the non-banking financial sector. The industry was expected to do well in the fourth quarter of the financial year with the overall liquidity improving in the markets. However, the sudden outbreak of the COVID-19 pandemic resulted in a washout for a large part of March 2020.

The industry has been witnessing a shift towards branded modular kitchen solutions from local carpenters and interior designers. Top-end designs, warranty support and finished quality of branded modular kitchens are appealing to customers. Thus, though the metros have already seen

the move towards modular kitchens, there is increasing competition with aggressive expansions by online players. Over the last two years, the trend for branded modular kitchens has caught up rapidly in Tier II and Tier III cities as well.

Consumers are becoming increasingly design centric and hence, newer and premium designs are becoming the trend. Along with the movement to premium designs, consumers' preference for premium/branded hardware/appliances is also increasing. A shift is also seen in the industry with a large number of real estate companies in metros and Tier I cities offering modular kitchens as standard amenities in recent times.

Outlook

The industry is highly fragmented within the overall segment as well as within the various product categories. However, only a handful of players have meaningful presence in the full modular solutions segment. Currently, online players are also predominantly catering to the larger cities. This leaves space for an industry player to establish a brand at the national level with differentiated offerings and superior service over a longer period, with consistent focus. Over the short term, the industry outlook would be strongly correlated with the overall economic conditions and specifically with the emerging business conditions for the real estate space.



MANAGEMENT DISCUSSION AND ANALYSIS

BATH FITTINGS & SANITARYWARE

Industry overview

The bathroom segment consists mainly of sanitaryware, Chrome-plated (CP) fittings, pipes and tiles. The Company operates in the CP fittings and sanitaryware market. The CP Fittings and Sanitaryware business too has a large number of unorganised players. About 60% of the market is serviced by the organised setups.

Industry trends

CP fittings have evolved with design, aesthetics and higher order functionalities, taking prominence over the basic utility of the faucets. Increasing disposable incomes and pride in home ownership have helped this shift. The market is dependent largely on growth in the real estate industry and construction for new housing. In the sanitaryware market too, there is a shift from the unorganised players towards the more organised players. The share of luxury and premium segments is increasing due to the increase in disposable incomes and elegant finishes and options.

60%
Market is serviced by
the organised setups

The share of luxury and premium segments is increasing due to the increase in disposable incomes and elegant finishes and options.

Outlook

While there are immediate concerns in the real estate industry, the overall long-term outlook remains strong. The government has shared a vision of creating a US\$ 5 Trillion economy and construction will be an important part of this vision, including the Awas Yojnas. Continued focus on improving cleanliness through the Swachh Bharat initiative is also expected to drive growth in the segment in the coming years. The overall focus on wellness, health and hygiene with consumers across is expected to help the industry.



PERFORMANCE REVIEW

During FY 2019-20, revenue from operations on standalone basis increased to ₹17,194.1 Crores as against ₹16,391.8 Crores in the previous year – a growth of 4.9%. The Profit After Tax (PAT) for the year was ₹2,654.0 Crores against ₹2,132.2 Crores in the previous year – a growth of 24.5%. Despite the economic slowdown, the Decorative business has done extremely well among the organised players. While the Company has been able to maintain its operating profitability by efficiently reducing formulation costs and continued focus on cost control measures, it was also supported by the softening raw material prices. The top line growth was at 9.5% in value terms and there was a strong double digit growth in volume terms till the end of third quarter. The growth was impacted in particular by the abrupt seizure in business during the last fortnight of the year. This has resulted in revenue growth declining from the high growth trend witnessed for the first nine months of the financial year to the 4.9% growth registered for the full year. However, in volume terms, the Company was still able to close the financial year with a healthy double digit growth.

The Bath business had a tough year and we saw all the major companies in the sector decline. However, the sanitary market did reasonably well and our foray in the same yielded good results. Overall, the Company still grew by double digits for the year, excluding the last fortnight during which business was shut.

Sleek International Private Limited (Sleek), the Company's subsidiary, had a moderately good year until the business got impacted in the last fortnight of the year. Though it was still able to end the year with low double-digit sales growth, the loss was significantly higher than the previous year. The Company has carried out an assessment of the fair value of investment made in Sleek, taking into account the recent business performance, prevailing business conditions and the revised expectations of the future



₹17,194.1 CRORES
Revenue from operations
(Standalone)

₹2,654.0 CRORES
Profit After Tax (PAT)
(Standalone)

₹20,211.3 CRORES
Revenue from operations
(Consolidated)

₹2,705.2 CRORES*
Profit After Tax (PAT)
(Consolidated)

* attributable to shareholders of the parent company

financial performance. Based on these factors and as a matter of prudence, the Company has made a provision for diminution in the value of investment made in Sleek to the tune of ₹29.7 Crores in the year ended 31st March 2020. The same is disclosed under 'Exceptional Items' in the Statement of Profit and Loss.

The international operations performed well during the year notwithstanding some loss in business in the last fortnight of March 2020. The Joint Venture (JV) entity in the automotive industrial coatings segment was impacted through the year due to the downturn in the automotive sector, while the second JV entity in the non-automotive industrial coatings segment performed reasonably well amidst a tough environment.

On a consolidated basis, the Company, its subsidiaries and JV companies achieved revenue of ₹20,211.3 Crores against ₹19,248.4 Crores in the previous year – a growth of 5.0%. Net profit after non-controlling interest for the group for the year was ₹2,705.2 Crores as compared to ₹2,155.9 Crores in the previous year – a growth of 25.5%.

MANAGEMENT DISCUSSION AND ANALYSIS

Business segment review

DECORATIVE PAINTS BUSINESS IN INDIA

In an overall tough operating environment, the Company would be one of the fastest growing companies in the sector and delivered good growth across product segments and geographies. The growth in volumes would be much higher than the value growth, given the Company's increased focus on the upgradation emulsions, waterproofing and putty segment where the gains were significant. The growth has been driven not only by the mainstream product categories but also in the newer product categories of waterproofing, adhesives and tools.

The Retail business saw good volume growth across all regions, especially led by strong growth in the North and East markets. The Company continued to focus on expanding its dealer network by especially focusing on the lower tier of its network. Focused push of the quality Paint Total service also ensured strong and continued engagement with Ezycolour and Colour Ideas dealers in the overall network.

Despite the adverse market conditions ailing the real estate and infrastructure development space, the Company registered strong growth in its Projects business, across geographies and segments. The Waterproofing and Construction Chemical business did really well and the Company has been able to get a good toehold in some infrastructure and new large construction projects. All through the year there was an attempt to leverage opportunities in the government infrastructure projects segment and the repainting segment for large housing societies, focusing on the waterproofing space as a key driver. Strong integration with key influencers such as the civil construction companies and structural consultants and a unique Smart Assure service model helped the Company bag large infrastructure projects.

The growth has been driven not only by the mainstream product categories but also in the newer product categories of waterproofing, adhesives and tools.

Product segments

The Company continued to work on providing a holistic product range to its consumers, servicing their requirements with best-in-class products at varied price points. This has helped the Company sustain good growth in the mainline interior and exterior emulsion products, even with an overall challenging business environment. The growth was led at the economy range of interior and exterior emulsion products with the launch of Tractor Sparc and Ace Sparc. They offered good value proposition even at a lower price point, helping the Company to not only gain share from local brands but also enhance the upgradation of consumers from distempers. At the top-end inspirational offering, the designer collections by Sabyasachi and Good Earth under the Nilaya wallpaper range continue to gain momentum, especially through the Colour Ideas and AP Home stores.



The Company has been able to register unprecedented growth in the luxury wood finishes segment by pushing its Polyurethane (PU) and Polyester products, in collaboration with Renner, Italy, and expanding its network for tinted wood finishes. The Company continued its strong foray in the waterproofing segment, establishing its Smartcare range of products as a strong No. 2 brand in a short span of time. It continued to expand the waterproofing products market with its Damp Sheath Interior and Damp Sheath exterior products, upgrading the market from the conventional primer to preventive waterproofing undercoats.



Leveraging its retail distribution strength and brand equity with the applicators and consumers alike, the Company has strongly forayed in the painting accessories segment with its Trucare range of application tools in both mechanised and non-mechanised categories including sanding papers. Even the adhesive product category range has been further expanded with a stationary range of products with very innovative packaging.

Consumer services

Asian Paints continued to pursue its vision of building itself into the most inspirational home décor brand by partnering with its consumers in making their dream homes through a multitude of services and platforms.

The Paint Total service, through its unique service proposition, has gained wide acceptance in the market, finding favour within the network as well as among consumers. It has also enabled the Company to promote new and niche products and correct painting practices. The Company's digital property – beautifulhomes.com – continues to provide cutting-edge inspiration to millions of consumers focusing on generating original content and ideas for home décor. Further, to cater to consumers' home décor needs, the Company has expanded its fulfilment propositions – AP Homes Stores and the Beautiful Homes Service.

The footprint of AP Homes, the multi-category décor stores, has now expanded to 10 stores. All stores are using advanced digital technology to provide consultation to consumers and have rapidly enhanced their fulfilment capability through the Paint Total service and the décor execution service offered at these stores. The Company has also expanded its Beautiful Homes Service proposition to eight cities in India, offering complete delivery of home décor to consumers – right through consultation, design to execution – in a completely professional and seamless manner.



Supply chain capability

This year, the Mysuru and Visakhapatnam plants, which were commissioned in FY 2018-19, went into scale-up mode. Both plants have achieved rapid scale-up and design rates have been achieved in record time. The Company continues to leverage innovative technology in various areas of operations. By creating a digital twin model of the factories, data from shop floor systems are being powerfully analysed using Industrial Internet of Things (IIoT) and predictive analytics to improve overall equipment effectiveness and manufacturing efficiencies. The Company has also implemented state-of-the-art automatic truck-loading systems in the two new plants at Mysuru and Visakhapatnam. Advanced machine learning algorithms are being used to constantly improve the overall demand forecast and achieve better customer service levels at optimum cost.

INTERNATIONAL OPERATIONS

Outside India, Asian Paints has operations in 14 countries across four regions of the world – South Asia and Indonesia, the Middle East, South Pacific and Africa. The Company's products and services are sold under seven corporate brands, namely Asian Paints, SCIB Paints, Apco Coatings, Asian Paints Berger, Taubmans, Causeway Paints and Kadisco Asian Paints. The Group continues to focus on increasing its presence in high-growth emerging markets, especially Africa and Asia.

Operating scenario

The international operations of the Group are used to thriving in a highly volatile environment. In that sense, FY 2019-20 has been no different – whether it be an attempted coup in Ethiopia or an acute lack of US Dollars, Easter bomb blasts in Sri Lanka followed by ethnic tension, unseasonal rains and some confusion over the new VAT law in Bangladesh, major economic slowdown in Oman, Bahrain and Fiji or a de-growing paint market in Indonesia compounded by heavy rains and frequent flooding in Q4 in Jakarta – it was business as usual for our international operations. The sales value grew by 5% and profit from continuing operations also grew well, aided in part by a benign inflationary environment as well as the Company's strong focus on formulation and sourcing improvement efforts. The year, however, ended on a sombre note with the latter half of March 2020 affected by the COVID-19 spread and resulting lockdowns. Most of the subsidiaries did much lower sales than planned in this period, which in normal times is a very high sales period. This put a slight dampener on the overall performance of the international operations of the Group for the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Business performance

The international operations performed much better in comparison to the previous year and this has been with large focus on the core strengths of product propositions and market activations. The focus has been on moving away from the herd to being seen as a clear leader in innovation across markets. In Egypt, with an aim to rejuvenate our key product portfolio, we developed and launched the new ‘Hero’ range of putty and economy emulsions. The impact of this on growth in the latter half of the year has been encouraging. In other markets, several new products were launched in both the premium and value segments, which filled key gaps in the market. In Bangladesh for instance, the ‘Utshob’ emulsion launched late last year as an upgrade to distemper, has been well received. In Nepal, a campaign focusing on applying ‘Damproof’, a waterproofing application on the exposed or ‘dead wall’ of houses, was very successful. All these launches were accompanied across markets by several on-ground demand-generation activities that helped increase product awareness. In the Middle East especially, demand-generation activities were a key focus area to offset the general slowdown and add to the top line. The Company also entered into the specification business in the Middle East, thus procuring large project sales contracts. In Ethiopia, the Company decided to take the ‘foreign exchange crisis’ bull by the horns – focusing on making two products that have more than 95% of their raw materials sourced locally, thus reducing dependence on US dollars. In Sri Lanka, a complete change in products and selling based on a core USP approach has started, while a detailed consumer study was also completed to help sharpen focus on consumer proposition, combining the strengths of both the units in Sri Lanka.

At the same time, collaboration between units was a central theme that was heavily promoted. The cross-pollination of ideas and quick dissemination of best practices helped us achieve good rewards, starting in FY 2019-20, and will only accelerate going into the next financial year.

Take a look at our business performance in various countries:

Africa: In Egypt, after several years of high inflation, this year saw a moderate inflation and currency appreciation versus US dollar, as the economy stabilised. Our unit did good work on cost and working capital controls. Sales growth, however, continued to be low. To kick-start growth, we launched a revamped ‘Hero’ range of products in the latter half of the year and the early impact of this has been positive. We expect these products to be a sound base for



‘Royale’ launch in Oman

growth in the near future, as we continue to revamp our key product range. In Ethiopia, the economy continues to be hindered by the lack of US dollars. We were, however, able to arrange a steady supply, more than the previous year, leading to increased production and hence significant top-line and bottom-line growth.

Middle East: The performance in Middle East was a mixed bag. While Oman and Bahrain economies slowed down significantly, United Arab Emirates (UAE) did well. Our units in Oman and Bahrain saw a performance dip, with sales and profit lower than in the previous year, while the UAE unit’s growth was very good across all major segments of retail, projects, industrial and exports with increased profit. During the year, we also strengthened and improved our operations in Qatar, which had been affected after the Gulf Cooperation Council (GCC) embargo on the country. The Company expects better performance in the coming years, especially with the heightened economic activity leading up to the FIFA World Cup in Qatar in 2022.

The Company expects better performance in the coming years, especially with the heightened economic activity leading up to the FIFA World Cup in Qatar in 2022

Asia (South Asia and Indonesia): Although there are signs of slowdown in the Nepal economy, our Nepal unit did very well with double-digit sales and profit growth. The Bangladesh economy continues to grow well, though introduction of VAT during the year led to some uncertainty. Our subsidiary grew in single digit faced with stiff competition and tough credit conditions. It continues to focus on innovative product introductions to assist in scaling up its presence in the local market. In Sri Lanka, the economy saw several disruptions due to the Easter bomb blasts and their aftermath, as well as presidential elections. In these tough conditions, our units saw single-digit sales growth and minor profit growth. The Company is working towards better collaboration and integration between our two units to help us improve performance in the coming years. In Indonesia, the overall economy grew by around 5%, but the paint market de-grew during the year. Our unit grew well, gaining market share from other players. However, the unit is still sub-scale and some years away from breaking even. Despite the current losses, we remain positive on the potential of this unit.

South Pacific: Economic conditions in Fiji and other South Pacific islands were poor, with negligible GDP growth. The businesses in the region saw sales and profit de-growth in these conditions. In one of the islands, Tonga, we have decided to shift to servicing the demand from Fiji, rather than continue local operations, and are in the process of giving effect to this change, which will lead to optimisation of operations.

Other key initiatives of FY 2019-20

As informed last year, the Company had launched a project to implement SAP ERP in all the international units and bring the units on a unified technology infrastructure as done in India. This was a large and complex project involving one unit going live on the new system each month. The project went off smoothly and on schedule,

and almost all our units have migrated to the new system. We now have a strong and robust IT backbone across IBU, with high visibility and analytical capabilities, that can help us leverage the strengths of Asian Paints’ existing IT developments as well as build a robust MIS specific to us to enhance our data-driven decision-making capabilities. This is expected to help the units greatly in the years ahead as they scale up to the next level of size and complexity.

The Company continued to focus on building capacity across units to support our growth ambitions. The expansion project of the existing plant in Indonesia progressed on schedule. Work also commenced on our second plant in Bangladesh. Capacity expansion was completed in Sri Lanka, Nepal and the UAE. The Company has also completed a blueprint for our future expansion in Nepal.

During FY 2019-20, we divested our subsidiary in Singapore for a value of ₹20.6 Crores, in line with our long-term plans to focus on growth markets. This led to a one-time loss on disposal of ₹2.2 Crores.

Outlook

The outlook in the near term looks bleak due to the spread of COVID-19 affecting our operations across units. However, as we focus on the medium to long term, we are optimistic that our units now have the intrinsic strength and scale to withstand the storm and emerge stronger to launch into a new trajectory in the coming years.

In one of the islands, Tonga, we have decided to shift to servicing the demand from Fiji, rather than continue local operations, and are in the process of giving effect to this change, which will lead to optimisation of operations.

MANAGEMENT DISCUSSION AND ANALYSIS

HOME IMPROVEMENT BUSINESS IN INDIA

The Company operates in the Kitchen and Bath business through the home improvement division and helps its customers create kitchen and bathroom spaces of their choice for their dream homes. The Home Improvement division of the Company complements its vision of being a complete décor solutions provider.

Kitchen business

The Company forayed into the Kitchen business by acquiring 51% stake in Sleek in FY 2013-14. During FY 2017-18, the Company acquired the remaining 49% stake in Sleek from the previous promoters to make it a wholly owned subsidiary.

'Sleek by Asian Paints' is present in both the 'Kitchen Components' as well as the 'Full Modular Solutions' segments. Within the Kitchen Components business, the Company has its own range of hardware, accessories and appliances sold through a B2B channel. The Company also undertakes the Full Modular Solutions business through a strong network of franchisee-owned stores across the country. The Company has a strong presence in South, West and North of India with aggressive growth plans for the East market.

Business performance

During FY 2019-20, the Full Kitchen Solutions business grew well as the Company expanded its network of stores, which helped this segment register strong double-digit growth. Sleek has more than 185 stores across the country offering modular kitchen design and installation services. The network that we have built in this business line is unparalleled in the country today. Over the last two years, we have also started pushing wardrobes as another

Ours is one of the most comprehensive collection of premium kitchens by any company in India

product category through this network. This year, the Company also launched a luxury collection of kitchens with premium finishes. Ours is one of the most comprehensive collection of premium kitchens by any company in India.

Sleek also operates in the Full Modular Solutions business through a dedicated project vertical. Over the last year, the Company expanded its presence in this channel to the southern India market apart from having a strong presence in Mumbai, Delhi and Pune. While the response in newer markets has been encouraging, the overall real estate sector witnessed a slowdown from the second quarter of the financial year specifically due to liquidity issues in the market. The slowdown was more evident in the metro cities of Mumbai and Delhi, which are also the largest real estate markets.

The Kitchen Components segment witnessed mixed performance during the year. The segment depends on a lot of imports and there was a custom duty increase in this segment in July. The hardware category witnessed competition from MNCs as well as local players. Towards the end of the year, the lockdown imposed by the government due to the COVID-19 outbreak and its impact on business for the year was especially higher for this segment.

Sleek expanded its brand presence significantly this year by participating as a lead sponsor in MasterChef India and also came out with a TVC during the start of the year. The TVC was received well and generated a lot of excitement in the network. While the TVC was focused on

modular kitchen solutions, it had its own rub-on effect on Sleek-branded components.

During the year, the Company undertook a database migration project for its ERP. This will help the Company manage the increase of load in transactions. Newer designs and catalogues were added and launched in the market. The Company also significantly scaled up its production capacity at its cabinet manufacturing plant near Pune. The Company continues to focus on enhancing customer delight and launched a pilot around 'Booking to Cooking' for 15 days this year. Through this pilot, the Company has managed to considerably reduce the operational timeline of a kitchen delivery and installation. The initiative will be scaled up in the next year to cover all the markets gradually.

Since the time of acquisition of the Kitchen business, the Company has made good progress in scaling up the operations and enhancing its value proposition to consumers not only through expansion of its network reach, but also by widening its product portfolio. However, the progress has been slower than expected and the current business environment with increased uncertainty around consumer confidence, given the lacklustre overall economic growth and the downturn in the real estate construction sector, coupled with the restrictions imposed due to the pandemic, would make a strong recovery difficult. The Company has hence, as a matter of prudence, made a provision for diminution in the value of its investment in Sleek to the tune of ₹29.7 Crores. This provision has been made on the Company's assessment of



the recent performance of the business, prevailing business conditions and the revised expectations of the future performance given the expected business outlook.

Bath business

Asian Paints forayed into the Bath business by acquiring the front-end business of Ess Ess in FY 2014-15. Over the years, the Company has expanded its network footprint as well as the range of products it offers. It has also expanded its presence in the sanitaryware range over the last two years. The Company is focusing on creating a new world of bath products and services, where the consumer can actively seek solutions and customised offerings.

Business performance

The business grew well in spite of the headwinds faced during the year. The real estate sector was affected from the second quarter, leading to a slowdown in the market. The sudden outbreak of the COVID-19 pandemic also affected the fourth quarter. Despite the challenges, the Company successfully added new channel partners in the year and made significant progress in the Sanitaryware business. Within the CP fittings market, new dealers performed well placing strong belief in future growth. The Company continuously emphasises focus on Research and Development (R&D) of products as per evolving consumer preferences. New product launches in CP fittings have seen a significant offtake and have established themselves in quick time. The Projects vertical was expanded and a significant number of institutional partnerships were established during the year.

In areas of operations, productivity improvement at the manufacturing plant in Baddi was a hallmark for



185
Sleek stores in
the country



MANAGEMENT DISCUSSION AND ANALYSIS



PPG-AP Dahej plant

the year. The improvements were enabled on the back of automation in various stages of the production and assembly process. These have enabled consistent quality output and also reduced dependency on imports.

INDUSTRIAL BUSINESS IN INDIA

Asian Paints operates in the industrial coatings segment through two 50:50 JVs with PPG Industries Inc. USA – PPG Asian Paints Pvt Ltd. (PPG-AP) and Asian Paints PPG Pvt Ltd. (AP-PPG). Of the total industrial paint demand, about two-thirds come from the automotive sector.

Automotive, industrial, refinish, packaging and marine coatings

PPG-AP is the first 50:50 JV of the Company with PPG Industries Inc., USA. It manufactures automotive Original Equipment Manufacturer (OEM), refinish, marine, packaging and certain industrial coatings and is the second largest supplier in India.

Operating environment

General slowdown in the economy, lower spending, BS-VI compliance and COVID-19 have impacted the builds. Business de-growth in the financial year is primarily driven by the auto and two-wheeler markets, which de-grew by 15% and 14%, respectively. The subdued demand environment in the entire automotive industry for almost

the past year and a half has exerted increased pressure on all companies in the automotive coatings segment.

Business performance

PPG-AP has registered de- growth in sales given the headwinds in the automotive sector. However, the profitability improved due to material deflation, price increases (though with a time lag effect) and new business wins. The Company has witnessed growth in the Packaging business. The Automotive and Industrial businesses de-grew as they were impacted by lower demand.



Launch at MG Motors



Elevated Stations for Nagpur Metro, painted by AP-PPG coatings (EPC - ITD Cementation)

PPG-AP has commissioned a resin manufacturing facility at Dahej, Gujarat. PPG-AP continues to focus on its R&D facilities to innovate, leverage technological support from both its partners, PPG Industries Inc., USA and Asian Paints, and provide value proposition to the Company’s customers. PPG-AP continues to build on its core values, which include focus on customer connect, people development and Environment, Health and Safety (EHS).

Non-auto industrial coatings

AP-PPG serves the non-auto industrial coatings market of India and is the Company’s second 50:50 JV with PPG Industries Inc., USA. The JV caters to protective coatings, floor coatings, road marking paints and powder coatings segments, servicing customers in the infrastructure, oil and gas, power plants and white goods sectors, among others.

Operating environment

The industrial coatings market faced a challenging business environment with the overall investments in the manufacturing sector in the economy witnessing continued slowdown for the year, not helped by the tight liquidity conditions for the small to mid-size companies. Strong competitive pressure amidst this challenging environment was a key feature for the industry all through the year.

Business performance

Overall, the Industrial business witnessed slow growth and we did well in a tough market. Against this backdrop, AP-PPG continued to focus on geographical network expansion and enhanced product propositions for its customers. This helped the Company register decent growth in a tough market. Favourable raw material prices and continued control on cost optimisation further supported in delivering a significant improvement in profitability as compared to the previous financial year. During the year, the Company has also taken steps in upgrading the manufacturing facilities to enhance its capabilities to service its customers with better product quality and delivery.



AP-PPG Coating system used for Kartarpur Corridor Passenger Terminal Project (EPC - Shapoorji Pallonji and Company Pvt Ltd)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS CONTINUITY DURING THE COVID-19 LOCKDOWN

Operations in India

All the operations were disrupted since mid-March 2020 and the Company saw partial resumption since early May 2020. The Company has now been able to open all manufacturing plants after taking requisite government permissions. The permissions are for running the plants across all the businesses (Decorative / Home Improvement / Industrial Operations) to a limited capacity or even to full capacity in some geographies. The Company has also opened most of its warehouses across the country so that most of the markets can be catered to. Business is picking up in most smaller towns and cities slowly and some of the earlier incomplete painting jobs are showing some movement. However, in the metros and Tier 1 cities, the business is slow and, in some cases, yet to pick up due to the higher number of red zones, restrictions on movement, lack of availability of labour and strict norms followed by housing societies. However, it is expected that the demand will pick up once the lockdown restrictions are relaxed.

Facilities that have opened across the Company have been sanitised so that our people are safe and secure. All safety protocols of temperature sensing, wearing of safety gears (masks, goggles and face shields), social distancing, sanitizing and washing hands are being adhered to stringently. The Company has taken all the necessary steps to adhere to the guidelines for social distancing provided by the Ministry of Home Affairs, along with the various directives issued by relevant state governments and local authorities. The Company has put in place safety measures keeping in mind the safety, health and well-being of the employees and other stakeholders at all the locations where it operates.

International operations

Business operations in the various international markets where the Company operates have been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective government authorities in these countries. At this point in time, the duration for which these restrictions will remain in place is uncertain and resumption of full-fledged operations will depend on directives issued by the respective government authorities.

Employee safety

Amidst the crisis, the safety of our employees has been our top-most priority and the Company has taken several measures to ensure their well-being. Most of the employees



Heroes of Mumbai project in association with St+Art India at Mahim Railway Station, Mumbai

in our offices have been working from home in accordance with the guidelines issued by the central, state and municipal authorities. An exclusive helpline for employees is operational and the Company has been providing help to employees as and when needed for various purposes. The safety of employees who are now required to step out for work is being ensured and they have been mandated to use protective gear and take all the necessary safety precautions. All the employees have been kept engaged through a set of training programmes through remote mechanisms and managers have been in touch with all the employees. At the top management level, there has been regular communication to all the employees so that everyone stays engaged and connected. All employees have been instructed to download the Aarogya Setu app launched by the Government of India. We have a limited number of employees working at our plants and the warehouses at a point of time. In all the sales locations, where shops selling non-essential goods are opening, a limited number of sales teams is continuing to work for some hours on alternate days. Majority of employees continue to work from home.

Support to the government and society in tackling the COVID-19 pandemic

The Company has been working with and supporting the government in its efforts to combat the COVID-19 pandemic. In its efforts to aid the community at large, the Company committed ₹35 Crores towards COVID-19 pandemic relief in March 2020. The contributions are largely towards central as well as other emergency relief state funds set up to combat the pandemic. The Company is also working with several NGOs to provide food, masks and sanitizers.

Support to various stakeholders

The Company has been working with its retailers and has helped them restart their businesses by sanitizing their shops and offering medical insurance schemes for their workers.

The Company has also launched a 'Safe Painting' campaign for ensuring the safety of painters and offering assurance to customers for a safe painting experience at home. The campaign assures customers that the painters are safe to enter their homes and provide a great painting experience. This whole area of 'Safe Painting' gets further strengthened with the introduction of the hand sanitizers and surface disinfectants, and instills confidence among customers.

Given the impending monsoon season, the Company has launched a new campaign to look at 'Terrace Waterproofing' in a big way. Since this is an exterior painting job, customers are not paranoid and align to the campaign well. This has not only created great brand saliency, but also given lots of leads for our Waterproofing business.

Financial resources, profitability and liquidity position

The Company is in a comfortable liquidity position to meet its commitments. It has also implemented stringent cost control measures across the organisation to conserve cash to address any evolving situation resulting from the pandemic. The Company does not foresee any challenge in realising/recovering its assets. It is also in constant touch with its key vendors and is working with them to mutually partner each other to propel the business forward.



Foray into hand sanitizers and surface disinfectants

As a responsible and caring brand, Asian Paints has been proactive in supporting various government initiatives and helping communities around us. The Company has been working in the health and hygiene space for some time now and had earlier introduced Royale Health Shield, a revolutionary product that helps consumers maintain good standards of hygiene and bacterial protection for their homes. The Company has now launched Viroprotek range of hand sanitizers and surface disinfectants to support the government in its efforts to tackle the spread of the pandemic and address the huge need of hand and surface sanitization products in these testing times. The product is being manufactured at the Company's existing plant at Ankleshwar, Gujarat, after obtaining all the necessary statutory approvals and permissions. The Company is taking steps to set up additional capacity for these products at the plant at Rohtak, Haryana, which is expected to be operational by end of June. Viroprotek range of hand and surface sanitizers meet the highest quality standards and are available in various pack sizes, addressing the growing concerns surrounding health and hygiene.



MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCES

Internal policies

The organisation continued its endeavour of attracting best-in-class talent through multiple talent engagement initiatives for both campus as well as lateral talent pool. The culture of competency-based structured interviewing was further strengthened this year and has helped in building a talent pipeline that can be fostered along its values.

Development of talent through learning journeys anchored around the competency frameworks and organisational values continues. The leadership competency framework for the organisation has been fully integrated with various HR processes such as recruitment and people review process. Functional competency frameworks for different functions in the Company have been developed and are now being used to create learning curriculum/academies and drive excellence in each function.

Programmes and conversations around safety, health, etc. were conducted for Swara, the internal network of women within the organisation. A detailed study on the challenges of women in sales was taken up, which is now being worked on to create a more inclusive workplace.

An organisation-wide employee engagement survey was also conducted in FY 2019-20 through partnership with a renowned people consulting firm. The survey was anchored around several drivers such as leadership, enabling infrastructure, diversity and inclusion, collaboration, rewards and recognition, etc., which will provide a holistic view into employee perceptions in different pockets of the organisation and feed as an input to strengthening internal policies.

External initiatives

The Company's campus branding was further scaled up with the purpose of deepening the engagement with the brightest minds through CANVAS, which is among the most prestigious case competitions in the premier B-Schools. This year also saw launch of the Supply Chain case series, which gained significant traction in the target campuses. The Company's career pages on social media platforms also saw several campaigns being run to engage and communicate with the external talent pool.

Leadership blueprint

To enable people to take up higher responsibilities, the transition programmes have been made more relevant and robust. Learning needs have been addressed during FY 2019-20 through new programmes in the areas of innovation, strategy, Artificial Intelligence (AI), workplace partnerships, leadership development, execution excellence, etc.

Several learning journeys and innovative formats conducted in partnership with institutes and external agencies supported the employees in enhancing their business acumen, perspective and holistic leadership. In addition to internal learning formats of e-modules, stories and coaching, our partnerships with external content providers for world-class content also continued to strengthen the learning catalogue in the organisation.

The Connect Programme focused on building people management capability among managers in manufacturing plants. The programme skilled them on key attributes to foster workplace relationships. The employee relationship health of every plant is being measured through a scorecard, which was designed and deployed this year.



The Company acknowledges the need for employees to stay physically and mentally healthy and stays committed to creating fulfilling lives for them. Towards building a culture of personal care and responsibility, various health challenges, financial awareness sessions and safety campaigns were taken up.

One Link philosophy of team management

'One Link', a team comprising most of the General Managers and Vice Presidents of the Company led by the Chief Operating Officer, was created as a forum for developing the next leadership at the Company level. There have been active engagements across the teams and almost 18-20 days of productive time was spent focusing on expanding the potential and giving strong exposure to the leadership team. The forum combines a methodology of working through futuristic but relevant projects to involve, galvanise and develop the top management teams. We chose four transformation projects related to unexplored areas. The overall programme has been appreciated by people and has been a great success.

Technological innovations

Keeping in mind the changing learner preferences, a new learning platform was launched in the organisation. This platform, designed around the concepts of personalised, blended and peer learning, has expanded the reach of learning content through mobile accessibility as well.

This year, we also looked at enhancing candidate experience and optimising recruitment processes through the launch of an applicant tracking system. The Company's endeavour behind launching this system has been to deliver signature experience to candidates and new employees. Taking forward the legacy of bringing innovative engagements at B-Schools, we embarked on the journey of using Virtual Reality (VR) technology for providing an immersive experience to the students in our interactions.

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ENVIRONMENT, HEALTH AND SAFETY

Environment

Sustainability is a key parameter that is woven into the design philosophy of all our manufacturing units. It also continues to be a key focus area in terms of our day-to-day operations as a strong commitment towards minimising our environmental impact and also towards nurturing biodiversity.

We have been releasing our Annual Sustainability Report for the past five years, and continuing the practice, the sixth edition will be released in FY 2020-21. The report will focus on our efforts in the areas of product stewardship, environment, health and safety, and community.

The Company's two new factories in Mysuru and Visakhapatnam began operations and have achieved the designated environment and sustainability targets. With this, all our eight decorative paint factories have continued their journey towards achieving environment sustainability by:

- Undertaking water replenishment projects in the community surrounding our factories
- Reducing non-process water consumption by focusing on reduction in freshwater usage as well as collection of rainwater to use in the manufacturing process after purification
- Reducing energy consumption in operations, while improving efficiency and quality in production
- Increasing the contribution of renewable sources thus demonstrating the commitment of sourcing clean energy
- Minimising solid and liquid waste in our processes

The Mysuru plant received the Platinum rating under the Indian Green Building Council (IGBC) Green Factory Buildings Rating System, which is recognised as a global standard in the green building parlance.

MANAGEMENT DISCUSSION AND ANALYSIS



Take a look at our work in the various areas of sustainability:

Integrated watershed development: Integrated watershed development was undertaken in villages surrounding our eight decorative paint factories. Due to our continuous interventions over the years, over 9 Lakh KL of rainwater was replenished in FY 2019-20, which will eventually fulfil the water requirement of the community throughout the year.

Reduction in electricity consumption: Electricity consumption has been a constant area of focus over the years. A 33 % reduction in specific power consumption has been achieved in FY 2019-20 over the baseline of FY 2013-14. Our continued efforts were also rewarded at the third CII National Energy Efficiency Circle Competition where the factories at Rohtak and Khandala were recognised for their achievements.

Renewable energy: Renewable energy generation is one of the identified focus areas and several investments have been made in this space over the years. Renewable energy now accounts for 56% of the total energy consumption in manufacturing locations, far exceeding the 36% goal set for the year 2020. Our Mysuru plant is operating with 89.5% renewable energy from its first year of commissioning.

Biodiversity: Over the past few years, the Company has worked towards improving different aspects of biodiversity starting with the Sriperumbudur factory, which was acknowledged by the CII-CESD in FY 2018-19. Similar interventions were undertaken in our Mysuru and Visakhapatnam plants with a focus on nurturing a green belt, afforestation of existing land and encouraging biodiversity. Over 80,000 native trees have been planted in all three manufacturing locations combined. These green landscapes are now well developed and thriving, thus supporting numerous species of flora and fauna.

Plastic waste management: The Company has effectively responded to the changing regulations around plastic waste management. Our initiatives towards fulfilling our Extended Producer's Responsibility has resulted in the collection and recycle of more than 1,800 tonnes of post-consumer flexible plastic across 12 states of India.

80,000
native trees have been planted in
all three manufacturing locations
combined

Health and safety

The Company is committed to the safety of its people and assets and towards the protection of the environment through a variety of initiatives in areas of sustainability. Towards this, Asian Paints follows industry-accredited best practices in health, safety and environment related aspects to constantly set higher benchmarks and strives to exceed the same.

During the year, six decorative manufacturing plants in India and the Research and Technology facility at Turbhe, Mumbai were certified for ISO 45001 standard, an international standard for occupational health and safety. The Company's decorative manufacturing plants in India follow the Asian Paints Safety System, which is based on British Safety Council specifications. During FY 2019-20, our Sriperumbudur plant has not only successfully completed audit by British Safety Council but also achieved the highest 5-star rating. The Rohtak plant, which had successfully accomplished the 5-star audit in FY 2018-19, has received the prestigious Sword of Honor award in FY 2019-20. During the year, the Kasna plant received the 18th 'Green Tech Safety' Award – 2019 in the Chemical sector and the Rohtak plant received 'Excellence in Safety' Award by Manufacturing Today.

The Company is implementing a robust safety culture improvement programme in the manufacturing plants with the aim of reaching the highest regenerative maturity stage. Towards this, the Company has tied up with reputed agencies for regular assessment and has launched programmes in all plants towards taking the employees and contractors on a journey of cultural change in areas of behaviour-based safety. The Company has also revamped the safety standards at its sales depots in India to improve the overall safety performance.

During the year, there was a fire accident in the monomer tank farm at Visakhapatnam plant during the commissioning phase. The Company has thoroughly investigated the incident and set up corrective and preventive actions.

Kasna plant received the 18th 'Green Tech Safety' award – 2019 in the Chemical sector and the Rohtak plant received 'Excellence in Safety' award by Manufacturing Today

INFORMATION TECHNOLOGY (IT)

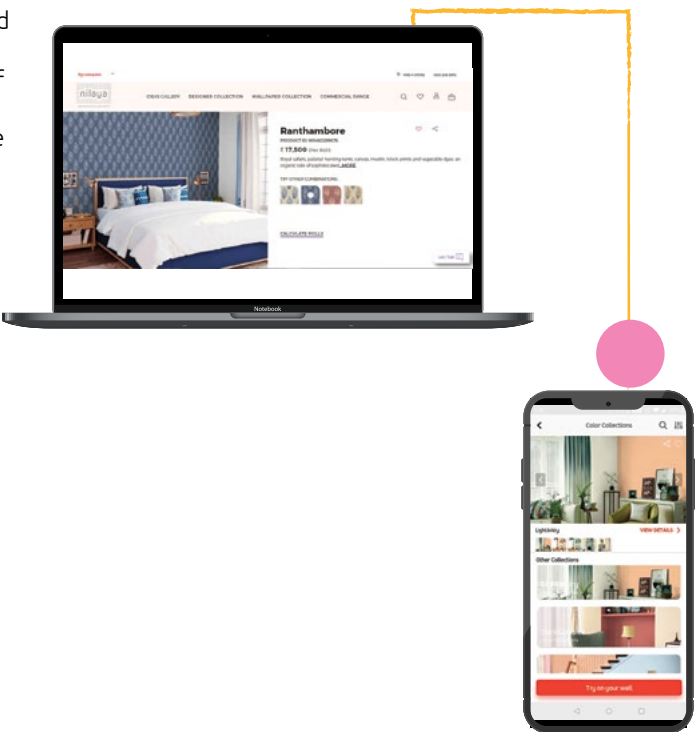
Asian Paints has always been on the forefront in terms of leveraging technology for the business. This year too, the Company has continued to invest in digital technologies such as AI, ML, Robotic Process Automation (RPA), security systems and advanced analytics. They have been used to create immersive customer experiences, improve the operational productivity and aid in better decision making.

Reimagining customer experiences using the power of digital

With the organisation making rapid strides in the Home Décor business and in the midst of scaling the Home Improvement business (bath, wardrobe and kitchens), technology investments to create strategic differentiators, especially in the area of customer experiences, have been initiated.

One of the key areas of focus has been home visualisation in the digital space. While the Company has done pioneering work in the space of 2D visualisation, this year, significant advancements have been made in the 3D visualisation space, which allows customers to visualise their dream homes.

The digital experiences delivered through the mobile apps, websites and portals for customers, dealers, suppliers and contractors have been kept contemporary and delightful.



MANAGEMENT DISCUSSION AND ANALYSIS

Strengthening and securing the IT digital core

The Company has carried out the migration of the decentralised Microsoft ERP to a single global instance of SAP S/4HANA for its international units in Sri Lanka, Bangladesh, Indonesia, Egypt, Ethiopia, the UAE and Oman. Except for the units in Fiji and SP Islands, the Company runs its global business operations on a single digital core.

Information security and data privacy continue to remain the Company’s focus. The Company continues to make the necessary investments to secure its systems and information assets.

Driving efficiencies through RPA

The Company has successfully implemented RPA to automate its existing business processes and new processes/opportunities to further drive efficiencies, increase throughput and scale operations during high volumes of transactions. RPA will remain a focus area for the Company for FY 2020-21.

Using the power of data analytics

The Company has been on the path of becoming an Insight Driven organisation through Data Intelligence and has undertaken efforts to skill the workforce in this area. This year many POCs undertaken in the previous year using AI/ ML have been put into productive use. Some of the areas wherein benefits of advanced analytics has been seen is in the area of Forecasting, Manufacturing IoT and Sales. The investments in AI/ML would continue in the space of customer experience and operations.



Research & Technology Centre at Turbhe, Navi Mumbai

RESEARCH AND DEVELOPMENT

Asian Paints’ Research & Technology is a purpose-driven team bringing about consistent breakthroughs in product innovation besides strongly partnering with all other internal stakeholders to create value for the overall organisation. As creators, their resolve is to constantly empower Asian Paints through the power of science. It continues to maintain a strong focus on Intellectual Property (IP) and has filed a total of 54 patents, 14 of which have been in the current financial year. A total of 12 publications from the Company’s researchers have featured in national/international journals of repute.

The entire programme of ‘Breakthrough Innovation’ has created a huge ripple and transformation not only at the Research & Technology function but also across the organisation. In its fifth avatar, the breakthrough innovation project ‘Misaal’ last year created some path-breaking products and chemistries. These included two products – Hypertron and Ultron – with a unique cost-effective polyurea chemistry, a first time in the French polish category for wood; entry into admixtures with very different chemistries and disruption in the adhesive white glue category with a combination of unique product and packaging innovation.

We continue to make investments in modern instrumentation pertaining to analysis and characterisation of raw materials and finished products, enabling innovation of unique solutions for consumers and development of cutting-edge technologies. In true recognition of the innovative work in our Research & Technology Centre, the National Research Development Corporation, Government of India, New Delhi has bestowed the prestigious National Innovation Award 2019 for the patented technology titled ‘Hydroxy functional acrylic co-polymer from derivatised castor oil for coating applications’ for designing high-performance sustainable coatings.

Asian Paints has always been at the forefront when it comes to providing learning and development opportunities for its employees. At the Research & Technology Centre, a dedicated training academy has been established by the name ‘Sikshalaya’ with a focus on upgrading the technical skills of employees and expanding the in-house expertise to many more individuals. This year, a new state-of-the-art infrastructure has been created that provides the latest learning technology tools and aims to enhance participants’ learning experience. This year, the academy has hosted 13 workshops in different areas of

54

patents filed for the year along with a total of 12 publications from the Company’s researchers have featured in national/international journals of repute

science and technology for employees to upgrade their technical skills. Three of these workshops were specifically designed and delivered for Asian Paints by renowned academic experts from India and abroad. The workshops hosted by Sikshalaya were of 1-3 days’ duration and covered diverse technical domains such as interfacial science, latest trends and technologies in coatings, formulation science and data analytics.

A state-of-the-art Waterproofing, Hygiene & Application Experiential Zone has been set up at the Research & Technology facility in Navi Mumbai. The experiential zone has different interactive displays of various waterproofing system solutions as well as adhesive products range offered by the Company and also exhibits miniature models of laboratory test equipment available at the Research & Technology facility. A section for mechanised tools highlights our emphasis on offering faster and smoother finishes to customers. This zone is created and dedicated especially to the architects, applicators, waterproofing contractors and engineers to give them a guided walkthrough of the products and solutions offered by Asian Paints. Moreover, the testing equipment displays help them understand and appreciate the rigorous testing regime followed by Asian Paints while developing products and solutions.

New products

Enhancing its footprint in the waterproofing segment, Asian Paints launched a first-of-its-kind SmartCare Ultron, which by itself sets a platinum standard benchmark in waterproofing liquid applied membrane category. The innovative product developed in house provides performance properties of high-end polyurea technology with ease of application as well as lasting durability and waterproofing performance warranty for 20 years.

Woodtech GloMax Ultra Polish offers best-in-class gloss and grain filling in the polish category at a price point 40% cheaper than its biggest competitor. Provisional specifications patent have been filed for the composition of resin and the final product.



Apcolite Spray Paint is a glossy enamel paint offered in an aerosol spray pack for the first time by Asian Paints. The product offers high gloss, excellent adhesion and durability. The unique fragrance of this product helps in masking the strong solvent odour, which is typically present in this category of products. Aerosols are portable and handy, and offer an affordable option for anybody to undertake spray application whenever and wherever required, be it fresh painting, touch-up or artistic applications.

Tractor Sparc economy emulsion provides value for money, especially when compared to distemper along with a smooth finish on walls. Ace Sparc is a water- and acrylic-based exterior emulsion, which is designed for moderately humid climatic conditions. Ace Sparc’s weather guard properties resist chalking, cracking and weathering as compared to cement paints.

The Company forayed into the admixture category for cement concrete with the launch of its innovative product line. Asian Paints MaximoPlast PX range of admixtures are compliant to BIS IS 9103 and ASTM C 494 standards and also differentiate themselves from market offering with respect to reduction in drying shrinkage cracks and water permeability in concrete, thereby enhancing the durability of the building structure.



MANAGEMENT DISCUSSION AND ANALYSIS

ENTERPRISE RISK MANAGEMENT

The Company truly believes that business has and will always involve risks. These risks are constantly evolving and changing, in terms of their impact, the probability of occurrence and more importantly the velocity with which they can occur. The Company constantly scans the external environment to identify the emerging risks and also assesses them for their impact on the Company's objectives. There are internal risks linked to operations, ethics, safety and the likes, which the Company continuously monitors.

The Company is committed to treat these risks and bring them to tolerable levels. In this process, the Company is ably guided by the Risk Management Committee of the Board, which reviews the enterprise-wide risk management efforts of the management. The Company evaluates risks that can impact its strategic, operational, compliance and reporting objectives.

Some of the key strategic and business risks the Company is actively managing are explained below:

Safety risk: The manufacturing operations of the Company require employees to interact with plant, machinery and material handling equipment, all of which carry an inherent risk of injury. The Company also handles certain hazardous chemicals while manufacturing paint at its factories. To address this risk, the Company has an overall safety policy that it adheres to in letter and spirit. Apart from various trainings and mock drills, the Company also carries out risk assessment by third parties to identify any potential threats and takes steps to mitigate the same. The opinion of experts in the field are taken before proceeding with the design of the plants. Over the past few years, the Company has reduced man-machine interface at the plants to ensure greater safety. Behaviour-based safety approach is implemented at the plants. All safety incidents, including unsafe acts, are reported and reviewed by the management.

Sustainability risk: The Company believes in reducing the environmental impact of its operations. Water conservation and replenishment, reduction in power consumption and hazardous waste generation, and using renewal energy have been the focus areas for the Company. Investments in wind and solar energy have been made to supplement the power requirement at its manufacturing locations. Rainwater harvesting and recharge, reduction in freshwater consumption, and use of water from sewage treatment plants after suitable treatment are some of the notable steps taken by the Company. The Company invests in the well-being and socio-economic development of the communities around the plants. At Asian Paints, we believe that in the long run, products that are green and safe are the only ones that will give sustainable growth. The Company thus invests in such products for use by its customers.

Statutory compliance risk: In the past few years, the country has seen wide-ranging changes to various laws and regulations that the Company needs to adhere to. Many of these laws are new and have not been subjected to judicial scrutiny and interpretations. The Company takes steps to adhere to all laws in its true spirit. Teams within the Company monitor changes to laws and regulations and proactively take steps to change underlying processes to stay in compliance. Changes are updated in a software that is used to track and monitor compliances across the Company.

Information security risk: Threats of cyber-attacks and hacking are all well-known and are a very high risk to business operations of any company that uses IT. In addition to external threats, there are risks of information being leaked or changed by individuals within the Company. In addition to investments in tools to protect individual devices, and scan and protect itself from external threats, the Company also actively monitors security logs to detect any attempts to hack and take the necessary steps. Data, while in creation, storage, transit and retrieval, is adequately protected.

Customer-facing risks: The customer is always changing and so are their expectations and aspirations. The customer of today is well connected and aware of trends across the globe. Expectations today go far beyond the usual functional aspects of the product. The experience of dealing with the Company right through the process of beautifying homes is of paramount importance. Delivering joy at every stage is critical. Digital as a channel to interact with the customer has become more and more prevalent. This channel is open to all and there are entities in the overall décor space attempting to leverage this. The Company takes active steps to first understand and address all customer complaints. This ensures that there is a connect with the customers and the Company constantly puts the customer at the centre of its activities.

Human capital risk: Risk of maintaining employee relations, attracting and retaining talent, and creating an engaged set of employees have become important in an environment where talent is becoming scarce. The Company takes active steps in constantly engaging with the employees to understand their aspirations, needs and any issues they may have. Policies, practices, compensation and developmental conversations are modified based on constant feedback from employees. The Company has an open-door policy where employees are free to reach out to any person in the Company for addressing any of their concerns.

Ethical behaviour: Fraud risks are inherent while dealing with people. The Company invests in good controls to minimise the risk of unethical behaviour by its employees or business partners. The Company's code of conduct acts as a guiding principle for employees while they go about doing their work. Employees and business partners are encouraged to share any suspected frauds to the Company through its whistle-blower mechanism. Programmes are periodically held to increase awareness of the code of conduct.

Currency risk: A significant part of the raw materials and capital equipment are imported by the Company. In addition, the Company has operations in multiple countries. Any adverse movement in the local currency vis-à-vis the US Dollar can have an impact on the Company's financials. The Company takes steps to monitor the exchange rate and hedges some of the open risks.

Pandemic risk: The latter part of the year saw the risk of the pandemic affecting operations across the globe. The Company was not immune to the same. The Company had taken steps to find alternate sources of materials when there were supply chain disruptions in China to ensure that its operations could continue. Employee safety was ensured by following social distancing and usage of necessary sanitizers. The Company quickly enabled work from home for most of its employees. A help desk was set up to provide guidance, support and counselling to its employees. The Company supported the government's initiative in ensuring the lockdown of its operations. However, necessary safety precautions were taken to ensure a safe shutdown of its manufacturing plants.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Appropriate internal control policies and procedures have been set up to provide reasonable assurance on the following objectives:

- Effectiveness and efficiency of its operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Prevention and detection of frauds and errors
- Safeguarding its assets

Compliance to these policies and procedures is an integral part of the management review process. Adequacy and effectiveness of these internal controls are routinely tested by internal auditors based on their risk-based audit plan. The audit plan covers the key process across the functions, including plants, depots and other establishments. Suggestions to further strengthen the processes or make them more effective are shared with the process owners and changes are made suitably.

The Company uses robust ERP and allied IT tools as an integral part of internal control system. It also uses data analytics tools to identify data exception and trends to minimising errors and lapses, and to track crucial compliances. Wherever possible, emphasis is placed on incorporation of automated controls within the process to minimise deviations and exceptions.

The risk-based internal audit plan is approved by the Audit Committee. Significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial controls and the implementation of audit recommendations. The Company believes in conducting business in a fair, ethical and compliant manner. Towards this, periodic sessions and e-learning courses are rolled out to make the employees aware of the code of conduct and related policies of the Company, including the whistle-blowing policy and mechanism. The Company stays committed to maintain the highest standards of governance.

TEN YEAR REVIEW (STANDALONE)

(₹ in Crores except per share data, number of employees, number of shareholders and ratios)											
RESULTS FOR THE FINANCIAL YEAR											
INCOME STATEMENT											
Net Revenue from Operations	17,194.1	2019-20**	2018-19**	2017-18**	2016-17**	2015-16**	2014-15	2013-14	2012-13	2011-12	2010-11
Growth Rates (%)	4.9		16,391.8	14,153.7	12,722.8	11,830.3	11,648.8	10,418.8	8,960.1	7,964.2	6,336.1
Materials Cost	9,506.2		15.8	11.2	7.5	1.6	11.8	16.3	12.5	25.7	23.4
% to Net Revenue from Operations	55.3		9,410.6	7,982.7	6,944.1	6,584.9	6,439.8	5,940.0	5,163.4	4,746.3	3,646.9
Overheads	3,830.9		57.4	56.4	54.6	55.7	55.3	57.0	57.6	59.6	57.6
% to Net Revenue from Operations	22.3		3,476.4	3,250.5	3,107.9	2,768.5	3,198.5	2,701.6	2,249.4	1,866.1	1,532.0
Operating Profit (EBITDA)	4,214.6		21.2	23.0	24.4	23.4	27.5	25.9	25.1	23.4	24.2
Finance Costs	78.4		3,789.6	3,198.0	2,971.0	2,726.4	2,197.3	1,950.9	1,673.4	1,493.2	1,232.2
Depreciation and Amortisation Expense	690.0		78.6	21.1	18.9	23.4	27.1	26.1	30.6	30.8	15.4
Profit Before Tax and Exceptional Items	3,446.2		540.8	311.1	295.4	234.5	223.1	212.3	127.0	99.5	94.5
% to Net Revenue from Operations	20.0		3,170.3	2,865.8	2,656.7	2,468.5	1,947.1	1,712.5	1,515.9	1,362.9	1,122.3
Growth Rates (%)	8.7		19.3	20.2	20.9	20.9	16.7	16.4	16.9	17.1	17.7
Exceptional items	(33.2)		10.6	7.9	7.6	26.8	13.7	13.0	11.2	21.4	4.0
Profit Before Tax and after Exceptional Items	3,413.0		-	-	-	(65.4)	(13.5)	(9.9)	-	-	-
% to Net Revenue from Operations	19.9		3,170.3	2,865.8	2,656.7	2,403.1	1,933.6	1,702.6	1,515.9	1,362.9	1,122.3
Profit After Tax	2,654.0		19.3	20.2	20.9	20.3	16.6	16.3	16.9	17.1	17.7
Return on average capital employed (ROCE) (%)	38.4		2,132.2	1,894.8	1,801.7	1,622.8	1,327.4	1,169.1	1,050.0	958.4	775.2
Return on average net worth (RONW) (%)	29.0		39.0	38.7	40.9	45.0	49.9	51.7	54.0	59.3	62.1
			25.6	25.4	27.7	29.5	33.9	35.3	38.1	42.9	43.9
BALANCE SHEET											
Equity Share Capital	95.9		95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Other Equity	9,357.4		8,747.0	7,702.2	6,998.8	5,829.8	4,134.3	3,505.0	2,926.3	2,391.9	1,879.4
Deferred Tax Liability (Net)	282.7		392.4	270.3	261.2	217.2	167.8	177.1	143.3	80.8	75.5
Borrowings	31.3		13.47	14.94	17.08	38.0	39.6	47.7	54.1	168.2	65.7
Tangible Fixed Assets and Intangible Assets	5,069.0		5,400.5	3,960.4	2,824.4	2,721.8	2,105.0	2,050.2	2,154.4	1,611.9	1,096.9
Investments	2,657.9		2,964.0	2,577.3	2,913.6	2,796.6	1,893.8	1,671.2	872.5	913.8	1,034.8
Debt-Equity Ratio	0.003:1		0.002:1	0.002:1	0.002:1	0.01:1	0.01:1	0.01:1	0.02:1	0.07:1	0.03:1
Market Capitalisation	1,59,850		1,43,180	1,07,469	1,02,970	83,297	77,820	52,559	47,139	31,056	24,238
PER SHARE DATA											
Earnings Per Share (EPS)(₹) **	27.7		22.2	19.8	18.8	16.9	13.8	12.2	10.9	10.0	8.1
Dividend (%)	1,200		1,050	870	1,030	750.0	610	530.0	460.0	400.0	320.0
Book Value (₹)	98.6		92.2	81.3	74.0	61.8	44.1	37.5	31.5	25.9	20.6
OTHER INFORMATION											
Number of Employees	6,751		6,456	6,238	6,156	6,067	5,897	5,555	5,236	4,937	4,640
Number of Shareholders	3,15,626		2,20,538	1,91,561	2,02,988	1,65,986	1,47,143	87,997	54,813	60,537	59,280
* EPS calculated on Net Profit after Exceptional items.											
# With effect from 1st August, 2013, face value of the Company's equity share has been subdivided from ₹ 10 per equity share to ₹ 1 per equity share and accordingly the EPS and book value for all comparative periods have been restated.											
** Figures for these years are as per new accounting standards (IND AS) and hence not comparable to previous years. Revenue from operations in period prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.											
The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1st April, 2018 (reducing the same by ₹ 42.0 Crores).											

TEN YEAR REVIEW (CONSOLIDATED)

(₹ in Crores except per share data and ratios)											
RESULTS FOR THE FINANCIAL YEAR											
INCOME STATEMENT											
Net Revenue from Operations	20,211.3	2019-20**	2018-19**	2017-18**	2016-17**	2015-16**	2014-15	2013-14	2012-13	2011-12	2010-11
Growth Rates (%)	5.0		19,248.5	16,843.8	15,168.2	14,263.2	14,182.8	12,714.8	10,938.6	9,632.2	7,722.3
Materials Cost	11,383.5		14.3	11.0	6.3	0.6	11.5	16.2	13.6	24.7	15.6
Overheads	4,666.0		11,272.9	9,710.4	8,435.1	8,041.3	7,971.5	7,340.7	6,413.0	5,795.3	4,474.6
% to Revenue from Operations	23.1		58.6	57.6	55.6	56.4	56.2	57.7	58.6	60.2	57.9
Operating Profit (EBITDA)	4,466.1		4,210.0	3,935.8	3,746.7	3,452.7	3,975.9	3,376.2	2,793.6	2,328.2	1,919.6
Finance Costs	102.3		21.9	23.4	24.7	24.2	28.0	26.6	25.5	24.2	24.9
Depreciation and Amortisation Expense	780.5		3,998.6	3,418.2	3,248.9	2,982.5	2,405.1	2,132.1	1,846.5	1,616.2	1,396.1
Profit Before Tax and Exceptional Items (including share of profit of associate)	3,634.0		105.3	35.1	30.0	40.7	34.8	42.2	36.7	41.0	23.2
% to Revenue from Operations	9.7		622.1	360.5	334.8	275.6	265.9	245.7	154.6	121.1	113.1
Exceptional items	-		3,311.9	3,068.5	2,933.7	2,699.7	2,104.4	1,844.2	1,655.2	1,454.1	1,259.7
Profit Before Tax and after Exceptional Items	3,634.0		17.2	18.2	19.3	18.9	14.8	14.5	15.1	15.1	16.3
% to Revenue from Operations	9.7		7.9	4.6	8.7	28.3	14.1	11.4	13.8	15.4	0.3
Return on average capital employed (ROCE) (%)	18.0		-	-	-	(52.5)	(27.6)	(9.9)	-	-	-
Profit for the year (after Tax and Minority Interest)^	2,705.2		3,311.9	3,068.5	2,933.7	2,647.3	2,076.9	1,834.3	1,655.2	1,454.1	1,259.7
Return on average net worth (RONW) (%)	35.0		17.2	18.2	19.3	18.6	14.6	14.4	15.1	15.1	16.3
Return on average net worth (RONW) (%)	27.6		2,155.9	2,038.9	1,939.4	1,745.2	1,395.2	1,218.8	1,113.9	988.7	843.2
			34.6	34.8	37.6	40.5	45.3	47.6	50.3	54.3	58.9
			24.1	25.5	27.5	28.9	31.8	32.8	36.3	40.1	43.3
BALANCE SHEET											
Share Capital	95.9		95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9	95.9
Other Equity	10,034.2		9,374.6	8,314.3	7,508.0	6,428.9	4,646.4	3,943.3	3,288.4	2,652.6	2,091.5
Deferred Tax Liability (Net)	443.8		543.3	417.1	359.2	296.8	179.9	187.8	154.4	92.8	85.2
Borrowings	361.6		629.2	533.4	560.3	323.3	418.2	249.2	251.0	341.1	233.4
Tangible Fixed Assets and Intangible Assets	6,412.6		6,706.2	4,857.4	3,415.1	3,371.2	2,610.2	2,491.8	2,456.0	1,876.1	1,316.0
Investments	2,018.9		2,568.6	2,140.7	2,652.0	2,712.1	1,587.8	1,423.6	778.8	750.7	922.0
Debt-Equity Ratio	0.04 : 1		0.07 : 1	0.06 : 1	0.07 : 1	0.05 : 1	0.09 : 1	0.06 : 1	0.07 : 1	0.12 : 1	0.11 : 1
PER SHARE DATA											
Earnings Per Share (EPS) (₹) **	28.2		22.5	21.3	20.2	18.2	14.5	12.7	11.6	10.3	8.8
Book Value (₹)	105.6		98.7	87.7	79.3	68.0	49.4	42.1	35.3	28.7	22.8
* EPS calculated on Net Profit (including share of profit of associate) after exceptional items											
# With effect from 1st August, 2013, face value of the Company's equity share has been subdivided from ₹ 10 per equity share to ₹ 1 per equity share and accordingly the EPS and book value for all comparative periods have been restated.											
** Figures for these years are as per new accounting standards (IND AS) and hence not comparable to previous years. Revenue from operations in periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these years.											
^ Includes 'Profit for the period from discontinued operations'. Refer note 32 A of Consolidated Financial Statements.											
The figures for FY 2018-19 have been restated on account of retrospective application of Ind AS 116 - Leases. The cumulative impact of this retrospective application in prior years has been adjusted in opening retained earnings as at 1st April, 2018 (reducing the same by ₹ 46.9 Crores).											

AWARDS AND ACCOLADES

MOMENTS THAT SCULPT A LEGACY



Mr. KBS Anand,
ex-MD & CEO of
the Company wins
Ernst & Young
'Entrepreneurial CEO
of the Year' Award,
-Feb 2020

- Ranked 9th among the world's leading paint companies by Coatings World - Top Companies Report (July 2020 issue)
- Included in the Forbes List of World's 'Best Regarded Companies' (September 2019). It was the second consecutive appearance for Asian Paints in the coveted list
- Included in Forbes Asia's list of 'Best over a Billion' companies in Asia Pacific – September 2019
- Stood among 'Most Trusted Brands' in the Household Care category (Brand Equity – Most Trusted Brands) – March 2020
- Ranked 21st in Business Today - 'India's Most Valuable Companies' list
- Stood among 'Top 10 Valuable Indian Brands' – Brandz Most Valuable Indian Brands
- Ranked 3rd among Top 25 Paint Manufacturers in Asia Pacific (Asia Pacific Coatings Journal) – June 2019
- Ranked 24th In Brand Finance India 100 (Brand Value Report 2019)
- Wins 'Smart Manufacturing' Award for Artificial Intelligence (Express Computers)
- Wins 'SIES SOP STAR' Award for 'Excellence in Packaging' from SIES School of Packaging
- Rohtak Plant recognised by British Safety Council with the 'Sword of Honour - 2019'
- Rohtak plant wins 'Excellence in Safety' Award – Manufacturing Today
- Taloja Plant wins Manufacturing Today Award in the 'People's Initiative' Category
- Penta Division receives Tamil Nadu State Safety Award
- Sriperumbudur plant wins CII National Award for 'Energy Efficiency'
- Mysuru plant received the 'Platinum' rating under the Indian Green Building Council (IGBC) Green Factory Buildings Rating System. The Platinum rating is recognized as Global Leadership, according to the IGBC certification standards.
- Golden Peacock Award for 'Excellence in Corporate Governance - 2019' by the Institute of Directors



Notice

Asian Paints Limited

Registered Office: 6A, Shantinagar, Santacruz (E), Mumbai - 400 055

CIN: L24220MH1945PLC004598 Phone No.: (022) 6218 1000

Website: www.asianpaints.com Email: investor.relations@asianpaints.com

NOTICE is hereby given that the **SEVENTY-FOURTH ANNUAL GENERAL MEETING** of the Company will be held on **Wednesday, 5th August, 2020 at 2.00 p.m. IST** through Video Conferencing/Other Audio Visual Means organized by the Company, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai - 400 055.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - A. Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of Board of Directors and Auditors thereon.
 - B. Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Report of Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31st March, 2020.
3. To appoint a Director in place of Mr. Ashwin Dani (DIN: 00009126), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Amrita Vakil (DIN: 00170725), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

5. To appoint Mr. Manish Choksi (DIN: 00026496) as a Non – Executive Director of the Company and, if thought fit, approve the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 152, 161 of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), Mr. Manish Choksi who was appointed as a Non-Executive Director with effect from 22nd October, 2018 in casual vacancy caused by the sad demise of late Mr. Ashwin Choksi and who holds office up to 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 Non – Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized 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“.

6. To continue the directorship of Mr. Ashwin Dani (DIN: 00009126) as a Non – Executive Director of the Company and, if thought fit, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and other applicable laws, if any, approval of the members of Company be and is hereby accorded for continuation of directorship by Mr. Ashwin Dani as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized 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“.

7. To appoint Mr. Amit Syngle (DIN: 07232566) as a Director on the Board of Directors of the Company and, if thought fit, approve, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including

Notice (Contd.)

any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Amit Syngle (DIN: 07232566) who was appointed as an Additional Director with effect from 1st April, 2020 by the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee and who in terms of Section 161 of the Companies Act, 2013 holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director on the Board of Directors of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary be and are hereby authorized 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, proper or expedient for the purpose of giving effect to this resolution”.

8. To appoint Mr. Amit Syngle (DIN: 07232566) as the Managing Director & CEO of the Company and, if thought fit, approve, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of:

- a. Sections 196, 197, 198, 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 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force),
- b. the Articles of Association of the Company,
- c. based on the recommendations of the Nomination and Remuneration Committee and Audit Committee of the Company, and
- d. the Nomination and Remuneration Policy of the Company,

approval of the shareholders of the Company be and is hereby accorded to the appointment of Mr. Amit Syngle (DIN: 07232566) as the Managing Director & CEO of the Company for a period of three (3) years, commencing from 1st April, 2020 to 31st March, 2023, not liable to retire by rotation.

RESOLVED FURTHER THAT approval of the shareholders of the Company be and is hereby accorded to the remuneration, perquisites, allowances, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Mr. Amit Syngle 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: With effect from 1st April, 2020, ₹ 2,75,00,000 per annum. Further, the annual increments to the basic salary will be not exceeding 25% per annum at the discretion of the Board of Directors of the Company based on the recommendations of Nomination and Remuneration Committee and Audit Committee of the Company.
- B. Flexible Allowance: Flexible Allowance shall be equivalent to 55% of the Basic Salary per annum. The Allowance shall include Leave Travel Allowance, Contribution towards National Pension Scheme and any other allowance as per Company Policy. In addition to Flexible Allowance, the following allowances shall also be paid:
 - (i) House Rent Allowance: the employee will be paid a House Rent Allowance of ₹ 6,00,000 per month. In case the employee opts for Company owned accommodation, this amount will not be paid, and perquisite tax will be charged as per income tax provisions.
 - (ii) Special Allowance of ₹ 2,40,000 per month is to be paid towards leasing of a car for the Managing Director & CEO. The Managing Director & CEO will have option to choose a car of his choice on fully maintained lease rental basis. The car may be used for official and personal purpose.
- C. Supplementary Allowance: Supplementary Allowance equivalent to 15% of basic salary will be paid in lieu of contribution to Superannuation Fund.
- D. Commission: The Managing Director & CEO will be entitled to receive commission with effect from 1st April, 2020, as may be determined by the Board of Directors of the Company from time to time, but shall not exceed 0.75% of net profit of the Company as calculated under Section 198 and other applicable provisions, if

any, of the Companies Act, 2013 read with the Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), for each financial year.

Perquisites and other allowances:

- A. Contribution to Provident Fund: 12% of the Basic salary. The said contribution or any other retiral benefit is subject to changes in law and Company policy.
- B. 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.
- C. Reimbursement of medical expenses including any health insurance premium and expenses towards hospitalization in India or abroad in accordance with the policy of the Company.
- D. Reimbursement of expenses towards Fuel (subject to a limit of 300 liters per month) in accordance with the policy of the Company.

Benefits and Amenities:

- A. Gratuity: Benefits in accordance with the rules and regulations in force in the Company from time to time and subject to applicable laws.
- B. Leave: In accordance with the practices, rules and regulations in force in the Company from time to time, subject to applicable laws.
- 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 including membership to club as may be provided by the Company to other senior employees from time to time.
- E. Deferred Incentive: The Managing Director & CEO shall be paid Deferred Incentive (LTI – Long term incentive) for relevant previous years including Financial year 2019-20

as per Company policy on due dates as per the Policy.

Reimbursements:

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 Mr. Amit Syngle remuneration, perquisites, allowances, 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, allowances, benefits and amenities payable to Mr. Amit Syngle 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 and/or Company Secretary 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”.

9. To ratify the remuneration payable to M/s RA & Co., Cost Accountants (Firm Registration Number 000242), the Cost Auditors of the Company for the financial year ending 31st March, 2021 and, if thought fit, approve, 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 and Companies (Cost Records and Audit)

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Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the remuneration of ₹ 8 Lakhs (Rupees Eight Lakhs only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit to M/s RA & Co., Cost Accountants (Firm Registration Number 000242) who were appointed by the Board of Directors as Cost Auditors of the Company, based on recommendations of Audit Committee, to conduct cost audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) for the financial year ending 31st March, 2021.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary be and are hereby authorized 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, proper or expedient for the purpose of giving effect to this resolution”.

For **Asian Paints Limited**

R J Jeyamurugan
CFO & Company Secretary

23rd June, 2020

Registered Office:

6A, Shantinagar, Santacruz (E), Mumbai - 400 055.

Notes:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (hereinafter referred to as the “Act”), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as “AGM”), as set out under Item No(s). 5 to 9 above and the relevant details of the Directors as mentioned under Item No(s). 3 to 8 above as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. The Board of Directors have considered and decided to include the Item nos. 5 to 9 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
3. In view of the continuing lockdown restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020.
4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorising its representatives to attend the AGM, by e-mail to investor.relations@asianpaints.com.

Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

6. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.asianpaints.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>.
7. Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents of the Company, TSR Darashaw Consultants Private Limited (TSR) by providing Folio No. and Name of shareholder. Shareholders holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.

8. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on investor.relations@asianpaints.com.

Procedure for joining the 74th AGM through VC / OAVM

9. NSDL will be providing facility for voting through remote e-Voting, for participation in the 74th AGM through VC/OAVM facility and e-Voting during the 74th AGM.
10. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first-come-first-served basis.
11. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the link available against the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.

12. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis.
13. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in / 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in / 022-24994553.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Procedure to raise questions / seek clarifications with respect to Annual Report at the ensuing 74th AGM:

15. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at investor.relations@asianpaints.com. Questions / queries received by the Company till 5.00 p.m. on Monday, 3rd August, 2020 shall only be considered and responded during the AGM.

16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting the link <https://www.evoting.nsdl.com/> between 9.00 a.m. on Friday, 31st July, 2020 and 5.00 p.m. on Monday, 3rd August, 2020.

17. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

18. Procedure for remote e-Voting and e-Voting during the AGM

- a. All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- b. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:
 - (i) by electronic means through the remote e-Voting platform provided by the National Securities Depository Limited (NSDL). The remote e-Voting period will commence on Friday, 31st July, 2020 at 9.00 a.m. and will end on Tuesday, 4th August, 2020 at 5.00 p.m. The remote e-Voting module will be disabled by NSDL for voting thereafter. Instructions and information relating to e-Voting are as follows:

Instructions

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your

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Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares	
i.e. Demat NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001 *** and EVEN is 113082 then User ID is 113082001 ***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which

was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned in the Notice for registering your email address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?"

(If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning

your demat account number/folio number, your PAN, your name and your registered address.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, please click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company which is 113082.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options

i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- (ii) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting, shall be eligible to vote through e-Voting system during the AGM.

General Guidelines for shareholders:

1. Institutional shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at asianpaints_scrutinizer@asianpaints.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries for e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- c. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/ OAVM but they shall not be entitled to cast their vote again.

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- d. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Wednesday, 29th July, 2020.
 - e. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 74th AGM by email and holds shares as on the cut-off date i.e. Wednesday, 29th July, 2020, may obtain the User ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
 - f. Mr. Makarand Joshi, Partner, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries (Membership No. 5533, COP: 3662), has been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.
 - g. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
 - h. The results shall be declared not less than forty – eight (48) hours from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company www.asianpaints.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
19. Documents open for inspection:
- a. All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on investor.relations@asianpaints.com for inspection of said documents; and
 - b. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

Dividend related information

20. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 25th July, 2020 to Wednesday 5th August, 2020 (both days inclusive).
21. Final dividend for the financial year ended 31st March, 2020, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Thursday, 6th August, 2020, to those members whose names appear on the Register of Members as on Friday, 24th July, 2020.
22. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DP), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
23. Members holding shares in physical / electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.
24. Process for updation of bank account mandate for receipt of dividend electronically:

Physical Holding	Send a duly signed request letter to the Registrar and Transfer Agents of the Company, TSR by providing Folio No., Name of shareholder along with following documents: a) Original Cancelled cheque leaf bearing the name of the first shareholder; or b) Bank attested copy of first page of the Bank Passbook/Statement of Account in original and an original cancelled Cheque (In case of absence of name on the original cancelled cheque or initials on the cheque).
Demat Holding	Please contact your Depository Participant (DP) and register your bank account details in your demat account, as per the process advised by your DP.
25. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account,

the Company shall upon normalisation of postal services dispatch the dividend warrants to such shareholder by post.

26. Members may note that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by the Company after 1st April 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company.

- a. All Shareholders are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account(s) maintained with the Depository participant(s); or in case of shares held in physical form, with the Company, on or before the commencement of book closure from Saturday, 25th July, 2020 to Wednesday, 5th August, 2020 (both days inclusive).

Please note that the following details, in case you had already registered with the Company, as available with the Company in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Income Tax Act, 1961 i.e. Resident or Non-Resident for FY 2020-21.
- III. Category of the Shareholder viz. Mutual Fund, Insurance Company, Alternate Investment Fund (AIF) Category I and II, AIF Category III, Government (Central/State Government), Foreign Portfolio Investor (FPI)/Foreign Institutional Investor (FII): Foreign Company, FPI/FII: Others (being Individual, Firm, Trust, Artificial Juridical Person, etc.), Individual, Hindu Undivided Family (HUF), Firm, Limited Liability Partnership (LLP), Association of Persons (AOP), Body of Individuals (BOI) or Artificial Juridical Person, Trust, Domestic Company, Foreign Company, etc.
- IV. Email Address.
- V. Residential Address

- b. For Resident Shareholders, TDS is required to be deducted at the rate of 7.5% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the financial year 2020-21 provided valid PAN is registered by the Shareholder. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the financial year does not exceed ₹ 5000. Normal dividend(s) declared in the preceding financial year 2019 - 20 would be considered as the basis to determine applicability of the said threshold for the entire financial year.

Even in the cases where the shareholder provides valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

- c. For Non-resident shareholders, the TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 195 of the Income Tax Act, 1961. Further, as per Section 90 of the Income Tax Act, 1961 the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:
- I. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
 - II. Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;
 - III. Self-declaration in Form 10F; and
 - IV. Self-declaration in the attached format certifying:
 - Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2020-21;

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- Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
 - Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2020-21.
- d. The draft of the aforementioned documents may also be accessed from the Company's website at <https://www.asianpaints.com/more/investors/DividendInformation.html>.
- e. Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above before **Wednesday, 15th July, 2020**. Kindly note that the aforementioned documents are required to be emailed as mentioned below:
- | | |
|--------------------------------------|--|
| Resident shareholders to send to | csg-exemptforms2@tsrdarashaw.com |
| Non-Resident shareholders to send to | APLnonresforms@tsrdarashaw.com |
- f. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.
- g. We shall arrange to email the soft copy of TDS certificate at your registered email ID in due course, post payment of the dividend.
- h. A separate email communication was sent to the shareholders on Friday, 26th June, 2020, informing the said change in Income Tax Act, 1961 and as well as relevant procedure to be adopted by the shareholders for availing the applicable tax rate.

27. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):

- A. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), dividends that are unpaid or unclaimed for a period of seven (7) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.
- B. During the financial year 2019 – 20, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in ₹)	No of shares
Final Dividend 2011-12	74,88,881	63,080
Interim Dividend 2012-13	25,78,112	21,150

- C. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at <https://www.asianpaints.com/more/investors/unclaimed-dividend.html> and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link (www.iepf.gov.in).

Others

28. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

29. As per Regulation 40 of Listing Regulations, securities of listed companies can only be transferred in dematerialized form, with effect from 1st April, 2019, except in case of request of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are urged for converting their holding to demat form. Members may contact the Company or TSR for any assistance in this regard.
30. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to TSR. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility. The Form SH-13 is available on the website of the Company at <https://www.asianpaints.com/more/investors/financial-results.html>.

The following Explanatory Statement sets out all material facts relating to Resolution Nos. 5 to 9 of the Notice in accordance with Section 102 of Companies Act, 2013

Resolution No. 5:

The Board of Directors at their meeting held on 22nd October, 2018, based on the recommendations of the Nomination & Remuneration Committee, appointed Mr. Manish Choksi as a Non-Executive Director of the Company to fill the casual vacancy caused by the sad demise of late Mr. Ashwin Choksi.

The Board of Directors elected Mr. Manish Choksi as the Vice-Chairman of the Company with effect from 5th November, 2018.

Further, in accordance with the provisions of Section 161 (4) of the Companies Act, 2013 (hereinafter referred to as the "Act"), the appointment of Mr. Manish Choksi was approved by the shareholders of the Company, with requisite majority, by way of resolution passed through Postal Ballot on 25th February, 2019.

In case of appointment of a Director in casual vacancy, the Director so appointed shall hold office only upto the date upto the Director in whose place he is appointed would have held office, if it had not been vacated.

Accordingly, Mr. Manish Choksi holds office upto the date of this AGM.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a member proposing the appointment of Mr. Manish Choksi as a Director.

Relevant details relating to appointment of Mr. Manish Choksi, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") are provided in the "Annexure" to the Notice.

In the opinion of the Nomination & Remuneration Committee and the Board of Directors of the Company, the appointment of Mr. Manish Choksi on the Board would be beneficial to the overall functioning of the Company considering his vast experience in the Company and knowledge of its businesses.

Mr. Manish Choksi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as Director of the Company.

Other than Mr. Manish Choksi and his relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, except to the extent of their shareholding, in the proposed Ordinary Resolution as set out in Resolution No. 5 of this Notice.

The Board of Directors propose the appointment of Mr. Manish Choksi as Non-Executive Director and recommend the Resolution No. 5 for the approval of the shareholders.

Resolution No.6:

Mr. Ashwin Dani, Non – Executive Chairman of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible seeks re – appointment under Item No. 3 of this Notice.

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, notified on 9th May, 2018, with effect from 1st April, 2019, consent of the Shareholders by way of Special Resolution shall be required for appointment or continuation of directorship of the Non-Executive Directors of the Company who have attained the age of 75 years.

Mr. Ashwin Dani, Chairman and Non - Executive Director of the Company, having attained the prescribed age limit, Special Resolution is proposed for approval by the Shareholders of the Company.

The Shareholders had earlier approved the continuation of directorship of Mr. Ashwin Dani beyond 75 years of age by passing a Special Resolution with requisite majority through Postal Ballot on 25th February, 2019.

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In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, considering his seniority, role played by Mr. Ashwin Dani towards the growth of this Company and to reap the benefits of his rich and varied experience, approval of shareholders is sought for continuation of Mr. Ashwin Dani as a Non-Executive Director, liable to retire by rotation as set out at Resolution No. 6 of the Notice.

Relevant details relating to continuation of Directorship of Mr. Ashwin Dani, including his profile, as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

Mr. Ashwin Dani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has consented to act as Director of the Company.

Other than Mr. Ashwin Dani, Mr. Malav Dani and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, except to the extent of their shareholding, in the proposed Special Resolution as set out in Resolution No. 6 of this Notice.

The Board of Directors propose the continuation of Mr. Ashwin Dani as Non-Executive Director and recommend the Resolution No. 6 for the approval of the shareholders.

Resolution No. 7 & 8:

The term of appointment of Mr. KBS Anand as the Managing Director & CEO ended on 31st March, 2020 and consequently he ceased to be a Director of the Company. The Board of Directors at their meeting held on 28th March, 2020 based on recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Amit Syngle as an Additional Director on Board of Directors of the Company with effect from 1st April, 2020 in terms of Sections 152, 161 and other applicable provisions, if any, of the Act and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), to hold office up to the date of the ensuing Annual General Meeting (AGM) of the Company and subject to approval of the shareholders of the Company.

At the aforesaid meeting, the Board of Directors, based on recommendations of the Nomination and Remuneration Committee, appointed Mr. Amit Syngle as the Managing Director & CEO of the Company for a period of three (3) years with effect from 1st April, 2020 to 31st March, 2023, not liable to retire by rotation in terms of Sections 149, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Act and Rules made thereunder and applicable provisions of Listing Regulations, subject to

the approval of the shareholders at the ensuing Annual General Meeting.

The Company has received notice pursuant to Section 160 of the Act from a member proposing the appointment of Mr. Amit Syngle as a Director

The other terms and conditions as to the appointment of Mr. Amit Syngle are, *inter alia*, and briefly mentioned as under:

1. Mr. Amit Syngle shall manage the business and affairs of the Company and exercise such powers as are vested in him as the Managing Director & CEO, subject to, supervision and control of the Board of Directors, 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 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 endeavor 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 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. Subject to the provisions of the Act, 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.
5. Notwithstanding, the fact that the Managing Director & CEO was appointed as a Director, forthwith upon termination of his agreement as the Managing Director & CEO, for any reasons whatsoever, he shall be deemed to have vacated his office as a Director in accordance with the provisions of Section 164 and 167 of the Act, read with Rules issued thereunder.
6. The Agreement may be terminated by the Managing Director & CEO or the Company by giving, not less than 6 (six) calendar months' notice in writing. The Company shall be entitled to terminate the

employment agreement forthwith at any time by paying him 6 (six) months' basic salary in lieu of such notice.

7. 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 Act 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 Act and/or the rules and regulations made thereunder and/or such guidelines as may be notified by the regulatory authorities from time to time.

Mr. Amit Syngle has furnished the consents/declarations for his appointment as required under the Act, Rules and Listing Regulations. He satisfies all the conditions as set out in Part I of Schedule V and also under Section 196 of the Act 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 Act.

Other than Mr. Amit Syngle, none of the other Directors, Key Managerial Personnel or their relatives are interested or concerned in the proposed Resolutions at Item No. 7 and 8 of this Notice. Mr. Amit Syngle is also interested in the resolution to the extent of his shareholding in the Company. Relatives of Mr. Amit Syngle may be deemed to be interested in the said resolution, to the extent of their shareholding in the Company, if any.

Relevant details relating to appointment of Mr. Amit Syngle as the Managing Director & CEO including his profile as required by the Act, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, the appointment of Mr. Amit Syngle on the Board is in the best interest of the Company, considering his experience and expertise in the Company's businesses and the knowledge of general business management.

The Board of Directors propose and recommend the appointment of Mr. Amit Syngle as Managing Director &

CEO of the Company, not liable to retire by rotation and recommends the Resolution Nos. 7 and 8 for approval of shareholders of the Company.

Resolution No. 9:

The Board of Directors at its meeting held on 23rd June, 2020, on the recommendations of the Audit Committee, had approved the appointment and remuneration of 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, 2021, at a remuneration not exceeding ₹ 8 Lakhs (Rupees Eight Lakhs only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

M/s. RA & Co., Cost Accountants (Firm Registration No. 000242) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company for the financial year ending 31st March, 2021.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Ordinary Resolution as set out at Item No. 9 of the Notice.

The Board recommends the Resolution as set out at Item No. 9 of the Notice for approval by the members.

For **Asian Paints Limited**

R J Jeyamurugan
CFO & Company Secretary

23rd June, 2020

Registered Office:

6A, Shantinagar, Santacruz (E), Mumbai - 400 055

Annexure

Name of the Director(s)	Ashwin Dani (DIN: 00009126)	Amrita Vakil (DIN: 00170725)
Age (Years)	77	39
Experience and Qualifications	Ashwin Dani holds a - Bachelors' degree in Science (Hons) - Bachelors' degree in Paint Technology (ICT, formerly UDCT) - Masters' degree in Polymer Science (University of Akron, USA) Ashwin Dani started his career in 1967, as a Development Chemist with Inmont Corp, (an Industrial Coatings manufacturer now known as BASF) Detroit USA. He joined Asian Paints as a Senior Executive in 1968 and moved through successive senior positions like Director - R&D, Works Director and Whole - time Director. He served as Vice-Chairman and Managing Director from December, 1997 to March, 2009 and presently holds the position of Non-Executive Chairman of the Company. At Asian Paints, Ashwin Dani has been responsible for the development and introduction of many new products for the first time in India. He pioneered the idea of Computerised Colour matching in the Indian industry. This concept is now widely used across industries in the field of paints, plastics, printing inks and textiles. He was also instrumental in setting up the 50:50 Joint Venture between Asian Paints Limited and PPG Industries, Inc. USA (the world's second largest paint company). He was the founder Director on the Board of the first joint venture company with PPG Inc, PPG Asian Paints Private Limited, which is currently in its 23rd year of operations. Ashwin Dani is a technocrat and drives strong focus on Research and Development initiatives in line with consumer requirements within the Company. His knowledge of the business environment and vast experience in general management has been an asset to the Company. He is passionate about developing talent in the Company and was instrumental in introducing a large number of management graduates across all fields in the Company. He was the founder promoter for Loctite India Private Limited which is now Henkel Adhesive Technologies India Private Limited. Throughout his career, he has been associated with various government and trade bodies like the President's Advisory Council of The University of Akron, Akron, Ohio, USA, The Central Board of Trustees – Employees Provident Fund of the Government of India, Vice President of the Federation of Indian Chambers of Commerce and Industry (FICCI), Board of Governors of the U.D.C.T. (Currently Institute of Chemical Technology) Alumni Association, Board of Management of Institute of Chemical Technology, Mumbai. Ashwin Dani is the recipient of several awards and recognitions for his work. To name a few, the B. Krishnamurthy Award of Excellence' by The Hyderabad Management Association and Centre for Organisational Development in September, 2017, 'Businessman of the Year' award in 2015 by Business India magazine, Lifetime Achievement Award' by Indian Paint Association (IPA) in 2011, 'Achiever of the year award – chemical industry' by the Chemtech foundation in 2003, Ernst & Young Entrepreneur of the year award in the 'Manufacturing' category in November 2003 and the Cheminor Award from the Indian Institute of Materials Management for excellence in Supply Chain in 2002. He has held Independent Directorships on the Board of several leading listed Indian companies and was the Managing Trustee of Light on Yoga Research Trust founded by renowned Yoga Acharya Shri BKS Iyengar.	Ms. Amrita Vakil holds a Bachelor 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 the year 2003 in the Human Resource department and was responsible for end-to-end training of the Executives cadre of the Company. She was also instrumental in the launch of employees' intranet portal of Asian Paints Limited. In the year 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 (five) 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. Ms. Amrita Vakil is also an avid angel investor with particular interest in investing in start-ups.

Name of the Director(s)	Ashwin Dani (DIN: 00009126)	Amrita Vakil (DIN: 00170725)
Expertise in specific Functional area	Ashwin Dani has worked and developed expertise across all functions within the Company including Research & Technology, Sales & Marketing, Strategy, Supply Chain Management and Business Management besides being one of the best paint technocrats in the country.	Sales & Marketing, Human Resources, General Management and Finance.
Date of first appointment on the Board	26 th June, 2009 (as Non-Executive Director)	14 th May, 2014
Shareholding in the Company as on 31 st March, 2020	11,24,870 equity shares of the face value of ₹ 1 each	25,66,680 equity shares of the face value of ₹ 1 each
Terms and conditions of re-appointment	Non – Executive Director liable to retire by rotation	Non-Executive Director liable to retire by rotation
Details of remuneration last drawn (₹) (FY 2019-20)	43,25,000 (includes Sitting fees and commission, as per the approval of the Shareholders)	29,30,000 (includes Sitting fees and commission, as per the approval of the Shareholders)
Details of proposed remuneration	Sitting fees and commission in accordance with the provisions of law.	Sitting fees and commission in accordance with the provisions of law.
Inter-se relationships between		
• Directors	Father of Mr. Malav Dani	Niece of Mr. Abhay Vakil
• Key Managerial Personnel	NA	NA
Number of meetings of the Board attended during the financial year 2019 – 20	7 of 7	7 of 7
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company as on date	Nil	- Member of Stakeholders Relationship Committee - Member of Corporate Social Responsibility Committee
Other companies in which he/she is a Director excluding Directorship in Private and Section 8 companies as on 31 st March, 2020	- Hitech Corporation Limited - Resins and Plastics Limited - Gujarat Organics Limited	- Elcid Investments Limited - Suptaswar Investments and Trading Company Limited - Murahar Investments and Trading Company Limited
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of other companies in which he/she is a Director excluding Private and Section 8 companies as on 31 st March, 2020	Hitech Corporation Limited: - Chairman of Stakeholders Relationship Committee - Member of Nomination and Remuneration Committee Resins and Plastics Limited: - Member of Nomination and Remuneration Committee - Member of Stakeholders Relationship Committee	Nil

Annexure (Contd.)

Name of the Director	Manish Choksi (DIN: 00026496)	Amit Syngle (DIN: 07232566)
Age (Years)	52	54
Experience and Qualifications	Mr. Manish Choksi holds a Bachelor of Chemical Engineering degree from University of Houston, USA and MBA with specialization in Entrepreneurial Management and MIS from University of Houston, USA. He joined Asian Paints Limited in the year 1992 as an Executive and has grown in ranks by holding various positions across Sales, Information Technology, Supply Chain, Chemicals, International Business and HR functions of the Company. Before being inducted as the Non-Executive Director on the Board of Directors of the Company, he held the position of President-International Business, IT, HR and Chemicals. He was a member of the Executive Council of Asian Paints group and reported to the Managing Director & CEO of the Company. Mr. Manish Choksi spearheaded the Information Technology function of the Company and has been instrumental in leveraging IT solutions across the extended enterprise and achieving improved business performance. He was also the head of the International Business of the Company and has led the Company's efforts in expansion of its emerging markets portfolio. He has been a catalyst for the Company's foray into Home Improvement businesses. Mr. Manish Choksi has significantly contributed in achieving the Company's growth plans and more particularly in the critical areas of implementation of Supply Chain Management solutions. He played an active role in restructuring the Joint Venture companies of the Company with PPG Industries Inc., USA. A leader in the IT community and the past Chairman of INDUS, a 1100+ company network of SAP users. He has been on the advisory boards of IBMs Collaboration business, the Asia Pacific Executive Advisory Board of SAP APAC, member of the Global Chemical Executive Advisory Board of SAP SE and a member of SUGEN, a global executive network of the all SAP user groups worldwide. He is an active angel investor with particular interest in investing in companies that champion cross leverage of physical and ecommerce models with a focus on consumers and data / analytics.	Mr. Amit Syngle holds a BE – Mechanical degree from Panjab Engineering College and has done MBA from CBM Panjab University. He has been working with Asian Paints for the last 30 years in various capacities across Sales, Marketing, Supply Chain & Research and Technology. He joined the Company as a Management Graduate and initially spent eight years in Sales and headed the North and Central parts of the country. He went on to spearhead the Kasna Plant in North India where he ushered new age Manufacturing excellence and big reforms in the IR environment. In 2001 he donned the mantle of General Manager - Marketing and gave the brand Asian Paints a modern, contemporary but yet a very Indian emotional identity. He soon headed the Sales & Marketing for the Decorative Business as Vice President. He became the President in 2012 and was responsible for not only the Sales & Marketing at Asian Paints but also headed the Research & Technology function across the organization where he ushered a huge culture of Innovation, which has seen more than 90 Innovative launches over the last 7 years. He has been the Chief Operating Officer (COO) for the last two years, heading the Indian Decorative business of more than US\$ 2.5 billion. As part of this business he headed Supply Chain, Sales & Marketing and Research & Technology areas as well. In addition, he also spearheaded the newly acquired businesses of Kitchens and Bath spaces in the Home Improvement venture of Asian Paints. He has been a fast tracker and has been responsible for propelling the Asian Paints brand into a league of its own and has been the principal force for heralding the brand in the home space. He has initiated a lot of new initiatives and innovation platforms to grow the business over the last decade which has catapulted the company into exponential growths over the last 18 years. He is closely associated with colour, decor and design and is the so called 'Gamechanger' for bringing Colour & Retailing into the AP strategy. He is also a member of the Colour Marketing Group (CMG), USA and has been honored with various awards by the Indian and International Marketing fraternity.

Name of the Director	Manish Choksi (DIN: 00026496)	Amit Syngle (DIN: 07232566)
Expertise in specific Functional area	All functions of the Company including Sales, Supply Chain Management, Information Technology, International Business, Human Resources, Finance, General Management and other technical skills.	All functions of the Company including Sales & Marketing, Research & Technology, Strategy, Supply Chain Management, Finance, General Management and other technical skills.
Date of first appointment on the Board	22 nd October, 2018	1 st April, 2020
Shareholding in the Company as on 31st March, 2020	23,81,040 equity shares of the face value of ₹ 1 each	600 equity shares of the face value of ₹ 1 each
Terms and conditions of appointment	Vice Chairman / Non-Executive Director liable to retire by rotation	As mentioned in the Notice and explanatory statement
Details of remuneration last drawn (₹) (FY 2019-20)	33,50,000 (includes Sitting fees and commission, as per the approval of the Shareholders)	5,71,78,238 (as the Chief Operating Officer of the Company)
Details of proposed remuneration	Sitting fees and commission in accordance with the provisions of law.	As mentioned in the Notice and explanatory statement
Inter-se relationships between		
• Directors	Cousin of Mr. Jigish Choksi	NA
• Key Managerial Personnel	NA	NA
Number of meetings of the Board attended during the financial year 2019 – 20	7 of 7	Appointment is w.e.f. 1 st April, 2020
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company as on date	Member of Nomination and Remuneration Committee	• Member of Risk Management Committee • Member of Stakeholders Relationship Committee • Member of Corporate Social Responsibility Committee
Other Companies in which he is a Director excluding Directorship in Private and Section 8 Companies as on 31st March, 2020	• NRB Industrial Bearings Limited • Asian Paints Industrial Coatings Limited • Ricinash Oil Mill Limited • MSL Driveline Systems Limited • ELF Trading and Chemical Manufacturing Limited	• Asian Paints Industrial Coatings Limited • Sleek International Private Limited (He ceased to be director of both the Companies effective from 31 st March, 2020)
Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of other companies in which he is a Director excluding Private and Section 8 Companies as on 31st March, 2020	NRB Industrial Bearings Limited • Chairman, Audit Committee • Member, Stakeholders Relationship Committee • Member, Nomination and Remuneration Committee MSL Driveline Systems • Member, Audit Committee • Member, Nomination and Remuneration Committee • Member, Corporate Social Responsibility Committee	NA

Board's Report

Dear Members,

The Board of Directors are pleased to present the Seventy-Fourth Annual Report of Asian Paints Limited along with the audited financial statements (standalone and consolidated) for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2020 is summarized below:

	Standalone			Consolidated		
	Year ended 31.03.2020	Year ended 31.03.2019*	Growth (%)	Year ended 31.03.2020	Year ended 31.03.2019*	Growth (%)
Revenue from Operations*	17,194.09	16,391.78	4.9%	20,211.25	19,248.45	5.0%
Earning Before Interest, Taxes, Depreciation and Amortisation	4,214.58	3,789.62	11.2%	4,466.08	3,998.58	11.7%
Less : Finance Cost	78.38	78.60		102.33	105.27	
Less : Depreciation and Amortisation Expense	689.97	540.77		780.50	622.14	
Profit for the period before share of profit in associate	3,446.23	3,170.25	8.7%	3,583.25	3,271.17	9.5%
Share of profit of Associate	-	-		50.74	40.73	
Profit before exceptional items & tax	3,446.23	3,170.25	8.7%	3,633.99	3,311.90	
Exceptional Items**	33.20	-		-	-	
Profit Before Tax	3,413.03	3,170.25	7.7%	3,633.99	3,311.90	9.7%
Less : Tax Expense	759.08	1,038.08		854.85	1,098.06	
Profit for the period from continuing operations	2,653.95	2,132.17	24.5%	2,779.14	2,213.84	25.5%
Profit before tax from discontinued operations	-	-		(5.73)	(7.28)	
Tax expense of discontinued operations	-	-		(0.78)	(1.48)	
Profit for the period from discontinued operations	-	-		(4.95)	(5.80)	
Profit for the period	2,653.95	2,132.17	24.5%	2,774.19	2,208.04	25.6%
Attributable to:						
Shareholders of the Company	2,653.95	2,132.17	24.5%	2,705.17	2,155.92	25.5%
Non Controlling Interest	-	-		69.02	52.12	
Other Comprehensive Income (net of tax)	50.40	(18.18)		58.31	(13.76)	
Total Comprehensive Income	2,704.35	2,113.99	27.9%	2,832.50	2,194.28	29.1%
Attributable to:						
Shareholders of the company	2,704.35	2,113.99	27.9%	2,755.61	2,132.97	29.2%
Non-Controlling Interest	-	-		76.89	61.31	
Opening balance in Retained Earnings	4,424.53	3,345.90		4,604.60	3,502.31	
Amount available for Appropriation	7,068.66	5,451.71		7,299.35	5,632.52	
Dividend – Interim - FY 2019-20	1,007.16	-		1,007.16	-	
Interim - FY 2018-19	-	273.37		-	273.37	
Final- FY 2018-19	733.79	-		733.79	-	
Final- FY 2017-18	-	580.31		-	580.31	
Tax on Dividend	353.07	173.50		353.07	173.50	
Transfer to General Reserve	-	-		-	-	
Transfer to Other Reserve	-	-		0.69	0.74	
Closing balance in Retained Earnings	4,974.64	4,424.53		5,204.64	4,604.60	

* Restated figures after adjusting for retrospective application of Ind AS 116 - Leases.

**Comprise of impairment provision towards investment made in Slek International Private Limited & Maxbhum Developers Limited of ₹ 29.7 crores and ₹ 3.5 crores respectively.

COMPANY PERFORMANCE OVERVIEW

During the financial year 2019-20:

- During the financial year 2019-20, revenue from operations on standalone basis increased to ₹ 17,194.09 crores as against ₹ 16,391.78 crores in the previous year – a growth of 4.9%.
- Even with the loss of sales in the last fortnight of March, 2020, the Company managed to end the year with a double digit volume growth of 11.2% for domestic decorative business. Against this double digit volume growth for the year, the value growth was in single digit as we continue to focus on growing the bottom of the pyramid with concentrated push on the upgradation of emulsions as well as large undercoats market.
- Cost of goods sold as a percentage to revenue from operations decreased to 55.3 % as against 57.4% in the previous year.
- Employee cost as a percentage to revenue from operations increased to 5.7% (₹ 985.43 crores) against 5.5% (₹ 900.14 crores) in the previous year.
- Other expense as a percentage to revenue from operations increased to 16.6% (₹ 2,845.44 crores) as against 15.7% (₹ 2,576.21 crores) in the previous year.
- The Company has contributed ₹ 25 Crores towards COVID-19 pandemic related relief activities.
- The Profit After Tax for the current year is ₹ 2,653.95 crores against ₹ 2,132.17 crores in the previous year – a growth of 24.5%. Higher growth was due to reduction in tax rate during the year.
- On a consolidated basis, the group achieved revenue of ₹ 20,211.25 crores as against ₹ 19,248.45 crores – a growth of 5.0%. Net profit after non-controlling interest for the group for the current year is ₹ 2,705.17 crores as against ₹ 2,155.92 crores in the previous year – a growth of 25.5%.

IMPACT OF COVID-19

The country witnessed lockdown being implemented in India in the second fortnight of March 2020. There were also restrictions of varying extent across larger part of the world, due to the COVID-19 pandemic. This impacted the business operations of the Company significantly. Since May 2020, the Company started resuming operations in its manufacturing plants and warehouses after taking requisite permissions from Government authorities.

By staying true to its purpose and its values, the top-most priority for the Company was to ensure the safety of its employees. The Company has taken several measures to ensure their well-being including leveraging the power of technology to enable them to work from home. For

those employees who are working in sales offices and manufacturing locations, their safety is being ensured by stringent use of protective gear, abiding by social distancing norms and taking all safety precautions.

Standing by its core commitment, the Company is navigating through these unprecedented times by building stronger and deeper relationships with consumers and its partners. The Company is supporting various Government Initiatives and helping communities around to fight the pandemic.

Detailed information on the same has been included under the Management Discussion & Analysis report forming part of this Annual Report.

TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the year ended 31st March, 2020.

DIVIDEND

During the year under review, the Company paid to its shareholders:

- First interim dividend of ₹ 3.35 (Rupees three and paise thirty-five only) (335%) per equity share of the face value of ₹ 1 (Rupee one only) each in the month of November, 2019; and
- Second interim dividend of ₹ 7.15 (Rupee seven and paise fifteen only) (715%) per equity share of the face value of ₹ 1 (Rupee one only) each in the month of March, 2020.

The Board of Directors at their meeting held on 23rd June, 2020 has recommended payment of ₹ 1.50 (Rupees one & paise fifty only) per equity share of the face value of ₹ 1 (Rupee one only) each as final dividend for the financial year ended 31st March, 2020. The payout is expected to be ₹ 143.88 crores (Rupees one hundred forty three crores and eighty eight lakhs). The payment of final dividend is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting (AGM).

If approved, the total dividend (interim and final dividend) for the financial year 2019 – 20 will be ₹ 12 (Rupees Twelve only) per equity share of the face value of ₹ 1 each (Rupee one only) [Dividend payout for the FY 2019-20 totals to ₹ 1,151.04 crores (Rupees one thousand one hundred fifty one crores and four lakhs)] as against the total dividend of ₹ 10.50 (Rupees ten and paise fifty only) per equity share of the face value of ₹ 1 each (Rupee one only) paid for the previous financial year 2018-19 [Dividend payout for the FY 2018-19 totals to ₹ 1007.16 crores (Rupees One Thousand and Seven Crores and Sixteen Lakhs)].

Board's Report (Contd.)

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy of the Company is set out as Annexure [A] and is also uploaded on the Company's website: <https://www.asianpaints.com/more/investors/policies-programs.html>.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the "IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF during the FY 2019-20 and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of Corporate Governance report forming part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

SUBSIDIARIES & ASSOCIATE COMPANIES Financial Performance

The Management Discussion and Analysis report forming part of the Annual Report provides a detail overview of the operations of the subsidiaries of the Company.

A statement containing the salient features of financial statements of subsidiaries/joint venture companies of the Company in the prescribed Form AOC – 1 forms a part of Consolidated Financial Statements (hereinafter referred to as "CFS") in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rules.

In accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and the financial statements of each of the subsidiary and associate companies, are available on our website, www.asianpaints.com

The Company's Policy for determining material subsidiaries may be accessed on the website of the Company at <https://www.asianpaints.com/more/investors/policies-programs.html>.

The Company does not have a material subsidiary.

During the year under review:

- a. The Board of Directors of the Company at their meeting held on 22nd January, 2020, approved the Scheme of Amalgamation of Reno Chemicals Pharmaceuticals & Cosmetics Private Limited (Reno), wholly owned subsidiary of the Company with the Company, subject to necessary statutory and regulatory approvals, including approval of the National Company Law Tribunal, Mumbai.

The proposed Amalgamation is, *inter alia*, to maintain a simple corporate structure, eliminate duplicate corporate procedures and reduce multiplicity of legal and regulatory compliances between both the companies.

There is no consideration involved as the entire share capital of Reno is held by the Company along with its nominees. The appointed date for the Scheme of Amalgamation is 1st April, 2019 or such other date as may be approved by the National Company Law Tribunal (NCLT) and the Scheme shall be effective from the last date of receipt of all approvals, permissions as may be required or filing of necessary certified copies of Orders under the applicable section(s) of the Act with the Registrar of Companies, Maharashtra at Mumbai.

The NCLT vide its Orders dated 22nd April, 2020 and 27th April, 2020, *inter alia* admitted the Scheme of Amalgamation.

- b. Asian Paints International Private Limited, Singapore (APIPL), wholly owned subsidiary of the Company divested its entire stake in Berger Paints Singapore Pte Limited, Singapore (BPS), wholly owned subsidiary of APIPL to Omega Property Investments Pty Ltd, Australia, for a consideration of approx ₹ 20.81 crores (Rupees twenty crores and eighty one lakhs) on 17th September, 2019. BPS had a limited presence in the Singapore coatings market and was not material in overall Company's international operations.

- c. The Company has made an assessment of the recoverable value of investment in its subsidiaries taking into account the past business performance, prevailing business conditions and revised expectations of the future performance. Accordingly, an impairment loss of approximately ₹ 29.70 crores (Rupees twenty nine crores and seventy lakhs) and ₹ 3.50 crores (Rupees three crores and fifty lakhs) have been recognised towards investment in Sleek International Private Limited and Maxbhum Developers Limited (an asset holding Company having land held for sale), respectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Retirement of Mr. KBS Anand as the Managing Director & CEO of the Company

The term of Mr. KBS Anand as the Managing Director and CEO came to an end on 31st March, 2020 and consequently he ceased to be a Director of the Company.

Mr. KBS Anand had joined the Company in the year 1979 and has held various positions in Decorative, Industrial and Chemical business functions of the Company. He was appointed as the Managing Director & CEO of the Company, w.e.f. 1st April, 2012. During his tenure as the Managing Director & CEO, he has transformed the Company from being a Paints' major towards a complete décor solutions provider to help customers create their dream homes.

The Board of Directors place on record their deep sense of gratitude and appreciation for the invaluable contribution rendered by Mr. KBS Anand during his four decades long illustrious career with the Company in many roles and recently as the Managing Director & CEO of the Company for the past eight years.

Appointment of Mr. Amit Syngle as an Additional Director/Managing Director & CEO of the Company

The Board of Directors of the Company at their Meeting held on 28th March, 2020, based on the recommendations of the Nomination and Remuneration Committee of the Board of Directors of the Company, approved the appointment and remuneration of Mr. Amit Syngle as an Additional Director/Managing Director & CEO (Key Managerial Person) of the Company for a period of three years effective from 1st April, 2020 up to 31st March, 2023, subject to the approval of the shareholders at ensuing AGM of the Company.

The Board of Directors recommend the appointment of Mr. Amit Syngle as the Managing Director and CEO of the Company. Mr. Amit Syngle has spent 30 years with the Company and has headed Supply Chain, Sales & Marketing and Research & Technology Functions. In addition, he also spearheaded the newly acquired businesses of the

Kitchens and Bath spaces in the Home Improvement venture of the Company.

Before being appointed as an Additional Director/Managing Director & CEO, Mr. Amit Syngle held the position of Chief Operating Officer of the Company.

He has been appointed as the Key Managerial Personnel of the Company in accordance with Section 203 of the Act, w.e.f. 1st April, 2020.

Appointment of Mr. Manish Choksi as Non-Executive Director of the Company

The Board of Directors of the Company at their meeting held on 22nd October, 2018, based on the recommendations of the Nomination & Remuneration Committee approved the appointment of Mr. Manish Choksi as a Non – Executive Promoter Director, to fill the casual vacancy created on the Board on account of the sad demise of Mr. Ashwin Choksi, erstwhile Chairman. The shareholders had thereafter approved the same.

In terms of sub-section (4) of Section 161 of the Act, Mr. Manish Choksi holds office upto to the date of this AGM.

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, have recommended the appointment of Mr. Manish Choksi as a Non - Executive Director of the Company from the date of ensuing AGM, subject to approval of the shareholders, in terms of Section 152 read with Section 160 of the Act, liable to retire by rotation.

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, Mr. Ashwin Dani and Ms. Amrita Vakil, Non-Executive Directors, are liable to retire by rotation at the ensuing AGM and being eligible have offered themselves for re-appointment.

The Managing Director & CEO and Independent Directors of the Company are not liable to retire by rotation.

Mr. Ashwin Dani, Chairman and Non - Executive Director of the Company, having attained the prescribed age limit of 75 years, Special Resolution is proposed in accordance with Regulation 17(1A) of Listing Regulations for approval by the Shareholders of the Company.

The Shareholders had earlier approved the continuation of directorship of Mr. Ashwin Dani beyond 75 years of age by passing a Special Resolution.

Board's Report (Contd.)

In the opinion of the Nomination & Remuneration Committee and Board of Directors of the Company, considering his seniority, role played by Mr. Ashwin Dani towards the growth of this Company and to reap the benefits of his rich and varied experience, approval of shareholders is sought for continuation of Mr. Ashwin Dani as a Non-Executive Director, liable to retire by rotation.

Declaration of Independence from Independent Directors

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs, Manesar.
- In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

In terms of Regulation 25(9) of the Listing Regulations, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the Listing Regulations by the Independent Directors of the Company.

CHANGE IN KEY MANAGERIAL PERSON

Retirement of Mr. Jayesh Merchant as CFO & Company Secretary, President – Industrial JVs from the Company

Mr. Jayesh Merchant retired from the services of the Company, w.e.f. 26th November, 2019.

Mr. Jayesh Merchant had joined the Company in the year 2002 as Vice President- Finance & Company Secretary. The Board of Directors designated him as the Chief Financial Officer of the Company in 2006. Since, November, 2012, he also headed the Industrial businesses of the Company operated in India, through two joint ventures companies with PPG Inc., USA.

The Board places on record its appreciation of the contribution of Mr. Jayesh Merchant during his association with the Company.

Appointment of Mr. R J Jeyamurugan as the CFO & Company Secretary of the Company

Mr. R J Jeyamurugan was appointed as the CFO & Company Secretary of the Company, w.e.f. 27th November, 2019.

Mr. R J Jeyamurugan is an associate member of the Institute of Chartered Accountants of India (ICAI) and the Institute of Company Secretaries of India (ICSI). He joined the Company in the year 1991. He has considerable experience in the areas of finance, accounts, secretarial and taxation matters. He has held important positions in the organization including Assistant Company Secretary during August, 1997 to May, 1999. He heads the Finance, Accounts, Shared Service Centre, Tax, Legal, Secretarial & Investor relations functions of the Company.

Before his appointment as the CFO & Company Secretary, he held the position of Vice President – Finance of the Company. He has also been the Compliance Officer of the Company since May, 2018.

NUMBER OF MEETINGS OF THE BOARD

7 (seven) meetings of the Board of Directors were held during the financial year 2019 – 20. The details of the meetings of the Board of Directors of the Company convened and attended by the Directors during the financial year 2019-20 are given in the Corporate Governance Report which forms part of this Annual Report.

NOMINATION AND REMUNERATION POLICY

The salient features of the Nomination and Remuneration Policy of the Company are set out in the Corporate Governance Report which forms part of this Annual Report.

The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment & re-appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations.

The Policy is also available on the website of the Company <https://www.asianpaints.com/more/investors/policies-programs.html>.

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of the Company is set out in the Annexure [B] to this report and is also available on the website of the Company (www.asianpaints.com).

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Board formally assesses its own performance based on parameters which, *inter alia*, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters for the performance evaluation of the Directors include contribution made at the Board meeting, attendance, instances of sharing best and next practices, domain knowledge, vision, strategy, engagement with senior management, etc.

The Chairperson(s) of the respective Committees based on feedback received from the Committee members on the outcome of performance evaluation exercise of the Committee, shares a report to the Board.

The Independent Directors at their separate meeting review the performance of: non-independent directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Director and non-executive directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Based on the outcome of the performance evaluation exercise, areas have been identified for the Board to engage itself with and the same would be acted upon.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All new independent directors inducted into the Board are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Directors of the Company state that:

- in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards and Schedule III of the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profits of the Company for the financial year ended 31st March, 2020;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis;
- proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 70th AGM held on 28th June, 2016, to hold office till the conclusion of the 75th AGM.

M/s. Deloitte Haskins & Sells LLP has confirmed that they are not disqualified from continuing as Auditors of the Company.

Board's Report (Contd.)

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year ended 31st March, 2020. The Auditors' Report for the financial year ended 31st March, 2020 on the financial statements of the Company is a part of this Annual Report.

Cost Auditor

The Company has maintained cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act. M/s. R A & Co., Cost Accountants, (Firm Registration No. 000242) carried out the cost audit for applicable businesses during the financial year 2019 - 20.

The Board of Directors of the Company, on the recommendations made by the Audit Committee, have appointed M/s. RA & Co., Cost Accountants, (Firm Registration No. 000242) as the Cost Auditor of the Company to conduct the audit of cost records of certain products for the financial year 2020 - 21. M/s. RA & Co., being eligible, have consented to act as the Cost Auditors of the Company for the FY 2020 - 21.

The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the members of the Company at the ensuing 74th AGM, would not exceed ₹ 8 lakhs (Rupees Eight Lakhs only) excluding taxes and out of pocket expenses, if any.

Secretarial Auditor

The Board of Directors of the Company has appointed Dr. K R Chandratre, Practicing Company Secretary (Certificate of Practice No. 5144), as the Secretarial Auditor to conduct an audit of the secretarial records for the financial year 2020 - 21. The Company has received consent from Dr. K. R. Chandratre to act as the auditor for conducting audit of the secretarial records for the financial year ending 31st March, 2021.

The Secretarial Audit Report for the financial year ended 31st March, 2020 under Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the Annexure [C-1] to this report.

The Secretarial Compliance Report for the financial year ended 31st March, 2020, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations, is set out in Annexure [C-2] to this report. The Secretarial Compliance Report has been voluntarily disclosed as part of Annual Report as good disclosure practice.

The Secretarial Audit Report and/or Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

COMMITTEES

As on 31st March, 2020, the Board has six committees: Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Shareholders Committee.

During the year, all recommendations made by the committees were approved by the Board.

A detailed note on the composition of the Board and its committees is provided in the Corporate governance report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year ended 31st March, 2020, the Company incurred CSR Expenditure of ₹ 74.64 crores (Rupees seventy four crores and sixty four lakhs). The CSR initiatives of the Company were under the thrust area of health & hygiene, education, water management and vocational training. The CSR Policy of the Company is available on the website of the Company at <https://www.asianpaints.com/about-us.html>.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2020, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in Annexure [D] to this report.

The Company has committed ₹ 35 crores towards COVID-19 pandemic related relief activities, out of which ₹ 15 crores was spent as CSR in the FY 2019-20. The contribution was made to the Central as well as other Disaster Relief State funds to combat COVID-19 pandemic.

CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance and a Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on 31st March, 2020 in Form MGT - 9 in accordance with

Section 92 (3) of the Act read with Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.asianpaints.com/more/investors/financial-results.html> and is set out in Annexure [E] to this Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis in terms of provisions of the Act.

The Company's Policy on dealing with and Materiality of Related Party Transactions is available on the website of the Company at <https://www.asianpaints.com/more/investors/policies-programs.html>.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. During the year under review, the Related Policy Framework was suitably amended to give effect to the changes in the relevant provisions of law.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. There are no person(s) or entities forming part of the Promoter(s)/Promoter(s) Group which individually hold 20% or more shareholding in the Company.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 43 to the Standalone Financial Statements of the Company.

The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges. The said disclosures can be accessed on the website of the Company at <https://www.asianpaints.com/more/investors.html>.

Form AOC - 2 pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure [F] to this report.

LOANS AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules,

2014, as on 31st March, 2020, are set out in Note 37(B) to the Standalone Financial Statements of the Company.

RISK MANAGEMENT

The Company operates in a volatile, uncertain, complex and ambiguous (VUCA) world with rapid changes. These changes bring a mix of opportunities and uncertainties impacting the Company's objectives. Risk Management, which aims at managing the impact of these uncertainties, is an integral part of the Company's strategy setting process. The Company regularly identifies these uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact the Company's long-term goals.

The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits.

Mitigation plans to significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

The Company endeavors to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

The Board of Directors of the Company on the recommendation of the Risk Management Committee has developed risk management policy for the Company which articulates the Company's approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives.

VIGIL MECHANISM

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The Company has engaged an agency for managing an 'Ethics Hotline' which can be used to, inter alia, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial / unpublished price sensitive information other than for legitimate purposes, unethical / unfair actions concerning

Board's Report (Contd.)

Company vendors / suppliers, mala-fide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides protection to the directors, employees and business associates who report unethical practices and irregularities.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

The Whistle Blower Policy of the Company can be accessed at website of the Company at <https://www.asianpaints.com/more/investors/policies-programs.html>.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as "Prevention of Sexual Harassment Act"), the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and an Internal Complaints Committee has also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

Complaints of sexual harassment received during the financial year 2019-20 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Internal financial control over financial reporting have been designed to provide reasonable assurance with regards to recording and providing reliable financial information and complying with applicable accounting standards. These controls are reviewed periodically, and the Company continuously tries to automate these controls to increase its reliability.

The Company uses an established ERP system of SAP S/4 HANA to record day to day transactions for accounting and financial reporting. The ERP system is configured to ensure all transactions are integrated seamlessly with the underlying books of account.

During the year, the Company upgraded its core Navision based ERP system to the latest SAP S/4 HANA version for its International business units except subsidiaries in South Pacific. All key internal controls over financial reporting were thoroughly tested along with the core functionalities before migrating to the new system.

The Shared Services Center (SSC) further increased the coverage of digital invoice processing during the year. This has made the process touchless and seamless. Necessary validations built in ensures compliance to statutes and internal policies are adhered to.

The Company has invested in an RPA (Robotic Process Automation) to help in doing the GST reconciliation with the data uploaded by the vendors. This has brought about significant efficiencies and enabled the Company to follow up with the vendors in a timely manner so that GST credits taken are not lost.

The Company has a well-defined and documented delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company has workflows to ensure adherence to the delegation of authority.

The Company has a commercial manual which lays down certain principles and procedures that are to be followed in commercial & purchase contracts transactions across the Company. The SSC verifies the compliance to commercial manual before clearing the payments.

The Company periodically tracks all amendments to Accounting Standards and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. All resultant changes to the policy and impact on financials are disclosed after due validation with the Audit Committee.

Corporate accounts function is actively involved in designing large process changes as well as validating changes to IT systems that have a bearing on the books of account.

The Company gets its Standalone financial statements audited every quarter by its Statutory Auditors. The policies to ensure uniform accounting treatment are prescribed to the subsidiary companies as well. International subsidiaries provide information required for consolidation of accounts in the format prescribed by the Company. The accounts of the subsidiary and joint venture companies are audited and certified by their respective Statutory Auditors for consolidation.

OTHER DISCLOSURES

- a. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-20 and the date of this report;
- b. During the year under the review, there was no change in the nature of business of the Company.

In the beginning of financial year 2020-21, the Company has expanded its health and hygiene segment by the launch of Viroprotek range of hand sanitisers and Surface disinfectants. This was with a view to address the growing requirement of hand and surface sanitizers for increased protection and assist the Government in fighting against the COVID-19 pandemic;

- c. During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014;
- d. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- e. There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future;
- f. The Competition Commission of India has passed a *prima facie* Order dated 14th January, 2020, directing the Director General to cause an investigation against the Company, under the provisions of Section 26(1) of the Competition Act, 2002.

This Order is for initiating an investigation against the Company under the relevant provisions of the Competition Act, but it in no way affects the going concern status of the Company;

- g. The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies. Further the Company doesn't have any holding Company;

- h. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Act;
- i. The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Act read with the Companies (Accounts) Rules, 2014, is set out in the Annexure [G] to this report;
- j. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors;
- k. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- l. The Company has not issued any sweat equity shares to its directors or employees; and
- m. There was no revision of financial statements and Boards report of the Company during the year under review.

APPRECIATION

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Ashwin Dani
Chairman
(DIN: 00009126)

Place: Mumbai
Date : 23rd June, 2020

Annexure (A) to Board's Report

Dividend Distribution Policy of the Company

[Approved by the Board of Directors at their meeting held on 25th October, 2016]

INTRODUCTION

This Policy is called "Asian Paints Limited – Dividend Distribution Policy" (hereinafter referred to as "this Policy") and shall be effective from 25th October, 2016 ("Effective Date").

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Asian Paints Limited (hereinafter referred to as "the Company") is required to frame this Policy.

POLICY

This policy aims at ensuring compliance with the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

The Company would, *inter alia*, consider the following financial parameters and/or internal & external factors before declaring dividend(s) or recommending dividend(s) to the shareholders:

- Current year profits arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder; and/or
- Profits from any of the previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of Section 123 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder;
- Fund requirements to finance the working capital needs of the business;
- Opportunities for investments of the funds of the Company to capture future growth in the industry, e.g. capital expenditure, network expansion, etc;

- Funding requirements for any organic and inorganic growth opportunities to be pursued by the Company;
- Optimal free cash to fund any exigencies, if any;
- Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws.

In case the Board proposes not to distribute the profit; the grounds thereof and information on utilisation of the retained earnings, if any, shall be disclosed to the shareholders in the Board's Report forming part of Annual Report of the Company.

The CFO jointly with the MD & CEO of the Company shall suggest any amount to be declared / recommended as Dividend to the Board of Directors of the Company, taking into account the aforementioned parameters.

Parameters adopted w.r.t. various classes of shares:

The Company has only one class of shares referred to as equity shares of the face value of Re. 1 each, forming part of its Issued, Subscribed and Paid – up share capital.

Dividend (including interim and/or final) would be declared and paid to equity shareholders at the rate fixed by the Board of Directors of the Company. Final dividend proposed by the Board of Directors, if any, would be subject to the approval of the shareholders at the Annual General Meeting.

AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment(s) of any provision of this policy shall be carried out by persons authorized by the Board in this regard.

Annexure (B) to Board's Report

Statement of disclosure of remuneration

[Pursuant to Section 197 of the Companies Act, 2013 ("the Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Remuneration details of Directors and KMP of the Company for the financial year 2019-20 is as follows:

Name	Designation	Remuneration (in ₹)	Ratio of Remuneration to the Median Remuneration *	Percentage Increase/Decrease in the Remuneration
Ashwin Dani	Non-Executive Chairman	43,25,000	4.83	(8.66)
Manish Choksi [@]	Non-Executive Vice Chairman	33,50,000	3.74	NA
Abhay Vakil	Non-Executive Director	37,90,000	4.23	(9.50)
KBS Anand [^] #	Managing Director & CEO	14,40,76,776	160.96	22.02
Malav Dani	Non-Executive Director	30,80,000	3.44	(12.00)
Amrita Vakil	Non-Executive Director	29,30,000	3.27	(8.72)
Jigish Choksi [§]	Non-Executive Director	29,00,000	3.24	NA
Deepak Satwalekar	Independent Director	33,50,000	3.74	(8.97)
S. Sivaram	Independent Director	30,10,000	3.36	(5.05)
M. K. Sharma	Independent Director	36,70,000	4.10	(13.03)
Vibha Paul Rishi	Independent Director	29,00,000	3.24	(11.59)
R. Seshasayee	Independent Director	32,30,000	3.61	(3.00)
Suresh Narayanan [§]	Independent Director	30,20,000	3.37	NA
Pallavi Shroff [§]	Independent Director	28,00,000	3.13	NA
Jayesh Merchant ^{***} (Upto 26 th November, 2019)	CFO & Company Secretary, President - Industrial JVs	5,99,04,432	NA	NA
R J Jeyamurugan ^{**} (w.e.f. 27 th November, 2019)	CFO & Company Secretary	60,57,853	NA	NA

Notes:

- The aforesaid details are calculated on the basis of remuneration for the financial year 2019-20 and include sitting fees paid to Directors during the financial year.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- * Median remuneration for the financial year 2019-20 is ₹ 8,95,096 (Rupees eight lakhs ninety five thousand and ninety six Only).
- [@] Percentage increase/decrease is not reported for the remuneration paid to Mr. Manish Choksi as he was appointed with effect from 22nd October, 2018 i.e. for the part of the financial year 2018-19.
- [^] Mr. KBS Anand retired as Managing Director and CEO w.e.f. 31st March, 2020. Mr. Amit Syngle was appointed as the Additional Director/Managing Director and CEO w.e.f. 1st April, 2020.
- [§] Percentage increase/decrease in remuneration is not reported as they were appointed with effect from 1st April, 2019.
- [#] The remuneration paid to Mr. KBS Anand, ex-Managing Director & CEO of the Company and Mr. Jayesh Merchant, ex-CFO & Company Secretary, President - Industrial JVs of the Company for the FY 2019-20 does not include the amount paid towards Gratuity and Leave Encashment (retiral benefits) of ₹ 6,36,43,454 (Rupees six crores thirty six lakhs forty three thousand and four hundred fifty four only) and ₹ 4,17,71,086 (Rupees four crores seventeen lakhs seventy one thousand and eighty six only), respectively. The total remuneration paid to Mr. K.B. S. Anand and Mr. Jayesh Merchant for the FY 2019-20 including retiral benefits is ₹ 20,77,20,230 (Rupees twenty crores and seventy seven lakhs twenty thousand two hundred and thirty) and ₹ 10,16,75,518 (Rupees ten crores sixteen lakhs seventy five thousand five hundred and eighteen), respectively.
- ^{***}The remuneration paid to Mr. Jayesh Merchant and Mr. R J Jeyamurugan is for part of the year. Accordingly, the percentage increase/decrease in their remuneration and ratio of remuneration to median remuneration is not reported.
- The median remuneration of all employees per annum was ₹ 8,95,096 (Rupees eight lakhs ninety five thousand and ninety six) and ₹ 8,34,376 (Rupees eight lakhs thirty four thousand three hundred and seventy six), for the financial year 2019-20 and 2018-19, respectively. The increase in median remuneration of employees for the financial year 2019-20, as compared to financial year 2018-19, is 7%.
- The average salary of all employees (other than Key Managerial Personnel) per annum was ₹ 13,45,882 (Rupees thirteen lakhs forty five thousand eight hundred and eighty two) and ₹ 12,16,367 (Rupees twelve lakhs sixteen thousand three hundred and sixty seven) for the financial year 2019-20 and 2018-19, respectively. The increase in average salary of employees for the financial year 2019-20, as compared to financial year 2018-19, is 11%.
- The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

Annexure (B) to Board's Report (Contd.)

B. Number of permanent employees on rolls of the Company as on 31st March, 2020:

	No. of employees
Executive/Manager cadre	1,140
Staff	3,969
Operators/Workmen	1,641
Total	6,750

C. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

- D.** The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is available on the website of the Company at <https://www.asianpaints.com/more/investors/financial-results.html>.

Annexure (C-1) to Board's Report

Secretarial Audit Report for the Financial Year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
Asian Paints Limited,
6A, Shantinagar,
Santacruz (East),
Mumbai – 400 055

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asian Paints Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. [There were no Foreign Direct Investment and External Commercial Borrowing transactions in the Company, during the Audit Period];
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).
- (vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
- (a) The Environment (Protection) Act, 1986.
 - (b) Air (Prevention and Control of Pollution) Act, 1981 and Air (Prevention and Control of Pollution) Rules, 1982.
 - (c) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules 1975.

Annexure (C-1) to Board's Report (Contd.)

- (d) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- (e) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Board of Directors of the Company at its meeting held on 22 January, 2020, approved the Scheme of amalgamation of Reno Chemicals Pharmaceuticals & Cosmetics Private Limited ("Transferor Company"), wholly owned subsidiary of the Company with Asian Paints Limited ("Transferee Company") in accordance with the provisions of sections 230 to 232 of the Companies Act, 2013 and other applicable provisions and laws, subject to necessary statutory and regulatory approvals, including approval of the Hon'ble National Company Law Tribunal, Mumbai (NCLT). The matter was heard by the Hon'ble NCLT and along with other procedural orders, dispensed with the meetings of the equity shareholders and creditors of the Transferee Company.

Dr. K. R. Chandratre

FCS No.: 1370, C. P. No.: 5144

UDIN: F001370B000371102

Place: Pune

Date : 23rd June, 2020

Annexure (C-2) to Board's Report

Secretarial compliance report for the Financial Year ended 31st March, 2020

[Pursuant to requirements of Regulation 24A of the Listing Regulation]

I have examined:

- (a) all the documents and records made available to us and explanation provided by Asian Paints Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31 March, 2020** ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Listed Entity during the Review Period);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Listed Entity during the Review Period);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Listed Entity during the Review Period);

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Listed Entity during the Review Period);

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (Not applicable to the Listed Entity during the Review Period);

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) No action has been taken against the listed entity / its promoters / directors / material subsidiaries, if any either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports: - Not applicable

Further, in terms of SEBI circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 in respect of Resignation of statutory auditors from listed entities and their material subsidiaries, the listed entity has suitably modified the terms of appointment of the auditor to give effect to clause 6(A) and 6(B) of the circular.

Dr. K. R. Chandratre

FCS No.: 1370, C. P. No.: 5144

UDIN: F001370B000371124

Place: Pune

Date : 23rd June, 2020

Annexure (D) to Board's Report

Annual Report on Corporate Social Responsibility (CSR) activities

[Pursuant to Section 135 of the Companies Act, 2013]

1. A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web – link to CSR Policy and projects or programs:

Asian Paints' is committed to playing a larger role to bring tangible difference in the lives of communities we work with. The Company has structured interventions in the areas of (i) promoting education, including special education, & livelihood projects to reduce drop-out rates & enhance livelihood (ii) creating employability & enhance dignity of the painter community (iii) enabling access to quality, primary health care services (iv) ensuring environmental sustainability by conserving natural resources with a focus on water conservation, replenishment and recharge.

The Company has formulated a CSR 2025 Vision with a year-on-year implementation roadmap. The programme is poised to achieve breakthroughs and is embedded on the tenets of trust, care and fairness.

The employee volunteering teams are made keeping in mind parameters of empathy, expertise, time and effort. Additionally, activities are also mapped out in terms of the intensity of engagement. For instance, one-time contributions are required for programmes, such as Give India, donation drives, Plogging, among others. Whereas interventions, such as Naya Savera, Me Superhero, Pro-bono volunteering, audio book recordings require more regular and rigorous participation.

Some of the programmes where employees volunteered during the year are as follows:

- Audiobook recording for visually impaired children;
- Participating in a free, online quiz game with multiple choice questions where the more one plays, the more quantities of free rice is donated to families in need;
- A clean-up marathon called Plogging where employees were asked to pick up trash from the streets while jogging; and
- Expressions, an exciting opportunity to work with school children, plan their learning activities and develop scientific academic models.

COVID-19 relief

The outbreak of the COVID-19 pandemic around the world has had a destabilizing impact on business operations. As a responsible and caring Company, we have worked to mitigate the effects of the crisis with agile responses. The Company has committed ₹ 35 crores towards COVID – 19 pandemic related relief activities, out of which ₹ 15 crores was spent as CSR in the FY 2019-20. We are also working with NGOs for distribution of COVID-19 safety kits and other essentials among communities.

A brief overview of the projects undertaken during the year is as follows:

- Promoting education, including special education & livelihood projects to reduce drop-out rates & enhance livelihood

Our academic programmes are designed to improve learning outcomes through various activities focused on digital literacy, learning management system and virtual classes. It includes supporting the basic infrastructure ecosystem to enable quality education. Some of the initiatives undertaken for the cause include: Gyan Shakti programme for school adoption, Naya Savera, Project Udaan for enhancing employability and TABLAB for digital literacy through learning management systems.

- Creating employability & enhance dignity of the painter community

The Company is invested in inclusive growth and believes that everyone should be given a fair chance at a dignified life. Our aim with this endeavour is to hone talents in India, so that the nation may become a hub for outstanding skills in the paint application and other allied trades. We are committed to this mission and are contributing towards upskilling those with an inherent predilection for the work. Our training programmes cover a multitude of subjects, such as designer finishes, emulsions, metal care, mechanisation, water proofing, wood finishes and wallpaper installation. This helps painters connect with lucrative professional opportunities in the industry. Our Colour Academies are equipped with contemporary facilities to provide hands-on experience to the participants. During the year, we initiated upskilling programs for plumbers and carpenters as well.

The skill development programmes undertaken at the Colour Academy impart knowledge and expertise in the following ways:

- Vocational training;
- Technical knowledge distribution;
- Productivity and livelihood; and
- Value creation through impactful people solutions.

(iii) Enabling access to quality, primary health care services

With our integrated healthcare initiatives, we are making primary healthcare accessible for all. We also focus on raising awareness on government schemes and referrals for advance treatment to aid the uninitiated. We launched women's health sensitisation initiatives across locations. Additionally, we are working to elevate living conditions among communities. Under the health and hygiene programme, we are, *inter alia*, running the following projects:

- Static clinics:

In the year under review, we established four static clinics near our manufacturing locations (Mysuru, Patancheru, Kasna, Khandala), in association with Piramal Swasthya. The static clinics address RMNCH+A (reproductive, maternal, newborn and child health + adolescent), non-communicable and communicable diseases, eye-care and general OPD through screening and identification, ante-natal services, post-natal check-ups, awareness on hygiene and dental examinations. The clinic also provides free laboratory examinations for random blood sugar, urine, haemoglobin, malaria, pregnancy. Additionally, eye test for visual acuity, lipid profile, among other concerns are also addressed.

- Mobile Medical Units (MMUs)

Our MMUs help us reach out to communities across Kasna, Rohtak, Patancheru, Sriperumbudur, Vizag, Khandala, Mysuru. In association with HelpAge, we established 6 units across plant locations and one in Visakhapatnam with Piramal Swasthya. Our MMUs provide consultations, free

medicines, basic diagnostics, referral to government hospitals, among others.

- Safar
Safar, one of our healthcare initiatives, is directed towards improving health awareness and medical care facilities among truck drivers.
- (iv) Ensuring environmental sustainability by conserving natural resources with a focus on water conservation, replenishment and recharge

The Company has drafted a Water Vision for itself with an intention to making all our manufacturing locations water secure. The Company is engaged with helping communities around our manufacturing locations to conserve water by developing integrated watershed management.

Some of the interventions undertaken are as follows:

- Installing rooftop rainwater harvesting units and recharge systems in villages and schools;
- Influencing irrigation practices and awareness on conservation of water in the farmer community;
- Recycling and reusing wastewater;
- Identifying water bodies near our locations that need rejuvenating;
- Construction activities to increase capacity for surface water storage; and
- Desilting of surrounding lakes and ponds.

The details of CSR initiatives and the CSR Policy are available on the website of the Company at <https://www.asianpaints.com/about-us.html>.

2. Composition of the CSR Committee:

As on 31st March, 2020, the CSR Committee comprised of Mr. Malav Dani, (Chairman), Mrs. Vibha Paul Rishi, Ms. Amrita Vakil and Mr. K. B. S. Anand. Mr. K. B. S. Anand ceased to be a member of the Committee w.e.f. 31st March, 2020 and Mr. Amit Syngle was appointed as a Member of the Committee w.e.f. 1st April, 2020.

Mr. R J Jeyamurugan acts as Secretary to the CSR Committee.

Annexure (D) to Board's Report (Contd.)

Particulars	₹ in Crores
3. Average Net Profit of the Company for last 3 financial years:	2,875.26
4. Prescribed CSR Expenditure (2% of this amount as in Sr. No. 3 above):	57.51
5. Details of CSR Spent for the financial year 2019-20:	
a. Total amount spent for the financial year:	74.64
b. Amount unspent, if any:	Nil

c. Manner in which the amount spent during the financial year is detailed below:

CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken Local Area, (District, State)	Amount outlay (budget) Project / Programs wise	Amount Spent on the Projects or Programs:		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency **
				1. Direct Expenditure	2. Overheads*		
- School adoption and infrastructural development - Capacity development of teachers and children through digital literacy and behavioral skills training - Development programme for school drop outs - Upgrading of differently abled schools - Providing education to enhance employability skill - Granting scholarships for higher education, etc.	Education	Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District, Chennai), Maharashtra (Khandala, Satara District, Mumbai District, Navi Mumbai District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Rohtak District), Telangana (Patancheru, Medak District), Karnataka (Mysore, Bangalore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district), Himachal Pradesh (Solang), West Bengal (Kolkata)	10.41	10.41	0.00	10.41	Direct and through implementing agency
- Providing primary healthcare support through static clinics and mobile medical units and free medical camps for rural communities - Establishing rehabilitation centres and hospital laboratories - Provisioning ambulances - Implementing sanitation projects - Running awareness programmes for communities on health and hygiene - Facilitating the ongoing programme 'Safar' to improve health and awareness among truck drivers - Providing access to potable water	Health & Hygiene	Maharashtra (Santacruz, Mumbai District, Turbhe, Thane District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Rohtak District), Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District), Telangana (Patancheru, Medak District), Karnataka (Mysore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district)	8.22	8.22	0.00	8.22	Direct and through implementing agency
- Disaster Relief & Rehabilitation Support - Contribution to various State Disaster Management Authorities & PM CARES Fund to combat the COVID-19 pandemic	Disaster Management	Odisha, Assam, Bihar, Karnataka, Telangana, Tamil Nadu, Maharashtra (Kolhapur, Sangli & Satara district), Pan India (For PM CARES)	15.96 [#]	15.96 [#]	0.00	15.96 [#]	Direct and through implementing agency

₹ in Crores

CSR projects / Activities	Sector in which the Project is covered	Location where project is undertaken Local Area, (District, State)	Amount outlay (budget) Project / Programs wise	Amount Spent on the Projects or Programs:		Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency **
				1. Direct Expenditure	2. Overheads*		
• Skilling and vocational training • Technical knowledge distribution • Productivity and livelihood enhancement for dignified living	Vocational Training Program	Maharashtra (Mumbai, Nagpur, Aurangabad & Pune District), Karnataka (Bengaluru District), Telangana (Hyderabad District), Tamil Nadu (Chennai & Madurai District), West Bengal (Kolkata & Burdwan District), Gujarat (Ahmedabad District), Uttar Pradesh (Lucknow, Varanasi, Kanpur, Ghaziabad, Gorakhpur & Agra District), Madhya Pradesh (Jabalpur & Bhopal District), Rajasthan (Jaipur District), Punjab (Ludhiana District), Kerala (Kozhikode District), Odisha (Bhubaneswar District), Uttaraanchal (Dehradun District), Delhi, Chandigarh and Jammu & Kashmir	29.80	26.07	3.73	29.80	Direct
• Promoting integrated watershed development in areas around our manufacturing locations including desilting lakes and installing rooftop rainwater harvesting units and recharge systems in villages and schools	Water	Maharashtra (Khandala, Satara District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Rohtak District), Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District), Telangana (Patancheru, Medak, Ranga Reddy District), Karnataka (Mysore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district)	10.25	10.25	0.00	10.25	Direct and through implementing agency
TOTAL			74.64	70.90	3.73	74.64	

Notes:

- * The amount of overheads is restricted to 5% of total CSR spend for the FY 19-20. Total CSR overheads incurred by the Company during FY 19-20 is ₹ 6.29 crores. Total CSR cost including uncapped overheads for FY 19-20 is ₹ 77.19 crores.
- * Includes ₹15 Crores as contribution by the Company to Central & State Government towards COVID-19 which qualify as CSR expenses, sanctioned by the Board in March, 2020.
- ** Details of the Implementing agencies: Aarambh, Ace Education Trust, ActionAid Association, Aga Khan Rural Support Programme, Akash Ganga Trust, Ambuja Cement Foundation, Ankleshwar Industrial Development Society (AIDS), Bosconet, Child Survival India, Deepalaya, DHAN (DEVELOPMENT OF HUMAN ACTION) FOUNDATION, Empower Foundation, Enable advisory – Pahal, Forum for Organised Resource Conservation and Enhancement (FORCE), Hand in Hand India, Head Held High Foundation, HelpAge India, Isha Foundation, Janseva Charitable Trust, JSS Mahavidyalaya Polytechnic, K.M. SANTHANAM EDUCATIONAL TRUST, Kaka-Ba and Kala Budh Public Charitable Trust, Ladli Foundation Trust, Learning Links Foundation, National Agro Foundation (NAF), NIIT Foundation, Piramal Swasthya Management and Research Institute, PM CARES Fund, Pratham Education Foundation, Sevalaya, Smart Andhra Pradesh Foundation, Sri Lakshmi Hayagriva Trust, Subedar Mulla Reddy Association for Needy (SMARAN), Vanarai Foundation, World Vision India, Grassroots research and advocacy movement (GRAAM), Karnataka State Disaster Management Authority, Telangana State Disaster Management Authority, Tamil Nadu State Disaster Management Authority.

6. The CSR Committee confirms that the implementation and monitoring of the CSR activities is in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the CSR Committee

Malav Dani
Chairman
CSR Committee
(DIN: 01184336)

Amit Syngle
Managing Director & CEO
(DIN: 07232566)

Place : Mumbai
Date : 23rd June, 2020

Annexure (E) to Board's Report

Extract of Annual Return in Form MGT-9 as at 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I Registration and Other Details

i)	CIN	L24220MH1945PLC004598
ii)	Registration Date	24 th October, 1945
iii)	Name of the Company	Asian Paints Limited
iv)	Category / Sub Category of the Company	Public Company / Limited by shares / Company having share capital
v)	Address of the Registered Office and Contact Details	Asian Paints Limited 6A, Shantinagar, Santacruz (East), Mumbai – 400 055 Maharashtra, India. Tel No.: (022) 6218 1000 Email: investor.relations@asianpaints.com Website: www.asianpaints.com

vi)	Whether shares listed on recognized Stock Exchange(s)	Yes
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Details of the Stock Exchanges where shares are listed:

Sr. No.	Stock Exchange(s)	Stock Code(s)
1.	BSE Limited (BSE)	500820
2.	The National Stock Exchange of India Limited (NSE)	ASIANPAINT

vii) Name and Address of Registrar & Transfer Agent (RTA)

Name	TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited)
Address	6, Haji Moosa Patrawala Industrial Estate, Near Famous Studio 20, Dr. E Moses Road, Mahalaxmi
Town/City	Mumbai
State	Maharashtra
Pin Code	400 011
Telephone with STD Area Code Number	(022) 6656 8484
Toll Free Number	1800 2100 124
Fax Number	(022) 6656 8494
Email Address	csg-unit@tsrdarashaw.com

II Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main Products/Services	NIC of the Product/Service	% to total turnover of the Company
1.	Paints, Varnishes, Enamels or Lacquers	20221	98.32

III Particulars of Holding, Subsidiary and Associate companies

[No. of companies for which information is being filled] – 26

Sr. No.	Name and address of the Company	Corporate Identity Number/ Global Location Number	Subsidiary/ Associate	% of shares held	Applicable Sections of Companies Act, 2013
1.	Asian Paints Industrial Coatings Limited 6A, Shantinagar, Santacruz (East), Mumbai–400055, Maharashtra, India	U24220MH2001PLC133523	Subsidiary	100	2(87)
2.	Reno Chemicals Pharmaceuticals and Cosmetics Private Limited* 6B, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India	U24110MH1972PTC015839	Subsidiary	100	2(87)
3.	Maxbhumi Developers Limited Plot No. 5, Gaiwadi Industrial Estate, S.V. Road, Goregaon (West), Mumbai - 400062, Maharashtra, India	U45400MH2007PLC175925	Subsidiary	100	2(87)
4.	Sleek International Private Limited 301/302, 3 rd Floor, D & G Wing Lotus Corporate Park Off Western Express Highway Opp. S.R.P.F. ground, Goregaon (East), Mumbai 400 063, Maharashtra, India	U31300MH1993PTC070859	Subsidiary	100	2(87)
5.	Asian Paints (Nepal) Private Limited Hetauda Industrial Estate, Hetauda-8, Makwanpur, Nepal	-	Subsidiary	52.71	2(87)
6.	Causeway Paints Lanka (Private) Limited No:15, Noel Mendis Mawatha, Modarawila Industrial Estate Panadura, Sri Lanka	-	Subsidiary	100	2(87)

Sr. No.	Name and address of the Company	Corporate Identity Number/ Global Location Number	Subsidiary/ Associate	% of shares held	Applicable Sections of Companies Act, 2013
7.	Asian Paints (Bangladesh) Limited Plot No. 317 & 757, Bahadurpur, Gazipur, Bangladesh.	-	Subsidiary	89.78	2(87)
8.	Asian Paints (Lanka) Limited 81, Koralawella Road, Moratuwa, Sri Lanka.	-	Subsidiary	99.18	2(87)
9.	Asian Paints (Middle East) LLC P.O.Box 462, AlKhuwair, Postal Code 133, Muscat, Sultanate of Oman	-	Subsidiary	49	2(87)
10.	Asian Paints (South Pacific) Pte Limited Fiji, 7-9-11, Ruve Place, Tavakubu, P.O.Box 694, Lautoka, Fiji Islands	-	Subsidiary	54.07	2(87)
11.	Asian Paints (Solomon Island) Limited P O Box R 156, Ranadi Post Office, Honiara, Solomon Islands	-	Subsidiary	75	2(87)
12.	Asian Paints (Tonga) Limited Small Industrial Area, Nuku'alofa, Tonga	-	Subsidiary	100	2(87)
13.	Asian Paints (Vanuatu) Limited Fr. Lini Highway, Port Vila, Vanuatu	-	Subsidiary	60	2(87)
14.	Samoa Paints Limited P. O. Box 3037, Apia, Samoa	-	Subsidiary	80	2(87)
15.	SCIB Chemical S.A.E 6 th October City, 4 th Industrial Zone, Area (1/3/B)/B, Egypt	-	Subsidiary	60	2(87)
16.	Asian Paints International Private Limited 22, Benoi Sector, Singapore 629854	-	Subsidiary	100	2(87)
17.	Berger Paints Bahrain W.L.L. Building 412, Block 601, Road 108 P O Box 26688, Manama, Kingdom of Bahrain	-	Subsidiary	100	2(87)
18.	Berger Paints Emirates LLC P O Box: 27524, Dubai, UAE	-	Subsidiary	100	2(87)
19.	Kadisco Paint & Adhesive Industry S.C. P. O. Box 120919, Akaki/Kality Sub City, Wereda 05, Addis Ababa, Ethiopia	-	Subsidiary	51	2(87)
20.	PT Asian Paints Indonesia Marquee Office, 17 th Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	-	Subsidiary	100	2(87)
21.	PT Asian Paints Color Indonesia Marquee Office, 17 th Floor, Pondok Indah Office Tower 3, Jl Sultan Iskandar Muda Kav. V-TA, Jakarta - 12310, Indonesia	-	Subsidiary	100	2(87)
22.	Enterprise Paints Limited 6 th Floor, Victory House, Prospect Hill, Douglas, Isle of man / M1 IEQ	-	Subsidiary	100	2(87)
23.	Nirvana Investments Limited 6 th Floor, Victory House, Prospect Hill, Douglas, Isle of man / M1 IEQ	-	Subsidiary	100	2(87)
24.	Universal Paints Limited 6 th Floor, Victory House, Prospect Hill, Douglas, Isle of Man / M1 IEQ	-	Subsidiary	100	2(87)
25.	Asian Paints PPG Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India	U24110MH2011PTC220557	Associate	50	2(6)
26.	PPG Asian Paints Private Limited 6A, Shantinagar, Santacruz (East), Mumbai - 400055, Maharashtra, India	U24200MH1997PTC105961	Associate	50	2(6)

Notes:

- * The Scheme of Amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited, wholly-owned Subsidiary with the Company was approved by the Board of Directors of the Company at its Meeting held on 22nd January, 2020. The said Scheme of Amalgamation has been admitted by the National Company Law Tribunal, Mumbai vide its Order dated 22nd April, 2020 and 27th April, 2020.
- Asian Paints International Private Limited, Singapore (APIPL), wholly owned subsidiary of the Company divested its entire stake in Berger Paints Singapore Pte Limited, wholly owned subsidiary of APIPL to Omega Property Investments Pty Ltd, Australia w.e.f. 17th September, 2019.

Annexure (E) to Board's Report (Contd.)

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2019				No. of Shares held at the end of the year .i.e 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER(S) AND PROMOTER(S) GROUP									
(1) Indian									
(a) Individuals / Hindu Undivided Family	101,868,177	0	101,868,177	10.62	100,967,572	0	100,967,572	10.53	(0.09)
(b) Bodies Corporate	404,262,685	0	404,262,685	42.14	404,631,382	0	404,631,382	42.18	0.04
(c) Any Other (Trust)	253,620	0	2,53,620	0.03	785,700	0	785,700	0.08	0.05
Sub-Total (A) (1)	506,384,482	0	506,384,482	52.79	506,384,654	0	506,384,654	52.79	0.00
(2) Foreign	0	0	0	0	0	0	0	0	0.00
Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)	506,384,482	0	506,384,482	52.79	506,384,654	0	506,384,654	52.79	0.00
B) PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds/ UTI	40,386,742	4,190	40,390,932	4.22	42,881,935	3,390	42,885,325	4.47	0.25
(b) Financial Institutions / Banks	315,465	5,760	321,225	0.03	512,528	5,760	518,288	0.05	0.02
(c) Central Government	513,575	0	513,575	0.05	1,386,963	0	1,386,963	0.14	0.09
(d) Insurance Companies	47,603,853	1,000	47,604,853	4.96	45,271,595	1,000	45,272,595	4.72	(0.24)
(e) Foreign Institutional Investors	156,680,363	0	156,680,363	16.33	165,046,022	0	165,046,022	17.21	0.88
Sub-Total (B) (1)	245,499,998	10,950	245,510,948	25.59	255,099,043	10,150	255,109,193	26.59	1.00
(2) Non-Institutions									
(a) Bodies Corporate									
i. Indian	76,744,338	42,320	76,786,658	8.02	63,661,252	41,600	63,702,852	6.64	(1.38)
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	96,904,626	83,63,123	105,267,749	10.97	101,417,459	6,561,708	107,979,167	11.26	0.29
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,315,625	216,330	8,531,955	0.89	8,473,571	206,330	8,679,901	0.91	0.02
(c) Any Other (specify)									
i. Non-resident Indian	10,889,860	1,159,140	12,049,000	1.26	11,225,347	905,970	12,131,317	1.27	0.01
ii. Foreign Nationals	1,800	0	1,800	0.00	1,630	0	1,630	0.00	0.00
iii. BC-NBFC	24,979	0	24,979	0.00	11,271	0	11,271	0.00	0.00
iv. Trust	4,640,219	0	4,640,219	0.48	5,197,805	0	5,197,805	0.54	0.06
Sub-total (B) (2)	197,521,447	9,780,913	207,302,360	21.62	189,988,335	7,715,608	197,703,943	20.62	(1.00)
Total Public Shareholding (B) = (B)(1)+(B)(2)	443,021,445	9,791,863	452,813,308	47.21	445,087,378	7,725,758	452,813,136	47.21	0.00
C) SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	949,405,927	9,791,863	959,197,790	100.00	951,472,032	7,725,758	959,197,790	100.00	

B. Shareholding of Promoter(s) / Promoter(s) Group

Sr. No.	Shareholder's Name#	Shareholding at the beginning of the year as on 01.04.2019			Shareholding at the end of the year as on 31.03.2020			% change in the shareholding during the year
		No. of Shares	% to total Shares of the Company	% of Shares Pledged / encumbered to total shares*	No. of Shares	% to total Shares of the Company	% of Shares Pledged / encumbered to total shares*	
1.	Aashay Ashish Choksi	125,380	0.01	0.00	125,380	0.01	0.00	0.00
2.	Ami Manish Choksi	472,200	0.05	0.00	472,200	0.05	0.00	0.00
3.	Anay Rupen Choksi	130,500	0.01	0.00	130,500	0.01	0.00	0.00
4.	Ashish Ashwin Choksi	880,840	0.09	0.00	880,840	0.09	0.00	0.00
5.	Ashish Ashwin Choksi Karta For Ashish Ashwin Choksi HUF	5,620	0.00	0.00	5,620	0.00	0.00	0.00
6.	Late Ashwin Chimanlal Choksi®	785,700	0.08	0.00	0	0.00	0.00	(0.08)
7.	Binita Ashish Choksi	131,700	0.01	0.00	131,700	0.01	0.00	0.00
8.	Druhi Ashish Choksi	100,000	0.01	0.00	100,000	0.01	0.00	0.00
9.	Jigish Shailesh Choksi	1,995,180	0.21	0.00	1,995,180	0.21	0.00	0.00
10.	Mahendra Chimanlal Choksi Karta For Mahendra Chimanlal Choksi HUF	539,800	0.06	0.00	539,800	0.06	0.00	0.00
11.	Mahendra Chimanlal Choksi	1,656,380	0.17	0.00	1,656,380	0.17	0.00	0.00
12.	Manish Mahendra Choksi	2,381,040	0.25	0.00	2,381,040	0.25	0.00	0.00
13.	Manish Mahendra Choksi Karta For Manish Mahendra Choksi HUF	7,500	0.00	0.00	7,500	0.00	0.00	0.00
14.	Nysha Rupen Choksi	102,750	0.01	0.00	102,750	0.01	0.00	0.00
15.	Prafullika Shailesh Choksi	2,142,560	0.22	0.00	2,142,560	0.22	0.00	0.00
16.	Rhea Manish Choksi	702,000	0.07	0.00	702,000	0.07	0.00	0.00
17.	Richa Manish Choksi	180,450	0.02	0.00	180,450	0.02	0.00	0.00
18.	Rita Mahendra Choksi	980,000	0.10	0.00	980,000	0.10	0.00	0.00
19.	Rupal Anant Bhat	1,923,770	0.20	0.00	1,923,770	0.20	0.00	0.00
20.	Rupen Ashwin Choksi	928,607	0.10	0.00	928,607	0.10	0.00	0.00
21.	Shailesh Chimanlal Choksi	2,591,210	0.27	0.00	2,591,210	0.27	0.00	0.00
22.	Shailesh Chimanlal Choksi Karta For Shailesh Chimanlal Choksi HUF	1,749,690	0.18	0.00	1,749,690	0.18	0.00	0.00
23.	Urvashi Ashwin Choksi	838,110	0.09	0.00	838,110	0.09	0.00	0.00
24.	Vishal Shailesh Choksi	2,951,220	0.31	0.00	2,951,220	0.31	0.00	0.00
25.	Ashwin Ramanlal Gandhi	4,325,790	0.45	0.07	4,325,790	0.45	0.02	0.00
26.	Ashwin Suryakant Dani	1,239,870	0.13	0.00	1,124,870	0.12	0.00	(0.01)
27.	Ashwin Suryakant Dani Karta For Ashwin Suryakant Dani HUF	845,000	0.09	0.00	845,000	0.09	0.00	0.00
28.	Chandanben Chhotalal Shah	20,000	0.00	0.00	20,000	0.00	0.00	0.00
29.	Hasit Ashwin Dani	3,616,800	0.38	0.00	3,616,800	0.38	0.00	0.00
30.	Hasit Ashwin Dani Karta For Hasit Ashwin Dani HUF	48,000	0.01	0.00	48,000	0.01	0.00	0.00
31.	Hiren Ashwin Gandhi	1,589,300	0.17	0.02	1,589,300	0.17	0.02	0.00
32.	Ina Ashwin Dani	515,920	0.05	0.00	515,920	0.05	0.00	0.00
33.	Ishwara Hasit Dani	410,710	0.04	0.00	410,710	0.04	0.00	0.00
34.	Jalaj Ashwin Dani	1,600,200	0.17	0.00	1,600,200	0.17	0.00	0.00
35.	Malav Ashwin Dani	3,305,510	0.34	0.00	3,305,510	0.34	0.00	0.00
36.	Meghna Satyen Gandhi	75,000	0.01	0.00	75,000	0.01	0.00	0.00
37.	Mudit Jalaj Dani	159,800	0.02	0.00	159,800	0.02	0.00	0.00

Annexure (E) to Board's Report (Contd.)

Sr. No.	Shareholder's Name*	Shareholding at the beginning of the year as on 01.04.2019			Shareholding at the end of the year as on 31.03.2020			% change in the shareholding during the year
		No. of Shares	% to total Shares of the Company	% of Shares Pledged / encumbered to total shares*	No. of Shares	% to total Shares of the Company	% of Shares Pledged / encumbered to total shares*	
38.	Satyen Ashwin Gandhi	1,608,880	0.17	0.00	1,608,975	0.17	0.07	0.00
39.	Shubhlakshmi Hasit Dani	59,500	0.01	0.00	59,500	0.01	0.00	0.00
40.	Smiti Jalaj Dani	139,110	0.01	0.00	139,110	0.01	0.00	0.00
41.	Vaibhavi Hiren Gandhi	75,000	0.01	0.00	75,000	0.01	0.00	0.00
42.	Vita Jalaj Dani	435,260	0.05	0.00	435,260	0.05	0.00	0.00
43.	Abhay Arvind Vakil Karta For Abhay Arvind Vakil HUF	2,076,820	0.22	0.00	2,076,820	0.22	0.00	0.00
44.	Abhay Arvind Vakil	23,288,200	2.43	0.00	23,288,200	2.43	0.00	0.00
45.	Abhay Arvind Vakil Karta For Vakil HUF	3,103,290	0.32	0.00	3,103,290	0.32	0.00	0.00
46.	Amar Arvind Vakil	10,918,980	1.14	0.00	10,918,980	1.14	0.00	0.00
47.	Amar Arvind Vakil Karta For Amar Vakil HUF	2,112,190	0.22	0.00	2,112,190	0.22	0.00	0.00
48.	Amrita Amar Vakil	2,566,680	0.27	0.00	2,566,680	0.27	0.00	0.00
49.	Asha Subhash Gujarathi	1,423,400	0.15	0.00	1,423,400	0.15	0.00	0.00
50.	Bhairavi Abhay Vakil	2,247,000	0.23	0.00	2,247,000	0.23	0.00	0.00
51.	Dipika Amar Vakil	2,026,130	0.21	0.00	2,026,130	0.21	0.00	0.00
52.	Nehal Abhay Vakil	2,371,280	0.25	0.00	2,371,280	0.25	0.00	0.00
53.	Ragini Varun Vakil	5,000	0.00	0.00	5,000	0.00	0.00	0.00
54.	Varun Amar Vakil	2,230,590	0.23	0.00	2,230,590	0.23	0.00	0.00
55.	Vivek Abhay Vakil	3,126,760	0.33	0.00	3,126,760	0.33	0.00	0.00
56.	Castle Investment & Industries Private Limited	15,457,470	1.61	0.00	15,457,470	1.61	0.00	0.00
57.	Centaurus Trading & Investments Private Limited	7,408,940	0.77	0.00	7,408,940	0.77	0.00	0.00
58.	Doli Trading & Investments Private Limited	9,363,440	0.98	0.00	9,363,440	0.98	0.00	0.00
59.	ELF Trading & Chemicals Manufacturing Limited	2,108,160	0.22	0.00	2,108,160	0.22	0.00	0.00
60.	Jaldhar Investments & Trading Company Private Limited	12,428,250	1.30	0.00	12,428,250	1.30	0.00	0.00
61.	Lyon Investment & Industries Private Limited	14,342,060	1.50	0.00	14,342,060	1.50	0.00	0.00
62.	Rupen Investment & Industries Private Limited	18,849,825	1.97	0.00	18,849,825	1.97	0.00	0.00
63.	Satyadharma Investments & Trading Company Private Limited	18,334,280	1.91	0.00	18,334,280	1.91	0.00	0.00
64.	Sudhanava Investments & Trading Company Private Limited	19,001,760	1.98	0.21	19,001,760	1.98	0.11	0.00
65.	Tru Trading & Investments Private Limited	12,176,500	1.27	0.00	12,176,500	1.27	0.00	0.00
66.	Dani Finlease Limited	10,930	0.00	0.00	10,930	0.00	0.00	0.00
67.	Geetanjali Trading & Investments Private Limited	49,267,440	5.14	2.36	45,706,140	4.77	0.65	(0.37)
68.	Gujarat Organics Limited	23,150,730	2.41	0.00	23,150,730	2.41	0.00	0.00
69.	Hiren Holdings Private Limited	4,152,310	0.43	0.00	4,152,310	0.43	0.00	0.00
70.	Sattva Holding & Trading Private Limited	52,884,120	5.51	1.08	56,388,682	5.88	2.48	0.37

Sr. No.	Shareholder's Name [#]	Shareholding at the beginning of the year as on 01.04.2019			Shareholding at the end of the year as on 31.03.2020			% change in the shareholding during the year
		No. of Shares	% to total Shares of the Company	% of Shares Pledged / encumbered to total shares*	No. of Shares	% to total Shares of the Company	% of Shares Pledged / encumbered to total shares*	
71.	Rayirth Holding & Trading Company Private Limited	1,329,500	0.14	0.12	965,910	0.10	0.10	(0.04)
72.	Smiti Holding & Trading Company Private Limited	54,084,120	5.64	2.46	54,873,068	5.72	2.81	0.08
73.	Asteroids Trading & Investments Private Limited	10,818,530	1.13	0.00	10,818,530	1.13	0.00	0.00
74.	Elcid Investments Limited	28,313,860	2.95	0.00	28,313,860	2.95	0.00	0.00
75.	Jalaj Trading & Investment Company Private Limited	10,776,620	1.12	0.00	10,776,697	1.12	0.00	0.00
76.	Lambodar Investments & Trading Company Limited	6,015,130	0.63	0.00	6,015,130	0.63	0.00	0.00
77.	Murahar Investments & Trading Company Limited	5,743,670	0.60	0.00	5,743,670	0.60	0.00	0.00
78.	Nehal Trading & Investments Private Limited	11,102,530	1.16	0.00	11,102,530	1.16	0.00	0.00
79.	Suptaswar Investments & Trading Company Limited	6,558,310	0.68	0.00	6,558,310	0.68	0.00	0.00
80.	Unnati Trading & Investments Private Limited	10,472,600	1.09	0.00	10,472,600	1.09	0.00	0.00
81.	Vikatmev Containers Limited	111,600	0.01	0.00	111,600	0.01	0.00	0.00
82.	Ashwin-Ina Charitable Trust	101,448	0.01	0.00	0	0.00	0.00	(0.01)
83.	Pious Charitable Trust	50,724	0.01	0.00	0	0.00	0.00	(0.01)
84.	Param-Arth Charitable Trust	50,724	0.01	0.00	0	0.00	0.00	(0.01)
85.	Advaita Charitable Trust	50,724	0.01	0.00	0	0.00	0.00	(0.01)
86.	ACC AP Trust [®]	0	0.00	0.00	785,700	0.08	0.00	0.08
Total		506,384,482	52.79	6.32	506,384,654	52.79	6.27	0.00

Notes:

- [#]The shares held by the Promoter(s)/ Promoter(s) Group have been clubbed on the basis of their first name. Anant Raghuveer Bhat, Arhaan Anant Bhat, Rehaan Anant Bhat, Priyanka Jigish Choksi, Aryan Jigish Choksi (N/G Jigish Shailesh Choksi) , S C Dani Research Foundation Private Limited, Haish Holding and Trading Company Private Limited, Vijal Holding And Trading Company Private Limited, Avinash Holding and Trading Company Private Limited, Canes Venatici Private Limited, Hydra Trading Private Limited, Hitech Specialities Solutions Limited, Rituh Holding and Trading Company Private Limited, Hitech Corporation Limited, Hitech Insurance Broking Services Limited, Homevilla Yoga Private Limited, Riash Realty Private Limited, Stack Pack Limited, Dani Charitable Foundation, Sabka Mangal Ho Foundation, Ashiyana Trust, Cronus Trust, Ishwara Trust, Naradiya Trust, Homevilla Charitable Trust, Ashwin-Ina Charitable Trust, Pious Charitable Trust, Param-Arth Charitable Trust, Advaita Charitable Trust, Cronus Merchandise LLP, Mefree LLP, forming part of Promoter(s) and Promoter(s) Group do not hold any shares in the Company as on 31st March, 2020.
- * The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of the Company. The term "encumbrance" has the same meaning as assigned to it Regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- The Promoter(s) / Promoter(s) Group of the Company have declared that they along with Persons Acting in Concert, have not made any encumbrance, directly or indirectly, other than those already disclosed during the financial year 2019-20.
- [®] Mr. Ashwin Choksi left for heavenly abode on 19th September, 2018. The shares held in the name of Mr. Ashwin Choksi were transferred to ACC AP Trust, pursuant to his Will.

Annexure (E) to Board's Report (Contd.)

C. Change in Shareholding of Promoter(s) / Promoter(s) Group

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	Sattva Holding and Trading Private Limited				
	At the beginning of the year	52,884,120	5.51	52,884,120	5.51
	Increase (27-08-2019)	625,000	0.07	53,509,120	5.58
	Increase (03-12-2019)	57,500	0.00	53,566,620	5.58
	Increase (18-12-2019)	1,145,000	0.12	54,711,620	5.70
	Increase (06-02-2020)	1,161,300	0.12	55,872,920	5.82
	Increase (02-03-2020)	50,724	0.01	55,923,644	5.83
	Increase (03-03-2020)	101,448	0.01	56,025,092	5.84
	Increase (19-03-2020)	363,590	0.04	56,388,682	5.88
	At the end of the year	56,388,682	5.88	56,388,682	5.88
2.	Smiti Holding and Trading Company Private Limited				
	At the beginning of the year	54,084,120	5.64	54,084,120	5.64
	Increase (12-09-2019)	630,000	0.07	54,714,120	5.71
	Increase (03-12-2019)	57,500	0.00	54,771,620	5.71
	Increase (06-03-2020)	101,448	0.01	54,873,068	5.72
	At the end of the year	54,873,068	5.72	54,873,068	5.72
3.	Geetanjali Trading and Investments Private Limited				
	At the beginning of the year	49,267,440	5.14	49,267,440	5.14
	Decrease (27-08-2019)	(625,000)	(0.06)	48,642,440	5.08
	Decrease (12-09-2019)	(630,000)	(0.07)	48,012,440	5.01
	Decrease (18-12-2019)	(1,145,000)	(0.12)	46,867,440	4.89
	Decrease (06-02-2020)	(1,161,300)	(0.12)	45,706,140	4.77
	At the end of the year	45,706,140	4.77	45,706,140	4.77
4.	Jalaj Trading & Investment Company Private Limited				
	At the beginning of the year	10,776,620	1.12	10,776,620	1.12
	Increase (14-02-2020)	77	0	10,776,697	1.12
	At the end of the year	10,776,697	1.12	10,776,697	1.12
5.	Satyen Ashwin Gandhi				
	At the beginning of the year	1,608,880	0.17	1,608,880	0.17
	Increase (14-06-2019)	80	0	1,608,960	0.17
	Increase (20-06-2019)	15	0	1,608,975	0.17
	At the end of the year	1,608,975	0.17	1,608,975	0.17
6.	Ashwin Suryakant Dani				
	At the beginning of the year	1,239,870	0.13	1,239,870	0.13
	Decrease (03-12-2019)	(115,000)	(0.01)	1,124,870	0.12
	At the end of the year	1,124,870	0.12	1,124,870	0.12
7.	Rayirth Holding and Trading Company Private Limited				
	At the beginning of the year	1,329,500	0.14	1,329,500	0.14
	Decrease (19-03-2020)	(363,590)	(0.04)	965,910	0.10
	At the end of the year	965,910	0.10	965,910	0.10

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
8.	ACC AP Trust*				
	At the beginning of the year	0	0	0	0
	Increase (18-09-2019)	785,700	0.08	785,700	0.08
	At the end of the year	785,700	0.08	785,700	0.08
9.	Ashwin Chimanlal Choksi*				
	At the beginning of the year	785,700	0.08	785,700	0.08
	Decrease (13-09-2019)	(785,700)	(0.08)	0	0
	At the end of the year	0	0	0	0
10.	Ashwin-Ina Charitable Trust				
	At the beginning of the year	101,448	0.01	101,448	0.01
	Decrease (03-03-2020)	(101,448)	(0.01)	0	0
	At the end of the year	0	0	0	0
11.	Pious Charitable Trust				
	At the beginning of the year	50,724	0.00	50,724	0.00
	Decrease (06-03-2020)	(50,724)	(0.00)	0	0
	At the end of the year	0	0	0	0
12.	Param-arth Charitable Trust				
	At the beginning of the year	50,724	0.00	50,724	0.00
	Decrease (06-03-2020)	(50,724)	(0.00)	0	0
	At the end of the year	0	0	0	0
13.	Advaita Charitable Trust				
	At the beginning of the year	50,724	0.00	50,724	0.00
	Decrease (02-03-2020)	(50,724)	(0.00)	0	0
	At the end of the year	0	0	0	0
14.	Urvashi Ashwin Choksi*				
	At the beginning of the year	838,110	0.09	838,110	0.09
	Increase (13-09-2019)	785,700	0.08	1,623,810	0.17
	Decrease (18-09-2019)	(785,700)	(0.08)	838,110	0.09
	At the end of the year	838,110	0.09	838,110	0.09

Notes:

1. Date of increase/decrease has been considered as the date on which actual transaction was effected.
2. All the above mentioned transactions are *inter se* transfers between the Promoter & Promoter Group of the Company, except transactions at Sr. no. 4 and 5 which were done on market.
3. * Mr. Ashwin Choksi left for heavenly abode on 19th September, 2018. The shares held in the name of Mr. Ashwin Choksi were transferred to ACC AP Trust, pursuant to his Will.

Annexure (E) to Board's Report (Contd.)

D. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	Teesta Retail Private Limited				
	At the beginning of the year	46,987,850	4.90	46,987,850	4.90
	Bought During the year	0	0	0	0
	Sold during the year	0	0	0	0
	At the end of the year	46,987,850	4.90	46,987,850	4.90
2.	Life Insurance Corporation of India				
	At the beginning of the year	38,016,558	3.96	38,016,558	3.96
	Bought During the year	851,304	0.09	38,867,862	4.05
	Sold during the year	(12,357,601)	(1.29)	26,510,261	2.76
	At the end of the year	26,510,261	2.76	26,510,261	2.76
3.	SBI Mutual Fund				
	At the beginning of the year	10,570,679	1.10	10,570,679	1.10
	Bought During the year	2,652,137	0.28	13,222,816	1.38
	Sold during the year	(2,027,646)	(0.21)	11,195,170	1.17
	At the end of the year	11,195,170	1.17	11,195,170	1.17
4.	Axis Mutual Fund				
	At the beginning of the year	5,222,536	0.54	5,222,536	0.54
	Bought During the year	5,993,063	0.62	11,215,599	1.16
	Sold during the year	(3,878,081)	(0.40)	7,337,518	0.76
	At the end of the year	7,337,518	0.76	7,337,518	0.76
5.	Government of Singapore-E				
	At the beginning of the year	6,651,512	0.69	6,651,512	0.69
	Bought During the year	897,987	0.09	7,549,499	0.78
	Sold during the year	(2,116,904)	(0.22)	5,432,595	0.56
	At the end of the year	5,432,595	0.56	5,432,595	0.56
6.	Vanguard Total International Stock Index Fund				
	At the beginning of the year	4,450,626	0.46	4,450,626	0.46
	Bought During the year	749,448	0.08	5,200,074	0.54
	Sold during the year	(144,038)	(0.02)	5,056,036	0.52
	At the end of the year	5,056,036	0.52	5,056,036	0.52
7.	NPS Trust				
	At the beginning of the year	4,227,641	0.44	4,227,641	0.44
	Bought During the year	813,291	0.08	5,040,932	0.52
	Sold during the year	(151,342)	(0.02)	4,889,590	0.50
	At the end of the year	4,889,590	0.50	4,889,590	0.50
8.	ICICI Prudential Mutual Fund				
	At the beginning of the year	6,952,211	0.72	6,952,211	0.72
	Bought During the year	3,204,598	0.33	10,156,809	1.05
	Sold during the year	(5,414,279)	(0.56)	4,742,530	0.49
	At the end of the year	4,742,530	0.49	4,742,530	0.49
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Index Funds				
	At the beginning of the year	4,593,802	0.48	4,593,802	0.48
	Bought During the year	20,821	0.00	4,614,623	0.48
	Sold during the year	(368,297)	(0.04)	4,246,326	0.44
	At the end of the year	4,246,326	0.44	4,246,326	0.44

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
10.	UTI Nifty Index Fund				
	At the beginning of the year	2,770,694	0.29	2,770,694	0.29
	Bought During the year	1,261,720	0.13	4,032,414	0.42
	Sold during the year	(262,468)	(0.03)	3,769,946	0.39
	At the end of the year	3,769,946	0.39	3,769,946	0.39
11.	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	4,165,856	0.43	4,165,856	0.43
	Bought During the year	1,881,769	0.20	6,047,625	0.63
	Sold during the year	(2,402,693)	(0.25)	3,644,932	0.38
	At the end of the year	3,644,932	0.38	3,644,932	0.38
12.	Government Pension Fund Global				
	At the beginning of the year	3,065,217	0.32	3,065,217	0.32
	Bought During the year	1,018,017	0.11	4,083,234	0.43
	Sold during the year	(631,408)	(0.07)	3,451,826	0.36
	At the end of the year	3,451,826	0.36	3,451,826	0.36
13.	SBI Life Insurance Company Limited				
	At the beginning of the year	3,745,638	0.39	3,745,638	0.39
	Bought During the year	1,159,178	0.12	4,904,816	0.51
	Sold during the year	(1,466,949)	(0.15)	3,437,867	0.36
	At the end of the year	3,437,867	0.36	3,437,867	0.36
14.	Kuwait Investment Authority Fund 601				
	At the beginning of the year	2,412,873	0.25	2,412,873	0.25
	Bought During the year	1,646,088	0.17	4,058,961	0.42
	Sold during the year	(632,695)	(0.07)	3,426,266	0.35
	At the end of the year	3,426,266	0.35	3,426,266	0.35
15.	First State Investments ICVC- Stewart Investors Asia Pacific Leaders Fund				
	At the beginning of the year	0	0.00	0	0.00
	Bought During the year	3,267,393	0.34	3,267,393	0.34
	Sold during the year	0	0.00	3,267,393	0.34
	At the end of the year	3,267,393	0.34	3,267,393	0.34
16.	Motilal Oswal M 50 ETF				
	At the beginning of the year	202,000	0.02	202,000	0.02
	Bought During the year	3,804,152	0.40	4,006,152	0.42
	Sold during the year	(887,482)	(0.09)	3,118,670	0.33
	At the end of the year	3,118,670	0.33	3,118,670	0.33
17.	New World Fund Inc				
	At the beginning of the year	0	0.00	0	0.00
	Bought During the year	3,102,555	0.32	3,102,555	0.32
	Sold during the year	0	0.00	3,102,555	0.32
	At the end of the year	3,102,555	0.32	3,102,555	0.32
18.	People's Bank of China				
	At the beginning of the year	2,470,044	0.26	2,470,044	0.26
	Bought During the year	764,289	0.08	3,234,333	0.34
	Sold during the year	(149,015)	(0.02)	3,085,318	0.32
	At the end of the year	3,085,318	0.32	3,085,318	0.32

Notes:

- The shares of the Company are traded on daily basis and hence date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on PAN of the Shareholder. The above information is based on weekly beneficiary position received from Depositories.
- The date wise increase or decrease in shareholding of top ten shareholders is available on the website of the Company at <https://www.asianpaints.com/more/investors/financial-results.html>.

Annexure (E) to Board's Report (Contd.)

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year (01.04.2019)/ end of the year 31.03.2020)	% of total shares of the Company				No.of Shares	% of total Shares of the Company
1.	Ashwin Dani	1,239,870	0.13	01.04.2019	0	inter-se Promoter Transfer	1,239,870	0.13
		-	-	03.12.2019	Decrease 115,000		1,124,870	0.12
		1,124,870	0.12	31.03.2020	0		1,124,870	0.12
2.	Manish Choksi	2,381,040	0.25	01.04.2019	0	NIL movement during the year	2,381,040	0.25
		2,381,040	0.25	31.03.2020	0		2,381,040	0.25
3.	Abhay Vakil	23,288,200	2.43	01.04.2019	0	NIL movement during the year	23,288,200	2.43
		23,288,200	2.43	31.03.2020	0		23,288,200	2.43
4.	Malav Dani	3,305,510	0.34	01.04.2019	0	NIL movement during the year	3,305,510	0.34
		3,305,510	0.34	31.03.2020	0		3,305,510	0.34
5.	Amrita Vakil	2,566,680	0.27	01.04.2019	0	NIL movement during the year	2,566,680	0.27
		2,566,680	0.27	31.03.2020	0		2,566,680	0.27
6.	Jigish Choksi*	1,995,180	0.21	01.04.2019	0	NIL movement during the year	1,995,180	0.21
		1,995,180	0.21	31.03.2020	0		1,995,180	0.21
7.	K. B. S. Anand®	270	0	01.04.2019	0	NIL movement during the year	270	0
		270	0	31.03.2020	0		270	0
8.	Deepak Satwalekar	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
9.	S. Sivaram	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
10.	M. K. Sharma	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
11.	Vibha Paul Rishi	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
12.	R. Seshasayee	1,496	0	01.04.2019	0	NIL movement during the year	1,496	0
		1,496	0	31.03.2020	0		1,496	0
13.	Suresh Narayanan*	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
14.	Pallavi Shroff*	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
Key Managerial Personnel(s)								
1.	K. B. S. Anand®	270	0	01.04.2019	0	NIL movement during the year	270	0
		270	0	31.03.2020	0		270	0
2.	Jayesh Merchant#	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0
3.	R J Jeyamurugan#	0	0	01.04.2019	0	NIL movement during the year	0	0
		0	0	31.03.2020	0		0	0

Notes:

- * Mr. Jigish Choksi, Mr. Suresh Narayanan and Mrs. Pallavi Shroff were appointed as Directors with effect from 1st April, 2019.
- ® Mr. KBS Anand, Managing Director & CEO of the Company as on 31st March, 2020 has been included in the list of Directors as well as KMP.
- # Mr. R J Jeyamurugan was appointed as CFO & Company Secretary of the Company with effect from 27th November, 2019, in place of Mr. Jayesh Merchant, CFO & Company Secretary, President – Industrial JVs, who retired from the services of the Company with effect from 26th November, 2019.
- Mr. Amit Syngle, Additional Director / Managing Director & CEO of the Company with effect from 1st April, 2020, holds 600 shares of the Company.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	₹ in Crores			
	Secured loans (Excluding Deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	13.47	4.35	-	17.82
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	13.47	4.35	-	17.82
Changes in Indebtedness during the financial year				
(i) Addition	17.82	-	-	17.82
(i) Reduction (Repayment)	-	4.35	-	4.35
Net change	17.82	4.35	-	22.17
Indebtedness at the end of the financial year				
(i) Principal Amount	31.29	-	-	31.29
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	31.29	-	-	31.29

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Key Managerial Personnel for the Financial Year 2019-20

		Amount in ₹		
Sr. No.	Particulars of Remuneration	Managing Director & CEO	CFO & Company Secretary	CFO & Company Secretary
		KBS Anand	Jayesh Merchant (upto 26 th November, 2019)	R J Jeyamurugan (w.e.f. 27 th November, 2019)
1.	Gross salary (excluding Commission)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,15,26,390	5,77,38,767	57,13,592
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,05,12,862	53,241	21,861
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	6,79,00,000	-	-
	- as % of profit	0.20	-	-
	- others, specify	-	-	-
5.	Others - Employer contribution to provident and other funds	6,77,80,978	21,12,424	3,22,400
	Total	20,77,20,230	5,99,04,432	60,57,853
	Ceiling as per the Companies Act, 2013	1,72,38,37,517	NA	NA

Notes:

- The remuneration paid to Mr. Jayesh Merchant, ex-CFO & Company Secretary, President - Industrial JVs of the Company for the FY 2019-20 does not include the amount paid towards Gratuity and Leave Encashment (retiral benefits) of ₹ 4,17,71,086 (Rupees four crores seventeen lakhs seventy one thousand and eighty six only). The total remuneration paid to Mr. Jayesh Merchant for the FY 2019-20 including retiral benefits is ₹ 10,16,75,518 (Rupees ten crores sixteen lakhs seventy five thousand five hundred and eighteen).
- For determination of ceiling as per the Companies Act, 2013, the remuneration paid to Mr. KBS Anand, ex-Managing Director & CEO of the Company for the FY 2019-20 includes the amount of ₹ 6,36,43,454 (Rupees six crores thirty six lakhs forty three thousand four hundred and fifty four only) paid towards Gratuity and Leave Encashment.
- The remuneration paid to Mr. R J Jeyamurugan is only for the part of the year with effect from 27th November, 2019, in his current designation as the CFO & Company Secretary of the Company.

Annexure (E) to Board's Report (Contd.)

B. Remuneration to Non-Executive Directors for the Financial year 2019-20:

				Amount in ₹
Name of Director(s)	Fee for attending board/ committee meetings	Commission	Others®	Total
1. Independent Directors:				
Deepak Satwalekar	4,70,000	28,80,000	-	33,50,000
S. Sivaram	3,10,000	27,00,000	-	30,10,000
M.K. Sharma	6,10,000	30,60,000	-	36,70,000
Vibha Paul Rishi	3,80,000	25,20,000	-	29,00,000
R. Seshasayee	5,30,000	27,00,000	-	32,30,000
Suresh Narayanan	5,00,000	25,20,000	-	30,20,000
Pallavi Shroff	2,80,000	25,20,000	-	28,00,000
Total (1)	30,80,000	1,89,00,000	-	2,19,80,000
2. Other Non-Executive Directors:				
Ashwin Dani	3,50,000	32,40,000	7,35,000	43,25,000
Manish Choksi	4,70,000	28,80,000	-	33,50,000
Abhay Vakil	5,50,000	25,20,000	7,20,000	37,90,000
Malav Dani	3,80,000	27,00,000	-	30,80,000
Amrita Vakil	4,10,000	25,20,000	-	29,30,000
Jigish Choksi	3,80,000	25,20,000	-	29,00,000
Total (2)	25,40,000	1,63,80,000	14,55,000	2,03,75,000
Total (1+2)	56,20,000	3,52,80,000	14,55,000	4,23,55,000
Ceiling as per the Companies Act, 2013				34,72,68,256

Note:

®Represents 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.

VII. Penalties/Punishment/Compounding of Offences (Under the Companies Act, 2013)

NIL

For and on behalf of the Board

Ashwin Dani
Chairman
(DIN: 00009126)

Place : Mumbai

Date : 23rd June, 2020

Annexure (F) to Board's Report

Form AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis:

a. Name(s) of the related party and nature of relationship	
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	NA
f. Date(s) of approval by the Board	
g. Amount paid as advances, if any	
h. Date on which (a) the requisite resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

Details of material contracts or arrangement or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship	
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e. Date(s) of approval by the Board, if any	
f. Amount paid as advances, if any	

All related party transactions are in the ordinary course of business and on arm's length basis and are approved by Audit Committee of the Company.

For and on behalf of the Board

Ashwin Dani
Chairman
(DIN: 00009126)

Place : Mumbai
Date : 23rd June, 2020

Annexure (G) to Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014]

A. Energy Conservation Measures Taken

The manufacturing units of the Company have continued their efforts to reduce their energy consumption year on year and the new plants of Mysuru, Karnataka and Vizag, Andhra Pradesh have also followed the suit. Mysore plant has also received platinum rating in Green building certification by Confederation of Indian Industry (CII)- Indian Green Building Council whereas the Vizag plant will go for the certification during the financial year 2020-21.

Rohtak, Haryana and Khandala, Maharashtra plants participated in 3rd CII National Energy Efficiency Circle Competition-2019, and secured awards in 'Renewable Energy' and 'Energy Efficiency' categories.

Some of the key measures taken by all the manufacturing plants are as below:

- Use of Energy efficient motors for all new projects
- Pressure based pumping system for utility pumping
- Elimination of compressed air in packing for vacuum application
- Process optimization for the Twin Shaft Dispensers operation to reduce cycle time by data analytics
- Use of Energy Efficient aluminum Air piping solution to reduce friction losses
- LED lighting for all plants
- Use of motion sensors in the cabins
- Efficient mixing designs and cooling systems in Emulsion manufacturing to reduce overall power consumption
- Condensate recovery system in Steam systems
- Large scale energy efficient dense phase powder conveying system
- Alternate Fuel-Use of Natural Gas instead of High Speed Diesel in Boilers
- Integration of energy efficient paint production by Y-stral supplied continuous dispersion route at shop floor

- Sharing of best practices at each plant started for easy replication of applicable ideas.

B. Alternate Sources of Energy

Solar energy:

Asian Paints invested in its first Ground Mounted Solar (Utility Solar) in Haryana, a 6 MWp project for Rohtak Plant which was commissioned during the financial year 2019-20.

Following rooftop solar projects were commissioned during the financial year 2019-20:

- 0.10 MWp- At Kasna, Uttar Pradesh Plant
- 0.15 MWp- At Patancheru, Telangana plant (under installation & commissioning)

With the commissioning of the above projects the total installed solar energy capacity in our plants will now be 19.6 MWp.

During the financial year 2019-20, the solar projects have generated about 144.1 lakh units which is about 19.5% of electricity consumption across all decorative paint plants.

Wind Energy:

4.2 MW of Wind Turbine Generators (WTG) is under commissioning at Andhra Pradesh for Vizag Plant (2.1 MW x 2).

With the commissioning of the above projects, total installed wind energy capacity will now be 24.3 MW.

During the financial year 2019-20, the Company has used about 274.8 lakh units, generated from all Wind Turbines, which is about 37.2 % of electricity consumption across all decorative paint plants.

The new solar and windmill installations have helped the Company to end the year 2019-20 at Renewable Energy consumption of 56.7%.

C. The Capital Investment on Energy Conservation Equipment

The Company has spent about ₹ 3 Crores as capital investment on energy conservation initiatives during the financial year apart from the investment in Renewable Energy resources of solar and wind.

Technology Absorption

A) The efforts made by the Company towards technology absorption

The focus of Research & Technology (R&T) function continues to be in building technological self-reliance by promoting in-house research, innovation and creativity to design, develop and upgrade its products pipeline continuously to support achieving short, medium and long-term business goals of the Company. The nature of activities carried out by R&T team of the Company are as follows:

- Development of new products and processes related to surface coatings that fulfil expressed as well as unstated needs of consumers.
- Creating revolutionary products that improve health and hygiene of the surfaces and sets benchmark.
- Creating products in the premium range keeping in mind aspects of Green Assure and product sustainability.
- Upgradation of existing products with value added features to create product differentiation to retain market share.
- Continuous value generation through formulation re-engineering, sourcing efficiency, process optimization, new raw material search, new and efficient manufacturing techniques, vendor collaboration to enhance profitability.
- Support sustainability initiatives of the Company by undertaking joint projects with plants to reduce cycle time, energy consumption, water consumption, waste generation and by increasing raw material content of renewable origin in the product.
- Building a sustainable idea and prototype pipeline for the Company and develop new capability platforms and intellectual property rights for creating next generation products to catalyze future growth.
- Undertake collaborative projects with vendors, customers, academia and research institutes to develop new products, new capabilities and generate new scientific understanding.
- Encourage use of data analytics and artificial intelligence to predict design features, derive new insights and opportunities for innovation.

- Process engineering research to explore novel processes for binder synthesis which are operationally efficient in terms of energy consumption, cycle time, productivity, and safety.
- Technology support to all overseas subsidiaries for product development, product benchmarking, cost efficiency, new RM development, testing etc. to support business growth.
- Application research and substrate studies to establish product suitability for application with different tools (both mechanized and hand-held) on different substrates.
- Development of laboratory simulation techniques to support product validation under different geographical climate and usage practices.
- Technical service and support related to customers for product scale up and standardization on customer lines, manufacturing support and solving product complaints.
- Development of test methods for Plant Quality Control that help speed up incoming raw material testing and approval.
- Establishing product credibility through international certification.
- Continuous benchmarking of products against national/international competition.
- Support technical capability building across organization by creating a training academy - Sikshalaya and conducting in-house workshops, seminars, technical training, etc.
- Engaging with regulatory bodies like Bureau of Indian Standards (BIS) in creating, reviewing and adopting national standards.

The Company is putting in efforts to enhance the consumer experience and showcase its indigenous developments. Key features of new products were demonstrated to architects, dealers and members of overseas business units through newly built 'Experiential zone' and 'Hygiene Lab'. The Company has also introduced a dual tinting system by launching a new range of solvent based machine colorants. The Company was agile to respond to recent regulations by upgrading analytical testing of paints and coatings. Research and Technology Center has National Accreditation Board for Testing and Calibration Laboratories accreditation for 36

Annexure (G) to Board's Report (Contd.)

test methods that includes estimation of lead in paints and coatings.

The Company is focused on implementing new processing techniques that offer economies of scale. In the Financial Year 2019-20, pilot scale equipment capable of dispersion under vacuum has been commissioned at Research and Technology. It has resulted in significant cost saving.

Over the years, the Company has progressively worked on creating intellectual property (IP) rights and has commercialized good number of IPs. Till date, the Company has filed 60 patents in India out of which 6 patents have been granted. One of them has grants from US and Europe.

The Company is now expanding its innovation footprint by participating in national and international technology competitions. In the Financial year 2019-20, patent titled 'Castor oil derived hydroxyl functional acrylic copolymer for surface coatings' has received prestigious National Innovation Award – 2019 from National Research Development Corporation (NRDC), Govt of India.

- B) The benefits derived like product improvement, cost reduction, product development or import substitution:

28 (Twenty-Eight) new products were developed for architectural paints, construction chemicals and adhesives during the financial year 2019-20. 23 (Twenty-Three) new products developed for Industrial division during financial year 2019-20. Some highlights include:

- 'Woodtech GloMax Ultra', a wood polish based on patented technology that offers best-in-class gloss and grain filling at a never before price point.
- 'SmartCare Ultron', a platinum standard benchmark in waterproofing liquid applied membrane category with performance warranty for 20 years.
- 'Apcolite Spray Paint' developed to deliver the needs of customer in DIY for creativity and decor.
- 'Apex Ultima Stretch' that offers excellent crack bridging ability with best in class dirt pick up resistance for exterior surfaces with 7 years performance warranty.
- 'Royale Lamino', a protective clear coat for interiors with best in class stain cleaning performance.

- 'Ace Sparc and Tractor Sparc' – two new products in economy segments with unique features of emulsion paint targeted to upgrade unorganized segment of distempers.
- 'MaximoPlast PX', a range of concrete admixtures compliant to BIS IS 9103 & ASTM C 494 standards.
- 'Ultima Floor Guard Enamel', a solvent based paint with 4 years warranty for adhesion on cement, concrete and paver block surfaces.
- 'Apcotherm 601 CUI Aluminum', a 2K polysiloxane coating was developed and commercialized for hot mild steel surfaces up to 600 °C.

The Company continued the initiatives under breakthrough methodology by taking up new project 'Misaal'. This has helped improving the overall execution capabilities of new product development team and reducing the development cycle time significantly. The outcome of this initiative has helped the Company to launch 3 new products in the category of wood polish and water proofing solutions and one innovative packaging for stationary adhesives.

The Company's focus on reducing carbon footprint through design optimization and process efficiency with no compromise in performance properties continues.

- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NA
- The expenditure incurred on Research and Development:

₹ in Crores		
Particulars	2019-20	2018-19
Capital	3.46	4.26
Recurring	83.63	87.26
Total	87.09	91.52

Foreign Exchange Earnings and Outgo

Foreign exchange earned in terms of actual inflows during the financial year 2019-20 was ₹ 140.83 crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the financial year 2019-20 was ₹ 2,831.58 crores (equivalent value of various currencies).

Report on Corporate Governance

ASIAN PAINTS' PHILOSOPHY ON CORPORATE GOVERNANCE

The end of the year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for India Inc. to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, *inter alia*, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy and were the need of the hour.

Asian Paints has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The highest standard of corporate governance is the cornerstone of our long termism and continued success. It reflects in our business functions and in the manner with which we support the journey of our stakeholders.

During the year, employees of the Company co – created and adopted a Charter for the organisation which sets out the purpose for the organisation and adopts the values for which the organisation stands for, today and will continue to stand for in future. Strategic outcomes which emanate from the Charter have been identified to bring about infinite celebrations for its consumers and enable the Company to enrich the experience of its stakeholders.

Our undeterred adherence to the ideals of trust, respect, integrity and openness is what holds us steady amid challenging business contexts and landscapes. Our value system made up of integrity, customer passion and creative zeal is the platform that enables ours as well as our stakeholders' successes. The sound governance systems and processes in place are empowering co-creation and partnerships while an unwavering focus on sustainability and safety is what makes us a truly responsible enterprise.

Asian Paints not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide.

In recognition of its governance practices, the Company was conferred upon the 'Golden Peacock Award for Excellence in Corporate Governance - 2019', by the Institute of Directors and the 'Excellence in Corporate Governance' Awards 2018 – 19, by the Indian Legal Era Journal of Law.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Asian Paints Limited.

GOVERNANCE STRUCTURE AND DEFINED ROLE AND RESPONSIBILITIES

Asian Paints' governance structure comprises of Board of Directors, Committees of the Board and the Management.

BOARD

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Managing Director & CEO reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual long term business targets. The Managing Director & CEO acts as a link between the Board and the management. During the year, the Board of Directors, on the recommendations of the Nomination & Remuneration Committee, appointed Mr. Amit Syngle as an Additional Director / Managing Director & CEO of the Company w.e.f. 1st April, 2020 for a period of three (3) years upto 31st March, 2023, subject to approval of the shareholders, in place of Mr. KBS Anand who retired from the services of the Company w.e.f. 31st March, 2020.

During the year, the Board of Directors, based on the recommendations of the Nomination & Remuneration Committee, approved the appointment of Mr. R J Jeyamurugan as the CFO & Company Secretary of the Company with effect from 27th November, 2019.

In line with the Company's aspiration on Home Décor and taking the Asian Paints brand to the next level, a new senior management structure was introduced and implemented.

The One Link group comprising of General Managers, Associate Vice Presidents and Vice Presidents, led by the Managing Director and CEO was created for developing and creating leaders in the organization. The futuristic and Innovation projects across functions and businesses are handled by the One Link group.

The forum combines a methodology of working through futuristic but relevant projects to involve, galvanize and develop the top management teams.

This new structure was designed and conceptualized to enable the Managing Director & CEO to function and discharge his role effectively.

Report on Corporate Governance (Contd.)

The new organisation structure was reviewed by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Composition of the Board

The Company believes in a well-balanced Board which enriches Board discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses.

The composition and size of the Board is reviewed periodically to ensure an optimum mix of Directors with complementary skillsets and varied perspectives for constructive debates facilitating more effective decision making. The Company understands that sound succession planning for the members of the Board and Senior Management is essential for sustained growth of the Company. As a part of the succession planning exercise, Mr. Amit Syngle was identified as the successor to the Managing Director & CEO of the Company and was groomed and mentored for the role by Mr. KBS Anand for over a period of two years. Before being appointed as the Managing Director & CEO, Mr. Amit Syngle held the position of Chief Operating Officer of the Company.

As on the date of this Report, the Board comprised of 14 (fourteen) members, 7 (seven) of which are Independent Directors constituting half of the Board strength, 6 (six) are Non- Executive/ Promoter Directors and 1 (one) Additional Director/ Managing Director & CEO.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

Board Procedures and flow of information

The Board / Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings when it may not be possible for them to be physically present for the meeting. In view of the nationwide lockdown, meetings of the Board and its Committees were held through video conferencing mode in accordance with the provisions of law.

The Board has adopted a 'safety-first' approach for all its discussions and deliberations. All meetings of the Board begin with an elaborate discussion on the Health and Safety initiatives of the Company which are then followed by review of the performance of the Company, review of financial results, industrial relations, Board succession planning, Strategic planning, governance and regulatory matters, declaration of dividend and such other matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations.

The details of attendance of Directors at Board Meetings either in person or through video conference during the financial year 2019-20 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

Name of the Director(s) & Director Identification Number (DIN)	1 9 th May, 2019	2 24 th July, 2019	3 25 th September, 2019	4 22 nd October, 2019	5 22 nd January, 2020	6 25 th February, 2020	7 28 th March, 2020	% of meeting attended during the year
Ashwin Dani (00009126)	✓	✓	✓	✓	✓	✓		100
Manish Choksi (00026496)	✓	✓	✓	✓	✓	✓		100
Abhay Vakil (00009151)	✓	✓	✓	✓	✓	✓		100
KBS Anand (03518282)	✓	✓	✓	✓	✓	✓		100
Malav Dani (01184336)	✓	✓	✓	✓	✓	✓		100
Amrita Vakil (00170725)	✓	✓	✓	✓	✓	✓		100
Jigish Choksi (08093304)	✓	✓	✓	✓	✓			100
Deepak Satwalekar (00009627)	✓	✓	✓	✓	✓	✓		100
S. Sivaram (00009900)	✓	✓	x	✓	✓	x		71*

Name of the Director(s) & Director Identification Number (DIN)	1 9 th May, 2019	2 24 th July, 2019	3 25 th September, 2019	4 22 nd October, 2019	5 22 nd January, 2020	6 25 th February, 2020	7 28 th March, 2020	% of meeting attended during the year
M K Sharma (00327684)	✓	✓	✓	✓	✓	✓		100
Vibha Paul Rishi (05180796)	✓	✓	✓	✓	✓	✓		100
R Seshasayee (00047985)	✓	✓		✓	✓	✗		86*
Suresh Narayanan (07246738)	✓	✓	✓	✓	✓	✗		86*
Pallavi Shroff (00013580)	✓	✓	✗		✗			71*

✓ Present ✗ Absent Present through video-conference

*Rounded off to the nearest whole digit

Notes:

1. Shri KBS Anand retired as the Managing Director & CEO of the Company w.e.f. 31st March, 2020.
2. Shri Amit Syngle was appointed as the Managing Director & CEO (Additional Director) effective from 1st April, 2020, subject to approval of the Shareholders at the ensuing Annual General Meeting.
3. The last AGM held on 27th June, 2019, was attended by all members of the Board except, Mrs. Pallavi Shroff, Independent Director.

Flow of information to the Board

The Board has complete access to all Company-related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Chairman of the Board and the Company Secretary in consensus determine the Agenda for every meeting along with explanatory notes in consultation with the Managing Director & CEO. The Agenda for the meetings is circulated well in advance to the Directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

With a view to ensure high standards of confidentiality of Agenda and other Board papers and reduce paper consumption, the Company circulates to its Directors, notes for Board/Committee meetings through a web – based application which can be accessed by the Directors through their hand – held devices, browsers and iPads. This application meets high standards of security that are required for storage and transmission of Board / Committee Agenda papers.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its

Committees at a shorter notice before the commencement of the respective meetings on a secure platform.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

The meetings of the Board of Directors are generally held in Mumbai and, if necessary, in locations, where the Company operates. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

Meeting of Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors.

Report on Corporate Governance (Contd.)

During the financial year 2019-20, a separate meeting of the Independent Directors which was scheduled to be held on 27th March, 2020 could not be convened on account of the nationwide lockdown and accordingly the meeting was postponed and then held on 8th June, 2020.

The Independent Directors, *inter alia*, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

Except for the sitting fees and commission payable to the Non-Executive Directors annually in accordance with the applicable laws and with the approval of the shareholders, there is no pecuniary or business relationship between the Non-Executive Directors and the Company.

Mrs. Pallavi Shroff, Independent Director of the Company, is the joint – Managing Partner of M/s. Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, which renders professional services to the Company. The quantum of fees paid to M/s. Shardul Amarchand Mangaldas & Co., is an insignificant portion of their total revenue, thus, M/s. Shardul Amarchand Mangaldas & Co.,

is not to be construed to have any material association with the Company.

Board membership

The Company believes that a diverse skill set is required to avoid groupthink and to arrive at balanced decisions. The Nomination & Remuneration Committee is primarily responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. It identifies the persons as potential candidates who are qualified to be appointed as Directors and recommend to the Board their appointment and removal. The Board has sufficient breadth of skills in areas of finance, legal, consulting, operations, IT, marketing, general management, supply chain, technology, etc.

The Nomination & Remuneration Committee also recommends to the Board on matters relating to extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Directors.

Key Board qualifications, expertise and attributes

The Company's core business(es) include manufacturing, distribution and sale of paints & coatings, both architectural and industrial coatings, water-proofing, adhesives, wallpapers, etc., in India and abroad. The Company's Home Improvement Business includes modular kitchens and kitchen accessories, bath fittings, sanitary-ware and other home décor products and accessories. The Company has also launched its foray into the hand sanitisers and surface disinfectants category as an extension to its health & hygiene portfolio.

The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills/ expertise/ competence:

Sr. No.	Names of Director(s)	Skill/ Expertise/ competency				
		Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	International Business experience: Experience in leading businesses in different geographies/ markets around the world	General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders	Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	Technical, professional skills and knowledge including legal and regulatory aspects
1.	Ashwin Dani	✓	✓	✓	✓	✓
2.	Abhay Vakil	✓	x	✓	✓	x
3.	Manish Choksi	✓	✓	✓	✓	✓
4.	Amit Syngle	✓	x	✓	✓	✓
5.	Malav Dani	✓	✓	✓	✓	x
6.	Amrita Vakil	✓	x	✓	✓	x

Sr. No.	Names of Director(s)	Skill/ Expertise/ competency				
		Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	International Business experience: Experience in leading businesses in different geographies/ markets around the world	General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders	Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.	Technical, professional skills and knowledge including legal and regulatory aspects
7.	Jigish Choksi	✓	x	✓	x	x
8.	Deepak Satwalekar	✓	x	✓	✓	x
9.	S. Sivaram	x	x	✓	x	✓
10.	M. K. Sharma	✓	✓	✓	✓	✓
11.	Vibha Paul Rishi	✓	✓	✓	✓	x
12.	R Seshasayee	x	✓	✓	✓	x
13.	Suresh Narayanan	✓	✓	✓	✓	x
14.	Pallavi Shroff	✓	✓	✓	✓	✓

Declarations

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves for including their name in the databank of persons offering to become Independent Directors.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management of the Company.

The Company had also issued formal appointment letters to all the Independent Directors at the time of their appointment in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/ re-appointment containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website at the following link:

<https://www.asianpaints.com/about-us.html>

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/Chairmanships more than the prescribed limits.

Directorship and Membership of Committees and Shareholding of Directors

The details of Directorships, relationship *inter-se*, shareholding in the Company, number of Directorships and Committee Chairmanships/ Memberships held by the Directors of the Company in other public companies as on 31st March, 2020 are as under:

Name of Director(s)	Nature of Directorship	Relationship with each other	Directorship held in other Listed entities along with Category	Directorship in other companies*	Membership and Chairmanship of the Committees of the Board of other companies**		No. of shares held in the Company along with % to the paid up share capital of the Company***
					Chairman	Member	
Ashwin Dani	Non-Executive Chairman/ Promoter	Father of Malav Dani	Non-Executive – Non- Independent Director of Hitech Corporation Limited	3	1	2	11,24,870 (0.12%)
Manish Choksi	Non- Executive Vice Chairman/ Promoter	Cousin of Jigish Choksi	Independent Director of NRB Industrial Bearings Limited	5	1	3	23,81,040 (0.25%)
Abhay Vakil	Non-Executive Director/ Promoter	Uncle of Amrita Vakil	-	4	1	1	2,32,88,200 (2.43%)
KBS Anand^	Managing Director & CEO	\$	Independent Director of Tata Chemicals Limited	2	0	0	270 (0%)
Malav Dani	Non-Executive Director/ Promoter	Son of Ashwin Dani	Managing Director of Hitech Corporation Limited	2	0	1	33,05,510 (0.34%)

Report on Corporate Governance (Contd.)

Name of Director(s)	Nature of Directorship	Relationship with each other	Directorship held in other Listed entities along with Category	Directorship in other companies*	Membership and Chairmanship of the Committees of the Board of other companies**		No. of shares held in the Company along with % to the paid up share capital of the Company***
					Chairman	Member	
Amrita Vakil	Non-Executive Director/ Promoter	Niece of Abhay Vakil	Non-Executive – Non – Independent Director of Elcid Investments Limited	3	0	0	25,66,680 (0.27%)
Jigish Choksi	Non-Executive Director/ Promoter	Cousin of Manish Choksi	-	1	0	0	19,95,180 (0.21%)
Deepak Satwalekar	Non-Executive Director/ Independent	\$	Independent Director of Piramal Enterprises Limited	3	1	1	Nil
S. Sivaram	Non-Executive Director/ Independent	\$	Independent Director of GMM Pfaudler Limited, Deepak Nitrite Limited, Apcotex Industries Limited and Supreme Petrochem Limited	6	2	2	Nil
M K Sharma	Non-Executive Director/ Independent	\$	Independent Director of Wipro Limited, United Spirits Limited, and Vedanta Limited Non-Executive-Non- Independent Director in Ambuja Cement Limited	6	3	5	Nil
Vibha Paul Rishi	Non-Executive Director/ Independent	\$	Independent Director of Escorts Limited, Tata Chemicals Limited, The Indian Hotels Company Limited and ICICI Prudential Life Insurance Company Limited	7	2	9	Nil
R. Seshasayee	Non-Executive Director/ Independent	\$	-	1	0	1	1496 (0%)
Suresh Narayanan	Non-Executive Director/ Independent	\$	Managing Director of Nestle India Limited	1	0	0	Nil
Pallavi Shroff	Non-Executive Director/ Independent	\$	Independent Director of Apollo Tyres Limited, Trident Limited, InterGlobe Aviation Limited and PVR Limited	5	0	3	Nil

^ Mr. KBS Anand retired as Managing Director & CEO w.e.f. 31st March, 2020. Mr. Amit Syngle was appointed as the Additional Director/ Managing Director & CEO w.e.f. 1st April, 2020.

* Excludes directorship in Asian Paints Limited. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

** For the purpose of considering the limit of Committee memberships and chairmanships of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered. Also excludes the memberships & chairmanships in Asian Paints Limited.

\$ No *inter-se* relationship with any of the Directors of the Company.

*** 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.

FAMILIARIZATION PROGRAMME

The Board familiarization program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing immersion sessions on business strategic, operational and functional matters.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, values and purpose. The Managing Director & CEO also makes presentations in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

In Board meetings, immersion sessions on business strategy, operational and functional matters provide good

insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with multiple levels of management. To make these sessions more productive, all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole are provided in advance. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company.

The Company also arranges for visits to the Company's Plants to enable them to get firsthand understanding of the processes.

Further, an information pack is handed over to the new Director(s) on the Board, which includes, Company profile,

Company's Codes and Policies, Strategy documents and such other operational information which will enable them to discharge their duties in a better way.

The details of such familiarization programmes for Independent Director(s) are put up on the website of the Company and can be accessed through the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations, which concern the Company and need a closer review. The Chairman of the respective Committee(s) brief the Board about the summary of the discussions held in

the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as and when appropriate.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The terms of reference of the Committees are in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The Company currently has 6 (six) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Shareholders Committee.

AUDIT COMMITTEE

The Audit Committee met 4 (four) times during the financial year 2019-20. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

Name of Director(s)	Nature of membership	Meeting date(s)			
		1	2	3	4
		8 th May, 2019	23 rd July, 2019	22 nd October, 2019	21 st January, 2020
M K Sharma	Chairman	✓	✓	✓	✓
R Seshasayee	Member	✓	✓	✓	✓
Abhay Vakil	Member	✓	✓	✓	✓
Suresh Narayanan	Member	✓	✓	✓	✓

✓ Present

Mr. R J Jeyamurugan acts as Secretary to the Committee.

The Audit Committee meets the Statutory Auditors and the Chief Internal Auditor independently without the presence of any members of the management at least once in a year. The members of the Audit Committee are financially literate and have relevant experience in financial management.

In addition to the quarterly meetings for consideration of financial results, the Committee meets twice a year to exclusively review the related party transactions and the key internal audit observations. The meetings of the Audit Committee are also attended by the Managing Director & CEO, Statutory and Internal Auditors and CFO & Company Secretary.

The terms of reference of the Audit Committee are formulated in accordance with the regulatory requirements mandated by the Companies Act and Listing Regulations.

The Audit Committee is, *inter alia*, entrusted with the following responsibilities by the Board of Directors of the Company:

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. Reviewing with the management quarterly, half-yearly, nine- months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

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5. Recommending the appointment, remuneration, terms of appointment and scope of Statutory Auditors of the Company and approval for payment towards any other service;
6. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
7. Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
8. Reviewing, approving or subsequent modifying transactions of the Company with related parties; and
9. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment or modification from time to time) at least once in a financial year and shall verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company met 4 times during the financial year 2019-20 to discuss and deliberate on various matters. The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the financial year 2019- 20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date(s)			
		1 26 th April, 2019	2 10 th October, 2019	3 21 st January, 2020	4 24 th March, 2020
Deepak Satwalekar	Chairman	✓	✓	✓	
M. K. Sharma	Member	✓	✗	✓	✗
Manish Choksi	Member	✓	✓	✓	

✓ Present ✗ Absent Present through video-conference

Mr. R J Jeyamurugan acts as secretary to the Committee.

The Nomination and Remuneration Committee is, inter alia, entrusted with the following responsibility by the Board of Directors of the Company:

1. Formulate a criterion for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify 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;
5. Specify methodology for effective evaluation of performance of Board/committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the Board all remuneration, in whatever form, payable to senior management; and
8. Undertake any other matters as the Board may decide from time to time.

SUCCESSION PLANNING

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee and the Board, as part of the succession planning exercise, periodically review the composition of the Board to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Nomination & Remuneration Committee plays a pivotal role in identifying successors to the members of the Senior Management.

As mentioned earlier in the Report, in addition to identifying Mr. Amit Syngle as the successor to Mr. KBS Anand as the Managing Director & CEO, the Nomination & Remuneration Committee played a pivotal role in identifying the successor to the CFO & Company Secretary of the Company.

Mr. Jayesh Merchant retired as the CFO & Company Secretary, President – Industrial JVs of the Company. Mr. R J Jeyamurugan, then Vice President – Finance & Compliance Officer, was identified as his successor.

NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Companies Act, 2013 and Listing Regulations. As required under the Listing Regulations effective 1st April, 2019, the Nomination and Remuneration Committee will recommend to the Board the payment of remuneration to the senior management.

In accordance with the Policy, the responsibilities of Nomination and Remuneration Committee, *inter alia*, include:

- a. Formulation of criteria and its review on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re – appointment, if any, to the Board after taking into consideration the performance of a Director.
- b. The Nomination & Remuneration Committee, *inter alia*, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year.
- c. Remuneration of Directors, Senior Management and other employees:
 - i. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
 - ii. Compensation to Senior Management: The Nomination & Remuneration Committee shall review performance of the senior management of the Company (which includes Key Managerial

Personnel), as presented by the Managing Director & CEO. The Committee shall ensure that the remuneration to the Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- iii. Remuneration to Non-Executive Directors: The Nomination & Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies. The Nomination and Remuneration Committee considers and recommends commission payable to Directors after taking into account their contribution to the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.
- iv. Remuneration to other employees: Focus on productivity and pay for performance have been the cornerstone of the Company's overall remuneration policy. The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The Committee shall review the Company's policy on performance management and rewards for employees from time to time. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity and involves an optimum balance of fixed and variable components.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at:

<https://www.asianpaints.com/more/investors/policies-programs.html>

Details of remuneration paid to Directors during the financial year 2019-20:

The shareholders of the Company at their Annual General Meeting held on 26th June, 2014, approved a sum of not exceeding 1% of the net profits of the Company, per annum calculated in accordance with Section 198 of Companies Act, 2013, to be paid to Non – Executive Directors in a manner as decided by the Board.

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All the Non-Executive Directors of the Company are paid ₹ 50,000 (Rupees fifty thousand only) as sittings fees for attending meetings of the Board/Audit Committee and ₹ 30,000 (Rupees thirty thousand only) for attending meetings of other Committees except Shareholders Committee for which no sitting fees is paid. Independent Directors are paid ₹ 30,000 (Rupees thirty thousand only) for the separate meeting of Independent Directors.

Given the current COVID-19 situation, resultant impact on the business operations and considering the nominal increase in remuneration payable to all employees of the Company, the Board of Directors being concerned and empathetic about the situation, at their meeting held on 23rd June, 2020, decided to take a cut of 10% in the commission payable to the Non-Executive Directors for the FY 2019-20 vis-a-vis the base commission considered for the FY 2018-19.

Details of the remuneration of the Directors of the Company for the financial year 2019-20 are as follows:

Name of the Director(s)	Basic Salary	Perquisites	Sitting Fees	Commission	Amount in ₹
					Total
Ashwin Dani	-	7,35,000#	3,50,000	32,40,000	43,25,000
Manish Choksi	-	-	4,70,000	28,80,000	33,50,000
Abhay Vakil	-	7,20,000#	5,50,000	25,20,000	37,90,000
KBS Anand*	3,32,29,356	10,65,90,874^	-	6,79,00,000	20,77,20,230
Malav Dani	-	-	3,80,000	27,00,000	30,80,000
Amrita Vakil	-	-	4,10,000	25,20,000	29,30,000
Jigish Choksi	-	-	3,80,000	25,20,000	29,00,000
Deepak Satwalekar	-	-	4,70,000	28,80,000	33,50,000
S. Sivaram	-	-	3,10,000	27,00,000	30,10,000
M K Sharma	-	-	6,10,000	30,60,000	36,70,000
Vibha Paul Rishi	-	-	3,80,000	25,20,000	29,00,000
R Seshasayee	-	-	5,30,000	27,00,000	32,30,000
Suresh Narayanan	-	-	5,00,000	25,20,000	30,20,000
Pallavi Shroff	-	-	2,80,000	25,20,000	28,00,000

Notes:

The Company has not granted stock options to any of its Directors.

* Mr. KBS Anand retired as the Managing Director & CEO of the Company w.e.f. 31st March, 2020.

Represents 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.

^ Represents retiral benefits like gratuity and leave encashment as per the agreement entered in his capacity as an Executive Director which ended on 31st March, 2020.

PERFORMANCE EVALUATION

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

The Company has a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Directors and Non-Executive Directors, the quality, quantity and timeliness of flow of information between the Company

management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, surveys were undertaken for evaluation of performance of Directors, Board as a whole and Committees of the Board. Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Chairman of the NRC and a separate meeting of the Board would be held to discuss and draw up a plan of action.

Board and Individual Directors

The parameters for performance evaluation of Board includes composition of Board, process for appointment to the Board, succession planning, handling critical and dissenting suggestions, attention to Company's long term strategy, evaluation of the governance levels of the Company, quality of discussions at the meeting, etc.

The parameters of the performance evaluation process for Directors, *inter alia*, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc. Independent Directors were evaluated by the entire Board with respect to fulfillment of independence criteria as specified in the Listing Regulations and Companies Act, 2013 and their Independence from the Management. Additional criteria for evaluation of Chairman of the Board includes ability to co-ordinate Board discussions, steering the meeting effectively, seeking views and dealing with dissent, etc.

The outcome of surveys and feedback from Directors was discussed at the respective meetings of Board and Committees of Board.

Managing Director & CEO

The Nomination & Remuneration Committee evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives at the beginning of each financial year. The Committee ensures that his Key Performance Objectives are aligned with the immediate and long-term goals of the Company. The performance of Managing Director vis-à-vis the Performance Objectives/Parameters set at the beginning of the financial year are also reviewed by the Committee during the year.

Committees of the Board

The performance evaluation of committee's included aspects like degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committee's.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date 21st October, 2019
R Seshasayee	Chairman	✓
K.B.S Anand	Member	✓
Amrita Vakil	Member	✓
Jigish Choksi	Member	✓
Amit Syngle*	Member	NA

✓ Present

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to the retirement of Mr. KBS Anand as the Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

Mr. R. J. Jeyamurugan, CFO & Company Secretary, is the Compliance Officer in accordance with Regulation 6 of Listing Regulations. Mr. Jeyamurugan is a qualified Company Secretary & Chartered Accountant.

The terms of reference of the Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Details relating to the number of complaints received and redressed during the financial year 2019-20 as on 31st March, 2020 are as under:

Nature of Complaints	Number of complaints received	Number of complaints redressed	Number of pending complaints
Non-Receipt of Dividend	8	8	0
Non-Receipt of Annual Report	1	1	0
Dematerialization of securities	1	1	0
Others	20	19	1
Total	30	29	1

Note:

Nature of complaints in the category "Others" includes updation of change in signature and address, transfer of shares, non-receipt of split shares, transmission of shares and issue of duplicate shares.

M/s. TSR Darashaw Consultants Private Limited (TSR), is the Registrar & Transfer Agent of the Company. The management on an on-going basis engages with TSR in order to address the requests received from the shareholders, resolving their grievances, etc.

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CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date
		2 nd August, 2019
Malav Dani	Chairman	✓
K.B.S Anand	Member	✓
Vibha Paul Rishi	Member	✓
Amrita Vakil	Member	✓
Amit Syngle*	Member	NA

✓ Present

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to retirement of Mr. KBS Anand as Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

The meetings of the CSR Committee are also attended by members of the CSR Council of the Company as invitees.

The terms of reference of CSR Committee as approved by the Board and amended from time to time, includes the following:

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://www.asianpaints.com/more/about-us.html>

SHAREHOLDERS COMMITTEE

The composition of the Shareholders Committee of the Company along with the details of the meetings held and attended by the Members of the Committee during the financial year 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting details	
		Held	Attended
Abhay Vakil	Chairman	12	11
Ashwin Dani	Member	12	12
Manish Choksi	Member	12	11
K. B. S. Anand	Member	12	12
Jayesh Merchant*	Member	12	8
R J Jeyamurugan*	Member	12	2
Amit Syngle [#]	Member	NA	NA

Mr. R J Jeyamurugan also acts as a Secretary to the Committee.

* Mr. Jayesh Merchant ceased to be a member of the Committee on 26th November, 2019 consequent to his retirement as the CFO and Company Secretary of the Company. Mr. R J Jeyamurugan was inducted as a member in the Committee effective from 27th November, 2019.

[#] Consequent to retirement of Mr. KBS Anand as Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

The terms of reference of the Shareholders Committee, as approved by the Board and amended from time to time, includes the following:

1. To issue share certificates pursuant to duplicate/ remat/ renewal requests as and when received by the Company;
2. 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;
3. To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard;
4. To authorise affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company, and
5. Such other activities as the Board of Directors may determine from time to time.

Further, the Board of Directors of the Company have delegated the authority to approve the transfer, transmission, dematerialization of shares etc., to any two members, jointly, of the Shareholders Committee including the Company Secretary.

RISK MANAGEMENT COMMITTEE

The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members

of the Committee during the financial year 2019-20 is detailed below:

Name of Director(s)	Nature of membership	Meeting date(s)	
		1	2
		28 th August, 2019	14 th February, 2020
Dr. S. Sivaram	Chairman	✓	✓
K B S Anand*	Member	✓	✓
Pallavi Shroff	Member	✗	
Amit Syngle*	Member	✓	✗
Amit Kumar Baveja	Member	✓	NA
P. Sriram	Member	NA	✓

✓ Present ✗ Absent  Present through video conferencing

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to retirement of Mr. K B S Anand as the Managing Director & CEO of the Company effective from 31st March, 2020, he ceased to be a member of the Committee. Mr. Amit Syngle would continue as a Member of the Risk Management Committee in the capacity of Managing Director & CEO.

Mr. P Sriram was appointed as a member of the Committee on 22nd January, 2020 in place of Mr. Amit Kumar Baveja.

The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

The terms of reference of the Risk Management Committee, as approved by the Board and amended from time to time, includes the following:

1. framing a risk management policy;
2. identify Company's risk appetite set for various elements of risk;

GENERAL BODY MEETINGS

Details of last three AGM and the summary of Special Resolutions passed therein, if any, are as under:

Financial year(s)	Date	Time	Location	No. of Special resolutions set out at the AGM
2018-19	27 th June, 2019	11.00 a.m.	Patkar Hall, Nathibai Thackersay Road, New Marine Lines, Mumbai - 400020	Nil
2017-18	26 th June, 2018	11.00 a.m.	Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021	
2016-17	27 th June, 2017	11.00 a.m.	Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	

No Special Resolution was passed through Postal Ballot during financial year 2019-20. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

3. review the risk management practices and structures and recommend changes to ensure their adequacy including but not limited to cyber security and related risks;
4. approve and review the risk treatment plans put in place by management; and
5. ensure adequacy of risk management practices in the Company.

The Risk Management Policy formulated by the Risk Management Committee, articulates the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/business risks, information technology, financial, cyber security risks and operational risks respectively.

CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2019-20 signed by Mr. Amit Syngle, Managing Director & CEO and Mr. R J Jeyamurugan, CFO & Company Secretary, was placed before the Board of Directors of the Company at their meeting held on 23rd June, 2020 and is annexed to this Report as Annexure 'B'.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Report as Annexure 'C'.

OTHER DISCLOSURES

1. The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

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2. Related Party Transactions

All transaction entered into by the Company with related parties, during the financial year 2019 – 20, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of Listing Regulations.

The Company has formulated a framework for Related Party Transactions which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted.

The Audit Committee, during the financial year 2019-20, has approved Related Party Transactions along with granting omnibus approval in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large.

The details of remuneration paid to the employees of the Company, who are relatives of directors, as on 31st March, 2020 is as under:

Name of the employee	Nature of relationship with Director(s)	Remuneration (₹)
Varun Vakil	Relative of Amrita Vakil	54,03,921.96

In terms, of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations, the appointment and remuneration payable to the aforesaid is approved by the Audit Committee and noted by the Board of Directors of the Company and is at arm's length and in ordinary course of business of the Company.

3. Vigil Mechanism and Whistle Blower Policy:

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Company has adopted a Whistle Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and Business Associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors/ Employees and Business Associates who avail of the mechanism.

The scope of the vigil mechanism enables employees, Directors and other stakeholders to report on any cases of leakage of unpublished price sensitive information and consequent non-compliance with SEBI (Prohibition of Insider Trading Regulations) Regulations, 2015 ('Prohibition of Insider Trading Regulations'). In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the CFO & Company Secretary and the Vice President – Human Resources for receiving and investigating all complaints and Protected Disclosures under this policy. Employees of the Company or business associates can make Protected Disclosures to the Ethics Committee through the Asian Paints Ethics Hotline (toll free number/ web reporting facility) and/or any other written or oral means of communication. The Employees/Directors and Business Associates may, in exceptional cases, approach directly the Chairperson of the Audit Committee of the Board of Directors of the Company for registering complaints.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

No personnel were denied access to the Audit Committee of the Company with regards to the above.

4. In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees

including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

5. The Company has complied with all the requirements of the Stock Exchange(s) and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, stock exchange(s) on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 (three) years.
6. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

- (i) The Non-Executive Chairman of the Company has been provided with a Chairman's Office at the Registered Office of the Company.
- (ii) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- (iii) Half-yearly financial results of the Company including summary of the significant events for the period ended 30th September, are sent to all shareholders of the Company. The soft copy of quarterly results is also sent to the shareholders who have registered their email addresses with the Company. The Company discusses with the Institutional Investors and Equity Analysts on the Company's performance on a periodic basis and presentations, if any, made during such meetings and calls are also available on the website of the Company.
- (iv) During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- (v) The Chief Internal Auditor reports to the Audit Committee of the Company. He participates in the meetings of the Audit Committee of the Board of Directors of the Company and

presents his internal audit observations to the Audit Committee.

7. Subsidiary Companies:

The Company does not have any material non-listed subsidiary Company in terms of Regulation 16 of the Listing Regulations. The synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company.

The Management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

8. Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website (<https://www.asianpaints.com>). There is a separate section on 'Investors' on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders.

9. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations

The Company has not raised funds through preferential allotment or Qualified Institutional Placement.

10. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued

Report on Corporate Governance (Contd.)

thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Dr. K R Chandratre (CP No. 5144), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Annexure (C-2) to the Board's Report forming part of this Annual Report.

11. Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Makarand Joshi, (CP No. 3662) and Ms. Kumudini Bhalerao, (CP No. 6690), Partners of M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 23rd June, 2020 and is set out as Annexure 'A' to this Report.

12. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 3,63,77,262 (Rupees three crores sixty three lakhs seventy seven thousand two hundred and sixty two) for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

13. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is

aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

- a. Number of complaints filed during the financial year: 2
- b. Number of complaints disposed of during the financial year: 2
- c. Number of complaints pending as on end of the financial year: Nil

14. Code of Conduct

The Company has adopted a Code of Conduct for all employees and for members of the Board and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti – competitive practices. Employees are mandated to undergo video based training modules and case studies embodying real – life examples upon joining the organization as a part of their induction and annually as a part of periodic refresher trainings for all employees.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2019-20. The declaration to this effect signed by Mr. Amit Syngle, Managing Director & CEO of the Company is annexed to this report as Annexure 'B'.

The Code of Conduct for employees and the Board and Senior Management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

15. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Prevention of Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider

Trading Regulations). In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activity.

The Prevention of Insider Trading Code was suitably amended to incorporate the amendments carried out by SEBI to SEBI Insider Trading Regulations.

The declarations and disclosures to be received from the designated persons (except Directors, Promoter(s) and Promoter(s) group) are automated. The Company has a portal under which disclosure/ declarations/ undertakings are given by designated persons as required under Insider Trading Code. The digital database as required under SEBI Insider Trading Regulations is also maintained on the said portal.

The Compliance Officer and the management conducted several trainings and workshops with the Designated Person(s) to create awareness on various aspects of the Prevention of Insider Trading Code and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance. A digital campaign was also conducted during the year which aimed at sensitizing the Designated Persons on the various aspects of the Prevention of Insider Trading Code through relatable, conversational and pictorial graphics & videos.

These initiatives have created substantial awareness amongst the Designated Persons.

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board w.r.t. action taken against such defaulters. The said non-compliances are promptly intimated to SEBI in the prescribed format.

The Board have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the SEBI Insider Trading Regulations.

The Prevention of Insider Trading Code and Code of Fair Disclosure and Conduct have been uploaded on website of the Company and can be accessed through the following link:

<https://www.asianpaints.com/more/investors/policies-programs.html>

16. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation

along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purposes, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

a. Publication of financial results

Quarterly, half-yearly and annual financial results of the Company are published in leading English and Marathi language newspaper, viz., all India editions of Economic Times, Mumbai editions of Free Press Journal and Navshakti newspapers and Maharashtra edition of Maharashtra Times.

b. Website and News Releases

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website (<https://www.asianpaints.com>). Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

c. Analysts presentations

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director & CEO, CFO & Company Secretary and other members of the management.

Report on Corporate Governance (Contd.)

d. Stock Exchange

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing Director & CEO and the CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

e. NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based

application designed by BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others, are in accordance with the Listing Regulations filed electronically. Further, in compliance with the provisions of Listing Regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tool.

f. Reminders to Investors

Reminders are, *inter alia*, sent to shareholders for registering their email ids, claiming returned undelivered share certificates and unclaimed dividend and transfer of shares thereto.

General Shareholder Information

1. CORPORATE IDENTIFICATION NUMBER	L24220MH1945PLC004598
2. REGISTERED OFFICE	Asian Paints Limited 6A, Shantinagar Santacruz (E) Mumbai – 400 055
3. ANNUAL GENERAL MEETING (AGM)	
Date	Wednesday, 5 th August, 2020
Time	2.00 p.m. IST
Venue	The Company is conducting meeting through Video Conference / Other Audio Visual Means pursuant to the MCA Circular dated 5 th May, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
4. DATES OF BOOK CLOSURE	Saturday, 25 th July, 2020 to Wednesday 5 th August, 2020 (both days inclusive)
5. FINANCIAL CALENDAR	
Financial Year	1 st April to 31 st March
Tentative schedule for declaration of financial results during the financial year 2020-21	
Quarter ending 30 th June, 2020	24 th July, 2020
Quarter ending 30 th September, 2020	22 nd October, 2020
Quarter ending 31 st December, 2020	21 st January, 2021
Quarter and financial year ending 31 st March, 2021	11 th May, 2021
6. LISTING DETAILS	
Name of Stock Exchange(s) & Stock Code(s)	Address
BSE Limited (BSE) – 500820	BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
National Stock Exchange of India Limited (NSE) – ASIANPAINT	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
ISIN for Depositories	INE021A01026
The Company has paid listing fees to BSE and NSE for the financial year ended 31 st March, 2020.	

General Shareholder Information (Contd.)

7. THE DETAILS OF THE DIVIDEND DECLARED AND PAID BY THE COMPANY FOR THE LAST FIVE YEARS ARE AS FOLLOWS

Year(s)	Percentage (%)	In ₹ per share (Face value of ₹ 1 each)	Dividend amount (₹ in crores)
2014-15	610	6.1	585.1
2015-16	750	7.5	719.4
2016-17	1030	10.3	988
2017-18	870	8.7	834.5
2018-19	1050	10.50	1007.16
2019-20 (interim)	1050	10.50	1007.16

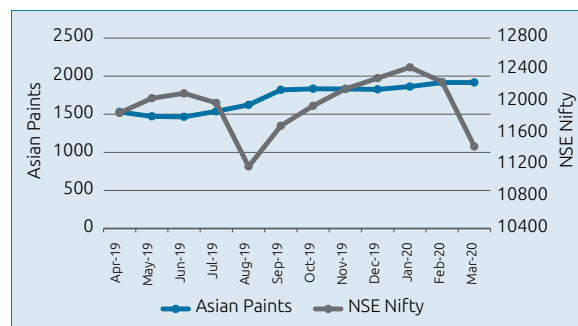
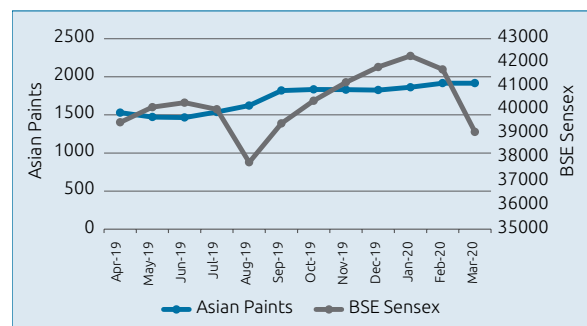
8. MARKET PRICE DATA – THE MONTHLY HIGH AND LOW PRICES OF THE COMPANY'S SHARES AT BSE AND NSE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020 ARE AS FOLLOWS

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2019	1,529.95	1,405.00	1,529.85	1,405.35
May, 2019	1,471.90	1,294.50	1,472.90	1,295.85
June, 2019	1,464.90	1,350.00	1,464.95	1,350.10
July, 2019	1,538.35	1,291.45	1,538.25	1,291.25
August, 2019	1,621.95	1,494.30	1,622.50	1,493.65
September, 2019	1,819.55	1,501.25	1,820.00	1,502.10
October, 2019	1,833.65	1,717.55	1,834.80	1,717.10
November, 2019	1,830.50	1,666.00	1,830.90	1,666.15
December, 2019	1,825.90	1,698.10	1,826.00	1,698.35
January, 2020	1,861.95	1,694.00	1,862.25	1,694.00
February, 2020	1,915.65	1,747.80	1,916.70	1,747.00
March, 2020	1,915.90	1,431.85	1,915.90	1,431.20

Source: BSE & NSE website.

9. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The Chart below shows the comparison of the Company's monthly share price movement on the BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2020 (based on the month end closing):

**10. IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, THE REASONS THEREOF**

Not applicable

11. IMPACT OF LOCKDOWN ON SHARE RELATED OPERATIONS

The Ministry of Home Affairs issued various guidelines, vide its Order dated 24th March, 2020, laying down measures to be taken by ministries and the other departments of Government of India for containment of COVID – 19 pandemic. The Order, *inter alia*, provided that commercial and private establishments shall be closed, but the entities providing capital and debt market services as notified by SEBI shall be exempted from such closure.

SEBI in line with the said Order of the Ministry of Home Affairs with respect to lockdown restrictions, issued a Notification dated 24th March, 2020, allowing entities providing capital and debt market services, including Registrar and Share Transfer Agents (RTA) to operate during the period of lockdown with restrictions.

The office of the Company's RTA, TSR Darashaw Consultants Private Limited, is situated in Mumbai. The lockdown restrictions imposed by the Government of India to counter the spread of COVID – 19 pandemic and other restrictive measures taken by the State Government on use of public transport, on operations of the postal services as well as their office area being demarcated as a red zone, from time to time, allowed for only critical business operations and largely impacted its regular operations.

SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59 dated 13th April, 2020, extended the timelines for processing of various investor requests pertaining to physical securities and compliance & disclosures to be made under SEBI Regulations and various SEBI circulars. The relaxation was being given to intermediaries / market participants, including Registrar and share Transfer Agent for equivalent period of lock down declared by the Government of India, over and above the prescribed time limits.

Accordingly, all the request(s) received from the shareholders and pending with the Company or its Registrar and Share Transfer Agent would be addressed in accordance with the timelines/relaxations as provided by the Statutory Authorities.

12. SHARE TRANSFER SYSTEM

Pursuant to an Order passed by the National Company Law Tribunal, Mumbai, and approval of Securities and Exchange Board of India, the Registry business of TSR Darashaw Limited had been demerged into a new entity TSR Darashaw Consultants Private Limited w.e.f. 28th May, 2019.

TSR Darashaw Consultants Private Limited is the Company's RTA. Share transfers, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by our RTA.

The Securities and Exchange Board of India has mandated transfer of securities only in dematerialized form with effect from 1st April, 2019, barring certain instances.

The shares lodged for transfer, transmission, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. The Board of Directors of the Company have delegated the authority to approve the transfer, transmission, dematerialization of shares etc., to any two members, jointly, of the Shareholders Committee of the Company including the Company Secretary. A summary of approved transfers, transmissions, dematerialization of shares, etc. is placed before the Board of Directors from time to time as per the Listing Regulations.

Transactions involving issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates etc. are approved by the Shareholders' Committee.

13. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), dividend, if not claimed for a period of seven (7) years from the date of transfer to Unclaimed Dividend Account on the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Further, according to the IEPF Rules, all the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more from the respective date of transfer to Unpaid Dividend Account shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

During the year under review, the Company had sent individual notices and has issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares / dividend to the IEPF. Details of the unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the website of the Company at:

<https://www.asianpaints.com/more/investors/unclaimed-dividend.html>

The details of the unclaimed dividend and shares transferred to IEPF during the financial year 2019 – 20 are as follows:

Particulars	Amount of unclaimed dividend transferred (in ₹)	No of shares transferred
Final Dividend 2011-12	74,88,881	63,080
Interim Dividend 2012-13	25,78,112	21,150
Total	1,00,66,993	84,230

During the financial year 2020–21, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2013 on or before 29th August, 2020, and unclaimed interim dividend amount for the financial year ended 31st March, 2014 on or before 26th December, 2020, to IEPF.

The members who have a claim on the dividends and shares transferred to the IEPF Authority may claim the same by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Appointment of Nodal and Deputy Nodal Officer(s)

In terms of IEPF Rules, the Company which is required to credit amounts or shares to the fund or has deposited the amount or transferred the shares

General Shareholder Information (Contd.)

to the Fund shall nominate a Nodal Officer, who shall either be a Director or Chief financial Officer or Company Secretary of the Company, for the purposes of verification of claims and coordination with IEPF Authority.

Companies are also authorized to appoint one or more Officer as Deputy Nodal Officer to assist the Nodal Officer for the purposes of verification of claim and for co-ordination with IEPF Authority.

In accordance with IEPF Rules, the Board of Directors have appointed Mr. R J Jeyamurugan, CFO and Company Secretary of the Company, as the Nodal Officer and Mrs. Radhika Shah, Chief Manager – Secretarial & Legal is the Deputy Nodal Officer.

Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available at the website of the Company at

<https://www.asianpaints.com/more/investors.html>.

14. DIVIDEND

Dividend details	Payment date
1 st Interim Dividend for FY 2019-20 of ₹ 3.35 per equity share declared on 22 nd October, 2019	2 nd November, 2019
2 nd Interim Dividend for FY 2019-20 of ₹ 7.15 per equity share declared on 25 th February, 2020	6 th March, 2020

Details of Unclaimed Dividend

The details of the outstanding unclaimed dividend and corresponding due dates for transfer to IEPF as on 31st March, 2020 are as under:

Sr. No.	Particulars of Dividend	Amount (in ₹)	Due dates for transfer to IEPF
1.	Final Dividend 2012-2013	1,01,35,381.00	29 th August, 2020
2.	Interim Dividend 2013-2014	37,28,719.00	26 th December, 2020
3.	Final Dividend 2013-2014	95,14,349.00	30 th August, 2021
4.	Interim Dividend 2014-2015	53,98,476.00	22 nd November, 2021
5.	Final Dividend 2014-2015	1,21,76,129.00	7 th September, 2022
6.	Interim Dividend 2015-2016	59,30,912.00	27 th December, 2022
7.	Final Dividend 2015-2016	2,27,35,246.80	2 nd September, 2023
8.	Interim Dividend 2016-2017	1,27,94,423.10	30 th December, 2023
9.	Final Dividend 2016-2017	3,41,45,293.05	2 nd September, 2024
10.	Interim Dividend 2017-18	1,19,19,382.00	28 th December, 2024
11.	Final Dividend 2017-18	2,44,44,468.40	1 st September, 2025
12.	Interim Dividend 2018-19	1,07,77,779.73	26 th December, 2025
13.	Final Dividend 2018-19	2,99,81,841.75	31 st August, 2026
14.	1 st Interim Dividend 2019-20	1,19,36,975.65	26 th December, 2026
15.	2 nd Interim Dividend 2019-20	1,90,85,916.85	30 th April, 2027

Dividend details	Payment date
Final Dividend for FY 2019-20 of ₹ 1.5 per equity share recommended by the Board of Directors at its meeting held on 23 rd June, 2020	6 th August, 2020 (Subject to approval of the shareholders)

The Company provides the facility for remittance of dividend to members through DC (Direct credit) / NACH (National Automated Clearing House) / NEFT (National Electronic Funds Transfer).

Members who have not opted for remittance of dividend through electronic mode and wish to avail the same are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants (DPs) for shares held in electronic form or to the Company's RTA for shares held in physical form, as the case may be, in order to ensure safe and speedy credit of their dividend into their Bank account.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Further details in this regard have been made available in the Notice for the Company's 74th Annual General Meeting forming part of this Annual Report.

15. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO THE 'ASIAN PAINTS LIMITED – UNCLAIMED SUSPENSE ACCOUNT' IS AS UNDER

In accordance with the requirements of Regulations 34, 39 read with Schedule V(F) of Listing Regulations details of equity shares in Asian Paints Limited - Unclaimed Suspense Account are as follows:

	Particulars	No. of shareholders	No. of Equity Shares
Opening Balance	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 st April, 2019	460	700,180
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	22	44,880
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	49	32,880
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 st March, 2020	389	622,420

All the corporate benefit against those shares like bonus shares, split, etc., would also be transferred to Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

The shareholders holding shares in physical form are requested to dematerialize their shares for safeguarding their holdings and managing the same hassle free. Shareholders are accordingly requested to get in touch with any of the Depository Participant(s) registered with SEBI to open a Demat account. The shareholders may also visit website of depositories viz. National Securities Depository Limited or Central Depository Services (India) Limited for further understanding of the demat procedure.

16. DEMATERIALIZATION OF SHARES

Break up of shares in physical and demat form as on 31st March, 2020 is as follows:

Particulars	No. of Shares	% of Total No. of Shares
Physical Segment	7,725,758	0.81
Demat Segment	951,472,032	99.19
NSDL	928,221,771	96.77
CDSL	23,250,261	2.42
Total	959,197,790	100

The Company in terms of SEBI Press Release dated 27th March, 2019, is accepting only those request(s) for physical transfer of shares, which were lodged and returned prior to the deadline of 1st April, 2019 due to deficiency in document(s).

17. DISTRIBUTION OF SHAREHOLDING

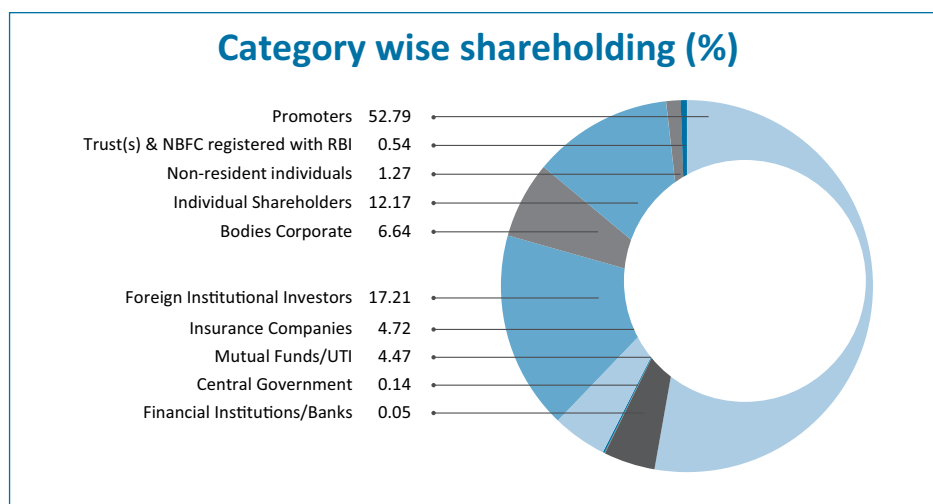
Distribution of shareholding of shares of the Company as on 31st March, 2020 is as follows:

No. of equity shares		Shareholders		Shareholding	
		No.	% to total	No.	% to total
Upto	50	205,902	65.23	3,064,597	0.32
51	100	40,214	12.74	3,275,132	0.34
101	200	25,860	8.19	3,815,392	0.40
201	300	8,928	2.83	2,261,048	0.24
301	400	4,338	1.37	1,547,631	0.16
401	500	3,713	1.18	1,755,917	0.18
501	1000	7,439	2.36	5,678,776	0.59
1001	5000	12,680	4.02	32,771,108	3.42
5001	10000	3,530	1.12	27,256,102	2.84
10001	AND ABOVE	3,022	0.96	877,772,087	91.51
Total		315,626	100.00	959,197,790	100.00

General Shareholder Information (Contd.)

Shareholding Pattern as on 31st March, 2020

	Category of Shareholder(s)	No. of Shares	% of Total No. of Shares
(A)	Shareholding of Promoter(s) and Promoter(s) Group		
	(a) Individuals/Hindu Undivided Family	100,967,572	10.53
	(b) Bodies Corporate	404,631,382	42.18
	(c) Trust	785,700	0.08
	Total Shareholding of Promoter(s) and Promoter(s) Group (A)	506,384,654	52.79
(B)	Public shareholding		
	(1) Institutions		
	(a) Mutual Funds/UTI	42,885,325	4.47
	(b) Financial Institutions/Banks	518,288	0.05
	(c) Central Government	1,386,963	0.14
	(d) Insurance Companies	45,272,595	4.72
	(e) Foreign Institutional Investors	165,046,022	17.21
	Sub-Total (B)(1)	255,109,193	26.59
	(2) Non-Institutions		
	(a) Bodies Corporate	63,702,852	6.64
	(b) Individuals		
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	107,979,167	11.26
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,679,901	0.91
	(c) Non-Resident individuals	12,132,947	1.27
	(d) NBFCs registered with Reserve Bank of India (RBI)	11,271	0.00
	(e) Trust(s)	5,197,805	0.54
	Sub total (B)(2)	197,703,943	20.62
	Total Public Shareholding (B)=(B)(1)+(B)(2)	452,813,136	47.21
	Total (A)+(B)	959,197,790	100

Category wise shareholding as on 31st March, 2020

18. OUTSTANDING INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ ADRs/ Warrants/Convertible Instruments as on 31st March, 2020.

19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

- a) Risk management policy of the listed entity with respect to commodities including through hedging:

The Company has in place a Risk Management Policy and a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The Risk Management Committee (RMC) periodically meets to discuss the key strategic and business risks and the risk treatment plans being taken by the Company. The minutes of the meetings of the RMC are periodically shared with the Audit Committee of the Board.

The Company imports certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing paints and related products of the Company. Most of the significant raw materials are not commodities per se, though some of them could be derivatives of commodities.

The Company does not undertake any commodity hedging activities.

The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

- b) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: NA
- c) Commodity risks faced by the listed entity during the year and how they have been managed: NA

20. CREDIT RATINGS AND ANY REVISIONS THERETO FOR DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2020.

The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA respectively. There was no revision in the said ratings during the year under review.

21. PLANT LOCATIONS

Paint Plants:

1. Plot Nos. 2602/2702, GIDC Industrial Area, Ankleshwar - 393 002, Gujarat.
2. SIPCOT Industrial Park, Plot No. E6-F13, Sriperumbudur - 602 105, Kancheepuram District, Tamil Nadu.
3. Plot A1, MIDC, Khandala Industrial Area, Taluka Khandala, Satara - 412 802, Maharashtra.
4. Plot Nos. 50-55, Industrial Development Area, Phase II, Patancheru - 502 319 Dist. Medak, Telangana.
5. A-1, UPSIDC Industrial Area, Kasna - II, Kasna Village, Greater Noida, Dist. Gautambudh Nagar - 203 207, Uttar Pradesh.
6. Plot No. 1, IMT, Sector 30 B, PO Kherisadh Village, Rohtak - 124 027, Haryana.
7. Taloja Plant: Plot No. 3/2, MIDC, Taloja, Raigad - 410 208, Maharashtra.
8. Plot No. 3, 4 and UDL, Industrial Cluster, Pudi, Rambilli 531 061, Visakhapatnam District, Andhra Pradesh.
9. Thandya Phase - 2, Industrial Area, Immavu, Nanjangud Taluk, Mysuru - 571 302, Karnataka.

Other Plant:

Penta Plant: B-5 and 10, Sipcot Industrial Complex, Cuddalore - 607 005, Tamil Nadu.

22. ADDRESS FOR CORRESPONDENCE

For any queries relating to the shares of the Company, correspondence may be addressed to the Company's RTA at:

M/s. TSR Darashaw Consultants Private Limited (TSR)
6, Haji Moosa Patrawala Industrial Estate,
Near Famous Studios, 20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011,
Tel No.: (022) 6656 8484 Extn.: 411/412/413
Fax No.: (022) 6656 8494
Toll Free No.: 1800 2100 124
e-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

For the convenience of our investors, our RTA will accept the share transfer documents and other related letters at their following locations:

General Shareholder Information (Contd.)

1. Branches of TSR

503 Barton Centre, 5th Floor 84, Mahatma Gandhi Road, Bangalore – 560 001.

Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.

Plot No 2/42, Sant Vihar, Ansari Road Daryaganj, New Delhi – 110 002.

Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur – 831 001.

2. Agents of TSR

Shah Consultancy Services Ltd., 3, Sumatinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad – 380 006.

The documents will also be accepted at the Registered Office of the Company:

Asian Paints Limited

CIN: L24220MH1945PLC004598

6A, Shantinagar, Santacruz (E),

Mumbai – 400 055, Tel. No.: (022) 6218 1000

E-mail: investor.relations@asianpaints.com

Website: www.asianpaints.com

Shareholders are requested to quote their Folio No./ DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

23. ADDRESS OF THE REDRESSAL AGENCIES FOR INVESTORS TO LODGE THEIR GRIEVANCES

Ministry of Corporate Affairs (MCA)

'A' Wing, Shastri Bhawan, Rajendra Prasad Road, New Delhi – 110 001

Tel. No.: (011) 2338 4660, 2338 4659

Website: www.mca.gov.in

Securities and Exchange Board of India

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051,

Tel. No.: (022) 26449000 / 40459000 /

(022) 26449950 / 40459950

Fax No.: (022) 26449019-22 / 40459019-22

Toll Free Investor Helpline: 1800 22 7575

E-mail : sebi@sebi.gov.in

Website: www.sebi.gov.in

Stock Exchanges:

National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Tel. No.: (022) 26598100 - 8114

Fax No.: (022) 26598120

Website: www.nseindia.com

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Tel. No.: (022) 22721233/4, (022) 66545695 (Hunting)

Fax No.: (022) 22721919

Website: www.bseindia.com

Depositories:

National Securities Depository Limited

Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound,

Lower Parel, Mumbai – 400 013

Tel. No.: (022) 2499 4200

Fax No.: (022) 2497 6351

Email: info@nsdl.co.in

Website: www.nsdl.co.in

Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th Floor,

N M Joshi Marg, Lower Parel, Mumbai – 400 013

Toll free No.: 1800-22-5533

Email: complaints@cdslindia.com

Website: www.cdslindia.com

24. OTHERS

a. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement; and
- Particulars of their Non Resident Rupee Account, whether repatriable or not, with a bank in India, if not furnished earlier.

b. Updation of shareholders details:

- Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written request under the signatures of sole/first joint holder; and

ii. Shareholders holding shares in electronic form are requested to send their instructions directly to their DPs.

c. Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

d. Shareholders are requested to Deal only through SEBI registered intermediaries and give clear and unambiguous instructions to your broker / sub-broker / DP.

e. Nomination of shares:

Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13 annexed to this report or download the same from the Company's website.

f. Email Id registration

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to Company like Notice and Outcome of Board Meetings, Dividend credit intimations, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses.

The Company periodically sends reminder to all those shareholders who haven't registered their email address or wish to change the same. The shareholders willing to register their email address can write to their respective Depository Participant or Company's Registrar and Share Transfer Agent, as the case may be.

g. SEBI Complaints Redress System (SCORES):

SEBI vide its circular dated 26th March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance.

In its efforts to improve the ease of doing business, SEBI launched a Mobile Application for the convenience of investors to lodge their grievances in SEBI Complaints Redress System (SCORES).

The App has all the features of SCORES which is presently available electronically where investors have to lodge their complaints by using internet medium. After mandatory registration on the App, for each grievance lodged, investors will get an acknowledgement via SMS and e-mail on their registered mobile numbers and e-mail ID respectively. Investors can, not only file their grievances but also track the status of their complaint redressal. Investors can also key in reminders for their pending grievances. Tools like FAQs on SCORES for better understanding of the complaint handling process can also be accessed. Connectivity to the SEBI Toll Free Helpline number has been provided from the App for any clarifications/help that investors may require.

Annexure A to Report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Asian Paints Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Asian Paints Limited** having **CIN L24220MH1945PLC004598** and having registered office at **6A, Shantinagar, Santacruz (E), Mumbai 400055** (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

TABLE A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Ashwin Suryakant Dani	00009126	18/12/2003
2.	Abhay Arvind Vakil	00009151	22/07/2014
3.	Manish Mahendra Choksi	00026496	22/10/2018
4.	Kanwar Bir Singh Anand	03518282	25/06/2012
5.	Malav Ashwin Dani	01184336	21/10/2013
6.	Amrita Amar Vakil	00170725	14/05/2014
7.	Jigish Shailesh Choksi	08093304	01/04/2019
8.	Deepak Madhav Satwalekar	00009627	30/05/2000
9.	Sivaram Swaminathan	00009900	07/04/2001
10.	Mahendrakumar Sharma	00327684	25/10/2012
11.	Vibha Paul Rishi	05180796	14/05/2014
12.	Seshasayee Ramaswami	00047985	23/01/2017
13.	Suresh Narayanan	07246738	01/04/2019
14.	Pallavi Shardul Shroff	00013580	01/04/2019

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN- F006667B000331134

Place: Mumbai
Date : 10th June, 2020

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN- F005533B000366621

Place: Mumbai
Date : 22nd June, 2020

Annexure B to Report on Corporate Governance for the financial year ended 31st March, 2020

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, 2020.

Amit Syngle

Managing Director & CEO

Place: Mumbai

Date : 23rd June, 2020

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
Asian Paints Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

Amit Syngle

Managing Director & CEO

Place: Mumbai

Date : 23rd June, 2020

R J Jeyamurugan

CFO & Company Secretary

Annexure C to Report on Corporate Governance for the financial year ended 31st March, 2020

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF ASIAN PAINTS LIMITED

To the Members of
Asian Paints Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. AAD/AVJ/3435/2019-20/01 dated June 12, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Asian Paints Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on

Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. 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 **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No: 102912

UDIN : 20102912AAAADH1280

Place: Mumbai

Date : June 23, 2020

Business Responsibility Report (BRR)

INTRODUCTION

Asian Paints is committed to manage its operations including deployment of resources using principles of sustainable development to minimize impact on environment and protect health & safety of its employees, service providers, neighboring communities and customers.

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of that sustainable journey is its continuous endeavor to protect environment through conservation of water and energy, minimization of waste and its environmentally sound disposal.

The Business Responsibility Report is a summary of the Company's sustainability programmes and its more detailed Sustainability Report is published separately which is available on Company's website and can be accessed by using the link - <https://www.asianpaints.com/sustainability/>

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN)** : L24220MH1945PLC004598
- Name of the Company** : Asian Paints Limited
- Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
- Website** : www.asianpaints.com
- E-mail Id** : investor.relations@asianpaints.com
- Financial Year reported** : 1st April, 2019 to 31st March, 2020
- The 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 chemical compounds n.e.c.
259	Manufacture of metal sanitary ware such as bath, sinks, washbasins and similar articles

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. The key products that the Company manufactures (as per Balance Sheet) are:

- Paints/Synthetic Enamels, Other Colours,
- Pentaerythritol
- Bath Fittings

Please refer to Company's website (www.asianpaints.com) for complete list of products.

9. Total number of locations where business activity is undertaken by the Company:

- Number of international locations – Nil (on a standalone basis)
- Number of national locations –

Paint Manufacturing Facilities	9
Chemical Plants	1
Research & Technology Centre and Test Sites	3
Sales Locations	140
Admin Offices	34
Distribution Centres	10
Other offices including the Registered Office	5

10. Markets served by the Company:

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital** : ₹ 95.92 crores
- Total Turnover** : ₹ 19,739.97 crores
- Total profit after taxes** : ₹ 2,653.95 crores
- Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (PAT)%**

The Company's total spending on CSR for the financial year 2019-20 is ₹ 74.64 crores which is 2.8 % of PAT.

5. Some of the areas for which expenditure in 4 above has been incurred:

- Education
- Water Conservation
- Health Care, Hygiene and Sanitation
- Vocational Training

SECTION C: OTHER DETAILS

- The Company as on 31st March, 2020 has 6 (Six) direct subsidiaries and 18 (Eighteen) indirect subsidiaries.
- The Company encourages its subsidiaries to adopt its policies and practices.

Business Responsibility Report (BRR) (Contd.)

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:
- DIN : 07232566
 - Name : Amit Syngle
 - Designation : Additional Director / Managing Director & CEO
- b. Details of the BR head:
- Name : R J Jeyamurugan
 - Designation : CFO & Company Secretary
 - Tel. No. : +91 22 6218 1000
 - E-mail Id : investor.relations@asianpaints.com

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/Policies (Reply in Y/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 promote 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.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/international standards? Refer Note 2	Y	Y	Y	Y	Y	Y	NA	Y	N
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director? Refer Note 3	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director & CEO)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director & CEO)	Y (It is signed by the Vice President - Human Resources Function)	Y (It is signed by the Managing Director & CEO)	NA	Y (It is signed by the Managing Director & CEO)	Y (It is signed by the Managing Director & CEO)
5.	Does the Company has a specified committee of the Board of Directors/ Official to oversee the implementation of the policy? Refer Note 4	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7.	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 5:	Y	Y	Y	Y	Y	Y	NA	Y	Y

Notes:

- 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.
- The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards. Please refer the detailed report for more information.
- As a process all the policies are noted by the Board. The Board authorises Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.
- The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function. The CSR Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013 and Rules framed thereunder. The EHS Policy is overseen by the Supply Chain, Manufacturing and the Research & Technology Function. The Company has a separate Customer Centricity Function which looks at all customer related issues.
- While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

Principle	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health and Safety Policy.	https://www.asianpaints.com/footer-links/ehs-policy.html
Principle 3: Businesses should promote the well-being of all employees	Code of Conduct & Internal HR Policies for Employees.	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy & Customer Policy.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf https://www.asianpaints.com/footer-links/customer-policy.html
Principle 5: Businesses should respect and promote human rights	Code of Conduct.	https://www.asianpaints.com/more/investors/policies-programs.html
Principle 6: Businesses should respect, protect, and make efforts to restore the environment	Environment, Health and Safety Policy.	https://www.asianpaints.com/footer-links/ehs-policy.html
Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner	NA	NA
Principle 8: Businesses should support inclusive growth and equitable development	CSR Policy.	https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner	Customer Policy.	https://www.asianpaints.com/footer-links/customer-policy.html

Business Responsibility Report (BRR) (Contd.)

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	-	-	-	-	-	-	*	-	-

* The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Paint Industry, the Company works through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. There are specified officials in the Company who are authorised for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

Governance related to BR

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company – <https://www.asianpaints.com/more/investors/annual-reports.html>

PRINCIPLE 1**Business should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company has built trust with its stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure highest levels of adherence to these principles through our policies like Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc. The Company's practice of making timely, accurate and complete disclosure of relevant information has not only enabled it to gain trust of its stakeholders' but also foster a culture promoting ethics and integrity.

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 receiving and investigating complaints from any employee/business associates. An Ethics Hotline has been provided to employees to enable them to report any instances of fraud, abuse, misconduct or malpractices at workplace. The Hotline is provided with language options to facilitate employees to report their concerns in the language they are more conversant with. This hotline is available for the Company as well as to all its subsidiaries including international subsidiaries in local languages.

The Code of Conduct for employees and the Whistle Blower Policy of the Company is also extended to employees of the subsidiary companies. The Code of Conduct and Company's Policy on Fraud Prevention which covers acts such as deception, bribery, forgery, extortion and corruption are applicable to any irregularity involving employees as well as vendors, contractors, customers, and/or any other entities having a business relationship with the Company. Adequate measures have been taken to educate employees and suppliers on the Company's expectation on ethical conduct.

The Company has adopted and implemented various policies and codes thereby setting the foundation for good corporate governance at the core of all its business transactions and processes. The Company has put in place a robust system of compliance in the organization with the help of its people and technology. A well-organised compliance management system which enables the

Company's employees to know about the compliance requirements related to their respective areas, report the status of compliances and seek clarity on legal provisions, has been set up. The web-based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at all levels in the Company.

The Company is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price sensitive information in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In this regard, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated persons for protecting and maintaining confidentiality. With a view to implement the Code in its true spirit and to ensure full adherence by the designated persons, the Company has automated the process of obtaining disclosures and sanctioning pre-clearance applications for trades by designated persons under the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Asian Paints Insider Trading Management System not only acts as a repository of relevant information but also provides an electronic platform for submission of statutory declarations by the designated persons, seeking trading approvals and sending out timely compliance reminders.

There are different systems in place to receive and resolve complaints from various stakeholders. In case of investors, complaints received from SEBI, stock exchanges or depositories are resolved through Company's share transfer agent. During the year the Company received 30 investor complaints out of which 29 have been resolved and one is in process as on 31st March, 2020.

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is committed to offer products that meet internationally accepted green product standards. This commitment drives the team of dedicated professionals working at Company's state-of-the-art Research & Technology Centre at Mumbai where technology and innovation are the corner stones.

Royale Health Shield is an anti-bacterial product that provide better interior air quality and protection against bacteria. This product has been endorsed by Indian Medical Association. It is now upgraded further and has been certified by American Asthma Federation.

In the space of exterior paints, sustainability through durability has been the focus of the company. Ultima Protek Lamino was introduced as durable paint that has longer service life and added features like graffiti removal.

Water proofing solution continue to be a focus area and several new products have been launched to prevent migration of water into the structure and improve the service life of construction. Ultron is one such product.

The Company has been taking all possible measures to reduce Volatile Organic Compounds (VOC) levels in paints. Moving further, dealer tinting system, this year, has been transformed for universal colorant to a separate solvent based and water based colorant platform. This, not only reduces the environmental impact, but also attributing. All our existing and new products for architectural and decorative market are free from presence of heavy metals and respirable crystalline silica.

Apolite Rust Shield has been introduced to the market to address the challenge of corrosion in household metallic structures. It can be applied over moderately rusted surfaces. The unique polymer technology and formulation science helps the product to hold onto the rust and protect the overall structure for longer period.

The company launched a new product Nilaya Natural. The product is designed as per Ecocert standard for natural Origin paints and Coatings and more than 97% of its ingredients are either natural or natural origin.

Waterproofing

This year, SmartCare PU Magnum 2K waterproofing membrane coating was launched

We have upgraded all our premium products to give better performance in different environmental conditions

In the recent past, the company has made focused efforts in the area of increasing the renewable content of the products and process innovation. Polyols and polymeric carbohydrates derived from renewable origin have been incorporated in products thereby increasing the renewable content of many products. A new way of dispersion technology has been scaled up at manufacturing plants that enables reduction of rutile which is a key contributor to greenhouse gas emissions.

Business Responsibility Report (BRR) (Contd.)

The Company continues to accord highest priority in developing eco-friendly products which meet the best international standards such as GS 11 from Green Seal USA. The company's internal green logo "Green Assure" on certain categories of products is a testimony of commitment to develop and market best of the class green product to ensure consumer safety as well as safeguarding environment. Accordingly the company has initiated number of R&D programs towards developing products based on sustainable design philosophy starting from raw material selection to formulation development to manufacture, application and waste control. The entire architectural product category continues to be free from heavy metals and respirable crystalline silica free.

Amidst the ever-changing landscape, one thing that has remained constant is our steadfast commitment to being truly green. We started this journey, about seven years ago, with 'Lead & Heavy Metal Free Guarantee'. This was much before the government's legislation in 2016 banning decorative paints containing metallic lead concentration more than 90 ppm. All our raw material and newly developed paint formulation are screened for Lead content by using our internal facility which is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) ISO/ISE 17025:2005.

Our Research and Technology division is where over 200 highly qualified scientists come together and share their insights in technological developments, to help us push the envelope year after year. Our state-of-the-art laboratories are spread across multiple locations around the world. Here is where most of our paint development and testing for architectural and industrial application takes place. We also have a microbiology lab, a modern instrumentation lab and a resin and functional polymer development lab.

With a view to reduce carbon footprint, the Company has implemented more efficient machinery at plants to reduce the power consumption and to reduce raw materials that are high contributors to produce carbon footprint. Company's application laboratory has developed test protocol for various application tools designed by the Company for best outcome in terms of finish and ease of application. Application laboratory also has developed test protocol to get the best output from automated tools. Application laboratory has also tested various construction materials and their impact on finish of final top coat.

The Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available on the Company's website. It contains the information pertaining to product features, process of application,

technical details, safety precautions etc. The information can be accessed through the following link:

https://www.asianpaints.com/pro/product_listing.aspx

Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment.

The company has initiated proactive steps to control, reduce and eliminate use of toxic and hazardous raw materials during design and manufacture of products. Appropriate safeguard mechanism has been instituted to prevent entry of new toxic material at the raw material approval stage itself. Also identification of toxic and hazardous materials from the active raw material list has been completed and removal plans have been initiated wherever possible. In cases where alternates are not available easily for replacement, a detailed plan for mitigating exposure risk during manufacturing, application and disposal has been designed and implemented at plants.

The Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its production. In order to reduce the consumption of power derived from non-renewable sources, the Company has installed solar power panels and wind mills at or near its plants for sourcing power.

In the area of energy management we look to responsibly manage and conserve energy by improving the efficiency of our production processes and incorporating renewable energy technologies to supplement our power needs.

In the past decade, specific fresh water consumption in our paint manufacturing plants has been reduced significantly through the following:

- ✓ Reduction of water consumed in utilities by process improvements in cooling tower operations.
- ✓ Reuse and recycle of waste water which streams back into the manufacturing processes.
- ✓ Installation of Zero Discharge Facilities etc.

Over the period of time, the Company has developed standard practices for ensuring sustainable development and have included them as one of the selection criteria for its vendors and suppliers. As such the Company prefers to enter into long term commitments with its business partners who fulfil their responsibility towards society as well as environment. The Company take initiatives 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 the Company engages and encourages them to undertake sustainable practices across supply chain.

The Company has strategically designed its distribution network in order to serve its dealers in the least possible time and transportation cost. This has resulted in better warehouse and inventory management. Further, the Company drives its distribution plan using an ERP (Enterprise Resource Planning) system to optimize freight cost. It also promotes suppliers wherever feasible, to set up their manufacturing units near to the Company's manufacturing locations. These initiatives on one hand benefits the Company in terms of time and cost of transportation and on the other support environment through reduction in fuel consumption and resultant carbon emission.

The Company has been procuring papers that contain 100% recycled content. The Company also uses recycled cardboard cartons (secondary packaging) to pack small sized paint containers. The jumbo packaging used for transfer of certain powder raw material by suppliers is also reused for internal purposes.

PRINCIPLE 3 Businesses should promote the wellbeing of all employees

The safety and well-being of the Company's employees is paramount and non-negotiable. The Company follows industry accredited best practices on health & safety across our operations, and conduct all our processes in a responsible manner to safeguard our employees. The Company has a long standing practice of developing talent from within. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.

Sr. No.	Category of employees	Number of employees
1	Permanent employees	6750
	Women employees	436
	Differently abled employees	5
	Other employees	6309
2	Temporary employees	16224
	Contract employees	16131
	Temporary / casual employees	93

Details of employees and contracted work force in India as on 31st March, 2020 are listed below:

There are registered and recognized trade unions at the company's manufacturing locations and certain sales units are affiliated to various local and central trade unions. Around 28% of permanent employees are under unionised category.

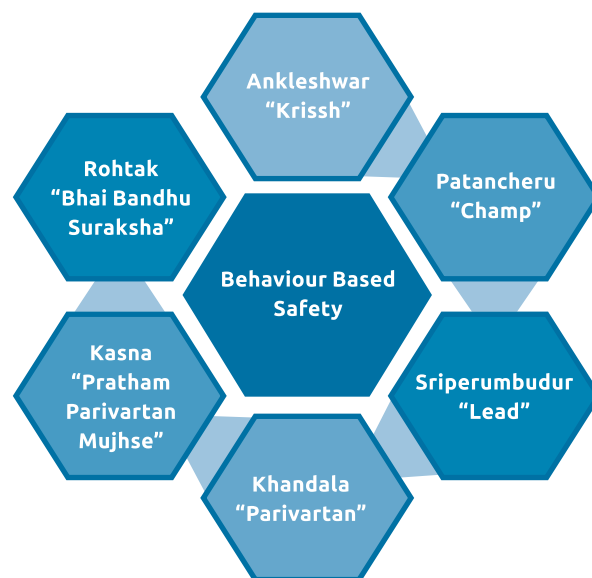
The Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.

Safety & Health at the workplace

Establishing policies, plans and procedures aimed at reducing accident rates are important, but a strong safety culture emerges only when employees share the organisation's vision. At Asian Paints, we are building a culture where employees exhibit and practice safe behaviour.

Occupational Health and Safety is centrally governed by a 'Safety Council' and is supplemented by plant level 'Apex' and 'Department' Safety Committees. Safety Council provides oversight to ensure continuous performance backed up by the Corporate Quality and Safety (CQS) team. The Company has in its staff, specially trained safety professionals along with trained line management. Health and Safety aspects are also covered in all its formal agreements with trade unions and contractors and are a part of the Settlement Book.

Some of the initiatives taken in the area of Health & Safety are listed below:



- Behaviour Based Safety (BBS) initiative was taken at Anklashwar and Patancheru in 2014 and 2016 respectively. As per the process, baseline assessment was carried out at both the plants to establish the maturity level and progress made. Both the plants have made significant improvement in the safety culture and have moved to next levels in the subsequent assessments. This initiative is now extended to six decorative plants. Each plant has branded them keeping in view the regional context.

Business Responsibility Report (BRR) (Contd.)

- All the leaders in Supply Chain (General Works Managers, Chief Managers, General Managers and Vice President) have undergone a workshop on Safety Culture Building. This programme is made for all leaders in the Supply Chain function before they assume their respective roles.
- All the decorative manufacturing plants follow the Asian Paints Safety Manual which is based on British Safety Council Specifications for Five Star Safety Audit. During the year 2018-19, Rohtak plant has successfully completed Five Star Safety Audit of the British Safety Council & was awarded with Sword of Honour. In year 2019-2020 Sriperambudur plant is successfully completed Five star audit form British safety council.
- The Occupational Health Centres at Company's manufacturing locations is ahead of the regulatory requirements and the Company takes all possible measures to keep it upto date with latest devices and facilities.
- At our Regional Distribution Centres, Suraksha Sarvopari, a safety programme has been implemented which includes fire safety, electrical safety, safety audits etc. The units are graded monthly and annual award is presented to the winning team.
- For the Company sales warehouses, there is a similar programme implemented called Safety Stalwarts. The programme is aimed to sensitise workers on personal safety and focuses on mock drills, safety campaigns, electrical safety, safety audits, safety week celebrations and safety improvements. The units are graded monthly and an annual award is presented.
- Further a helpline service called 'APAL' in partnership with Optum was launched to provide mental and psychological support to employees.
- Global Plank Challenge was launched.

The purpose of this initiative was to challenge employees to build stamina and increase strength and ability to hold a plank for the maximum time. 12 countries, 38 teams and more than 500 employees participated.

- Desk Yoga Session

Prolonged sitting hours at office can cause stress and stiffness in the joints leading to discomfort and tiredness. The Company arranged for desk yoga session for employees. They were taught light yoga

postures which can be performed easily at desk to revitalize body.

- Global Step Challenge

The Company launched a global step initiative between 1st to 30th November, 2019 for all Asian Paints Group employees. The purpose of this initiative was to encourage employees to walk/jog/run daily. Three challenges were launched in this –

- a) Hit a century- The 100 Km (Individual Challenge)
- b) Participants must walk/run to achieve a milestone of 100 kms over a period of 30 days to qualify for this challenge.
- c) Beyond Boundaries (Individual Challenge) This was a 30 day challenge. Any employee could participate in this challenge and share distance covered.
- d) Happy Feet (Team Challenge) A team of 5 members could participate together to achieve the longest distance covered.

- Wellness Initiatives at Factories:

The Company understand that employees spend a big part of their waking hours in the workplace. Hence, the Company focus on creating a holistic work environment by promoting health and wellness at the workplace. Listed are some of the wellness initiatives at our manufacturing locations.

- Diabetes Awareness Session in Ankleshwar
- Wellspring session for drivers in Kasna
- Awareness talk on Dehydration & Obesity in Rohtak
- Stress Management session for Khandala
- Workplace Ergonomics and Physiotherapy for Sriperumbudur
- Blood Donation Camp in Mysore
- Financial Wellness session in Vizag

Percentage of employees who were given safety and skill upgradation training in the last year are:

Permanent employees	90%
Permanent women employees	100%
Casual / Temporary / Contractual employees at plants	100%
Employees with disabilities	100%

The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees including employees at the manufacturing locations (based on settlement agreements signed by the Company).

Safety and dignity of our women employees is of paramount importance. In order to ensure their safety and to secure individual rights at the workplace, the Company has designed an internal module to apprise employees on the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and redressal mechanisms. In addition to the POSH workshops which are conducted for all new-joiner inductions, workshops are also conducted to sensitize employees on the subject. An Internal Complaints Committee has been constituted at all locations with an empanelled external expert.

Cases of sexual harassment reported were settled as per the due process of law prescribed to prevent and redress cases of sexual harassment.

- Number of sexual harassment cases in 2019-20: 2
- Number of sexual harassment cases closed in 2019-20 : 2

At Asian Paints, the wage increase for team members and Operators are done through long term settlements with the union and these settlements have been linked to productivity and overall plant improvement aspects. The relationship with the union has always been fair and as a Company we have not lost any man days on account of industrial relations. Apart from long term settlement the Company has a robust employee relations agenda at plants with focus on growth, inclusive participation and skill upgradation of these employees at large. The team members / Operators through these programmes have taken up supervisory roles and have grown in their career.

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Identifying the stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of our communities has always been an important facet of our operations. The Company extends its social responsibility by engaging in strategic and trust based community development interventions.

While our CSR approach focuses on the development of communities around the vicinity of our plants, we have

also developed innovative programmes that leverage our capabilities as a paint manufacturer and the home improvement service provider to enhance livelihood of underserved communities through vocational training and skill development.

At Asian Paints, our objective is to enhance employable skills and knowledge of an individual to assist him/her in contributing to India's economic growth. The Color Academies were started with the same objective for upskilling of painters and helpers.

The Asian Paints Color Academies are equipped with modern facilities to upgrade the skills of existing painters, thus helping them become specialists in their respective fields. Academy offers training programs across a variety of skills including designer finishes, emulsions, metal care, mechanization, water proofing, wood finishes and wallpaper installation in order to improve skill set of painters. Asian Paints Colour Academy is a NSDC approved training partner and the Company has been supporting the Skill India Mission furthered by the Government of India.

Asian Paints has been engaged in training painters on new finishes, techniques, modern paints and technology since 2005. The training then was focused mostly on customer service, behaviour at site along with novel ideas of masking and hygiene requirements. Initially this training setup was called 'Asian Paints Training Centre' whose training was limited to the requirements of Asian Paints Ezycolor Home Solutions. In the following years, training painters saw a genesis in seeding a new finish which required skilled application - 'Royal Play'. Royal Play became the defector training which was given to already existing painters. The training indeed helped them offer something new to customers and in-turn earn more from their daily work. In 2008 Asian Paints setup its first Colour Academy in Chennai to train painters and contractors from the market.

In the financial year 2019-20, Company's more than 50 Colour Academies in India have conducted more than 1,47,000 trainings.

Be it exposure to chemicals or working at height, a painter is at quite a risk while on his job. Safety is important not only for the painter, but also for systematic, hygienic, and clutter free painting experience. We believe that caring and encouraging a safe environment for one and all must be a practice.

For more details about the Academies and the courses being offered, please visit the following link.

<https://www.asianpaints.com/colouracademy/index.aspx>

Business Responsibility Report (BRR) (Contd.)

Fair treatment and safeguarding the interests of the contract workforce is important for the Company. Contract labour is deployed at the manufacturing facilities and in other functions, in various non-core activities like housekeeping, canteen operations, warehouse operations and others. Each unit maintains suitable checks and balances to ensure that wage payments, statutory contributions, and other such obligations are met by the contractors. Further, safety training programs which are conducted for employees and workmen are also extended to contractual employees. The Company has taken significant steps towards imparting training and skill building for painters and contractors.

PRINCIPLE 5

Business should respect and promote human rights

Human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations has been the fulcrum of our Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at our manufacturing units. According to International conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company is compliant to national regulations pertaining to human rights. Several workshops explaining the principles enshrined in the Code of Conduct of The Company were organized for its employees. The Code of Conduct of The Company also applies to the employees of the subsidiary companies.

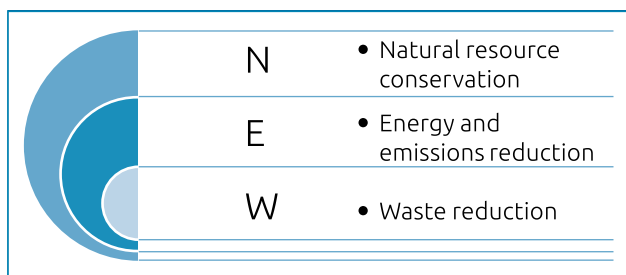
There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms. Further, through one of its initiatives named "Sambandh" The Company engages with the workers to receive or provide timely feedback. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the last financial year, there were no complaints received from the stakeholders.

PRINCIPLE 6

Business should respect, protect, and make efforts to restore the environment

At Asian Paints, we are constantly persevering towards improving our environmental footprint by strengthening our systems and processes. The Company has effectively responded to the changing regulations around Plastic Waste Management. Our initiatives towards fulfilling

our Extended Producer's Responsibility has resulted in collection and recycle of more than 1800 tons of post-consumer flexible plastic across 12 States of India.



Our Environment, Health and Safety (EHS) Policy is signed by the MD & CEO and available on the Company's website can be accessed at <https://www.asianpaints.com/footer-links/ehs-policy.html>

During FY 2019-20, project 'NEW' was extended to our two new manufacturing facilities in Mysore and Vizag. Each of our eight decorative paint manufacturing facilities are now aligned to the 6 key 'themes' and have displayed significant progress wrt the targets considering base year as FY 2013-14. The performance of the 6 key themes and other highlights are published each year in the company's Sustainability Report. The Sustainability Report can be accessed at <https://www.asianpaints.com/sustainability/index.html>

The company realizes that Water is a crucial natural resource that we share with the communities where we operate. Therefore, as a responsible corporate, we continue to replenish the water we use over time by investing and supporting community water projects across all our manufacturing locations through:

- Rooftop rainwater harvesting and recharge systems
- Integrated watershed development in nearby villages
- Rejuvenation and restoration of existing waterbodies

The factories have made all possible efforts to reduce water footprint by efficient water usage in non-product applications such as utilities, cleaning activities, gardening and domestic purposes.

All the manufacturing units consistently work towards reducing specific energy consumption. Some of our major initiatives include:

- Utility power load reduction
- Improving processes to decrease energy consumption

Renewable energy now accounts for 56.7% of the total energy consumption in manufacturing locations, far exceeding the 36% goal set for the year 2020. It was a flagship initiative which demonstrated our commitment towards sourcing clean energy. This has also helped us to reduce dependence on fossil fuels.

We follow the classical '3R' strategy of Reduce, Reuse and Recycle for waste management. The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at source and finding possible ways of reusing the treated effluent within the factory. Besides this, innovative ideas have been implemented in various locations to convert scrap generated in the factories into useful articles bringing the principle of 'Circular Economy' into play.

The Company's manufacturing facilities (other than the new factories at Mysuru & Vizag) are ISO 14001 certified for its Environment Management System. As part of the Environment Management System, every factory monitors the Business Risks and Operational Risks (through an Aspect-Impact study of various activities). Risk Management Plans are developed. Deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

In order to monitor the health of the Environment Management System, review meetings are held periodically. The meetings are chaired by the senior management and environment personnel within the Supply Chain function. The members deliberate on the topics of Natural Resource Conservation, Energy & Emissions Reduction, Waste Management including its Generation and Disposal.

Systems and processes have been set in place since the past few years to communicate to the senior management about the environmental statutory compliance by each factory. The Company remains abreast with all applicable legislations and efforts are always to be ahead on the compliance curve.

PRINCIPLE 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

The Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. The Company articulates the larger interest of industry and the community at industrial forums. As on March 31st, 2020 the Company is a member of following trade associations:

- Confederation of Indian Industries (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce and Industry
- The Indian Paints Association (IPA)
- Nova Club

The Company's scientists participate actively in meetings with statutory agencies like Bureau of Indian Standards, Chemical Division Council and help in 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

The health and wellbeing of our communities has always been an important facet of our operations. Asian Paints extends its social responsibility by engaging its strategic and trust based community development interventions.

While the Company's CSR approach focusses on the development of the communities around the vicinity of the plants, the Company has also developed innovative programmes that leverage our capabilities as paint manufacturer and home improvement service provider to enhance livelihoods of underserved communities through vocational trainings and skill development.

An amount of ₹ 74.64 crores was spent towards various CSR projects during the financial year 2019-20 and people of more than 50 villages in the states of Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra, Karnataka and Tamil Nadu were benefitted.

The details of the CSR initiatives undertaken by the Company are set out in the Corporate Social Responsibility section of this Annual Report.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company places its customers at the center of all its business conducts rather than at the receiving end. The culture of customer centricity has been instilled through various efforts including setting up of Customer Centricity Function, launching Customer First Campaign, training programs for our employees to understand customer issues etc.

Business Responsibility Report (BRR) (Contd.)

The Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers to communicate their views, feedback, suggestions, complaints etc. The Company has provided following a dedicated helpline which operates in six regional languages. Each complaint is brought to a final point of closure within the defined level of service commitment.

We conduct annual customer experience surveys for all our products and services and measure the percentage of customers who would promote our products and services to other customers through the Net Promoter Score (NPS) method. The NPS method of customer feedback now covers most of our customer interaction points including retail experiences, direct to home painting and colour consultancy services.

On our website, we have created an interactive platform that allows any potential customer to raise queries pertaining to our products and services. Be it our toll free number (1800-209-5678) or our website (www.asianpaints.com) all our channels ensure that a

potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.

The products of the Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

While there are no cases filed by any stakeholder against the Company regarding unfair trade practices, there are 60 consumer related cases pending against the Company. Further, the Competition Commission of India has passed a prima facie order dated 14th January, 2020, directing the Director General to cause an investigation against the Company, under the provisions of the Competition Act, 2002, basis information received from a competitor. Further, there are complaints filed against the Company regarding misleading advertisements to which Company has provided appropriate response and the matter has been satisfactorily closed by the authorities.

Independent Auditors' Report

To the Members of Asian Paints Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Asian Paints Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not

provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	How was the matter addressed in our audit
Revenue recognition (Refer note 1.4 (f) and 22A of the Standalone Financial Statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

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

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act

Independent Auditors' Report (Contd.)

for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under

section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No 102912

UDIN: 20102912AAAADD9396

Mumbai
June 23, 2020

Annexure “A” to the Independent Auditors’ Report

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

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

We have audited the internal financial controls over financial reporting of Asian Paints Limited (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm’s Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No 102912

UDIN: 20102912AAAADD9396

Mumbai

June 23, 2020

Annexure B to the Independent Auditors' Report

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (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. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as Right of Use Assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. The inventory, except goods-in-transit and stocks lying with 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 third parties at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. According to the information and explanations given to us, the Company has granted loans, unsecured, to one of its wholly owned subsidiary company, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

Annexure B to the Independent Auditors' Report (Contd.)

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount under involved (₹ in crores)	Amount Unpaid (₹ In crores)
Income Tax	IT Matters under dispute	CIT (A)	A.Y. 2017-18	77.18	37.96
		CIT (A)	A.Y. 2016-17	67.40	51.24
		Tribunal/ CIT(A)	A.Y. 2015-16	13.92	6.05
		Tribunal/ CIT(A)	A.Y. 2014-15	9.72	-
		Tribunal/ CIT(A)	A.Y. 2013-14	2.61	-
		Tribunal/ CIT(A)	A.Y. 2012-13	2.92	-
		Assessing Officer	A.Y. 2006-07	0.82	-
		High Court	A.Y. 2007-08	0.09	0.09
		Tribunal	A.Y. 2009-10	0.11	0.11
		Tribunal	A.Y. 2010-11	0.13	0.13
		CIT (A)	A.Y. 2011-12	0.40	0.32
		Tribunal	A.Y. 2011-12	0.31	0.31
			Total (A)	175.61	96.21
Sales tax	Assessment Dues	Assessing Authority	F.Y. 2000-01 to F.Y. 2002-03, F.Y.2004-05 to F.Y. 2015-16, F.Y.2017-18	22.16	21.03
		First Appellate level	F.Y. 1995-96, F.Y. 1997 to F.Y. 1999, F.Y. 2000-01 to F.Y. 2017-18	35.10	27.99
		Tribunal	F.Y. 1991-92, F.Y. 1993-94, F.Y. 1996-97 to F.Y. 1999-00, F.Y. 2000-01 to F.Y. 2011-12, F.Y.2013-14	12.16	8.05
		High court	F.Y. 1993-94, F.Y. 1997-98, F.Y. 2000-01 to F.Y. 2009-10	1.78	0.93
		Supreme Court	F.Y. 1992-93, F.Y. 1993-94	0.16	0.16
			Total (B)	71.36	58.16
Central Excise Act, 1944 & Customs Act, 1962	Assessment Dues	First Appellate	F.Y. 1986-87, F.Y. 1996-97, Sep 13 to Nov 13, F.Y. 2015-16 F.Y. 2016-17, Apr-17 to Jun-17, F.Y. 2018-19	1.96	1.82
		Tribunal	F.Y. 2005-06 to F.Y. 2015-16	8.14	6.60
			Total (C)	10.10	8.42
		Total (A+B+C)	257.07	162.79	

There are no dues of Customs duty which have not been deposited on account of dispute.

- viii. 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 bankers and government. The Company did not have any outstanding dues to financial institutions and debenture holders during the year.
- ix. The Company did not have any term loans outstanding during the year. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records

of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No 102912

UDIN: 20102912AAAADD9396

Mumbai

June 23, 2020

Balance Sheet

as at 31st March, 2020

			(₹ in Crores)	
	Notes	As at 31.03.2020	As at 31.03.2019 (Restated)**	As at 01.04.2018 (Restated)**
ASSETS				
Non-Current assets				
Property, Plant and Equipment	2A	4,148.60	4,430.62	2,334.48
Right of Use Asset	2B	726.63	700.61	575.04
Capital work-in-progress		108.09	179.31	1,391.84
Goodwill	3A	35.36	35.36	35.36
Other Intangible Assets	3B	50.27	54.61	55.73
Investments in Subsidiaries and Associates	4	1,176.99	830.35	830.35
Financial Assets				
Investments	4	1,048.59	987.02	716.98
Loans	5	64.11	76.00	79.08
Other Financial Assets	6	232.47	220.70	144.75
Current Tax Assets (Net)	7	137.94	81.48	49.50
Other Non-current assets	8	32.87	33.48	299.92
		7,761.92	7,629.54	6,513.03
Current assets				
Inventories	9	2,827.47	2,585.10	2,178.43
Financial Assets				
Investments	4	432.35	1,146.63	1,030.01
Trade Receivables	10	1,109.22	1,244.95	1,138.20
Cash and Cash Equivalents	11A	336.96	98.33	106.70
Other Balances with Banks	11B	39.10	69.19	14.14
Loans	5	21.31	13.98	12.17
Other Financial Assets	6	846.96	567.63	627.23
Assets classified as Held For Sale		-	-	0.92
Other Current Assets	8	212.33	327.54	393.29
		5,825.70	6,053.35	5,501.09
Total Assets		13,587.62	13,682.89	12,014.12
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	12	95.92	95.92	95.92
Other Equity	13	9,357.37	8,747.04	7,660.23
		9,453.29	8,842.96	7,756.15
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	14	18.50	10.89	9.87
Lease Liabilities	15	496.22	473.86	341.43
Other Financial Liabilities	16	0.46	1.38	0.65
Provisions	17	136.78	118.48	107.35
Deferred Tax Liabilities (Net)	18C	282.68	392.39	248.10
Other Non-current Liabilities	19	4.64	1.52	2.61
		939.28	998.52	710.01
Current Liabilities				
Financial Liabilities				
Borrowings	14	-	4.35	-
Lease Liabilities	15	142.43	125.22	149.00
Trade Payables				
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	45.86	42.22	34.82
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	1,714.22	2,020.07	1,816.68
Other Financial Liabilities	16	1,118.89	1,429.38	1,208.56
Other Current liabilities	19	80.92	119.23	244.99
Provisions	17	44.14	52.27	42.85
Current Tax Liabilities (Net)	21	48.59	48.67	51.06
		3,195.05	3,841.41	3,547.96
Total Equity and Liabilities		13,587.62	13,682.89	12,014.12
Significant accounting policies and Key accounting estimates and judgements				
See accompanying notes to the financial statements				
**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)				

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

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

Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J. Jeyamurugan
CFO & Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2020

(₹ in Crores)

Particulars	Notes	Year 2019-20	Year 2018-19 (Restated)**
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	22A	17,025.26	16,196.87
Revenue from Sale of Services	22A	0.35	12.57
Other Operating Revenues	22A	168.48	182.34
Other Income	23	357.54	284.81
TOTAL INCOME (I)		17,551.63	16,676.59
EXPENSES			
Cost of Materials Consumed	24A	8,432.51	8,647.82
Purchases of Stock-in-Trade	24B	1,283.88	1,010.66
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	24C	(210.21)	(247.86)
Employee Benefits Expense	25	985.43	900.14
Other Expenses	26	2,845.44	2,576.21
TOTAL (II)		13,337.05	12,886.97
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		4,214.58	3,789.62
Finance Costs	27	78.38	78.60
Depreciation and Amortisation Expense	28	689.97	540.77
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		3,446.23	3,170.25
Exceptional Items	45	33.20	-
PROFIT BEFORE TAX		3,413.03	3,170.25
Tax Expense	18		
(1) Current Tax		871.15	881.64
(2) Short/ (Excess) tax provision for earlier years		5.66	(2.17)
(3) Deferred Tax		(117.73)	158.61
Total tax expense		759.08	1,038.08
PROFIT AFTER TAX		2,653.95	2,132.17
OTHER COMPREHENSIVE INCOME (OCI)			
A Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of the defined benefit plans (Refer note 39)		(10.83)	(40.53)
(ii) Income tax benefit on remeasurement benefit of defined benefit plans		1.01	14.17
(b) (i) Net fair value gain on investments in equity instruments through OCI		66.44	9.35
(ii) Income tax expense on net fair value gain on investments in equity instruments through OCI		(8.71)	-
B Items that will be reclassified to Profit or Loss			
(i) Net fair value gain/ (loss) on investments in debt instruments through OCI		2.81	(1.32)
(ii) Income tax (expense)/ benefit on net fair value gain on investments in debt instruments through OCI		(0.32)	0.15
TOTAL OTHER COMPREHENSIVE INCOME (A+B)		50.40	(18.18)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,704.35	2,113.99
Earnings per equity share (Face value of ₹ 1 each)	42		
(1) Basic (in ₹)		27.67	22.23
(2) Diluted (in ₹)		27.67	22.23
Significant accounting policies and key accounting estimates and judgements	1		
See accompanying notes to the financial statements	2-48		

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

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

Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J.Jeyamurugan
CFO & Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2020

A) EQUITY SHARE CAPITAL

	As at 31.03.2020	As at 31.03.2019
Balance at the beginning of the reporting year	95.92	95.92
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	95.92	95.92

B) OTHER EQUITY

	Reserves and Surplus				Debt instruments through OCI	Equity instruments through OCI	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings			
Balance as at 1 st April, 2018	44.38	0.50	4,166.74	3,387.91	1.16	101.55	7,702.24
Changes on account of Ind AS 116 (Refer note 31)	-	-	-	(42.01)	-	-	(42.01)
Balance as at 1 st April, 2018 (A)**	44.38	0.50	4,166.74	3,345.90	1.16	101.55	7,660.23
Additions during the year:							
Profit for the year	-	-	-	2,132.17	-	-	2,132.17
Items of OCI for the year, net of tax							
Remeasurement of the defined benefit plans (Refer note 39)	-	-	-	(26.36)	-	-	(26.36)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	9.35	9.35
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	(1.17)	-	(1.17)
Total Comprehensive Income for the year 2018-19 (B)	-	-	-	2,105.81	(1.17)	9.35	2,113.99
Reductions during the year:							
Dividends (Refer note 30)	-	-	-	(853.68)	-	-	(853.68)
Income tax on dividend (Refer note 30)	-	-	-	(173.50)	-	-	(173.50)
Total (C)	-	-	-	(1,027.18)	-	-	(1,027.18)
Balance as at 31 st March, 2019 (D) = (A+B+C)**	44.38	0.50	4,166.74	4,424.53	(0.01)	110.90	8,747.04
Additions during the year:							
Profit for the year	-	-	-	2,653.95	-	-	2,653.95
Items of OCI for the year, net of tax							
Remeasurement of the defined benefit plans	-	-	-	(9.82)	-	-	(9.82)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	57.73	57.73
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	2.49	-	2.49
Total Comprehensive Income for the year 2019-20 (E)	-	-	-	2,644.13	2.49	57.73	2,704.35
Reductions during the year:							
Dividends (Refer note 30)	-	-	-	(1,740.95)	-	-	(1,740.95)
Income tax on dividend (Refer note 30)	-	-	-	(353.07)	-	-	(353.07)
Total (F)	-	-	-	(2,094.02)	-	-	(2,094.02)
Balance as at 31st March, 2020 (D+E+F)	44.38	0.50	4,166.74	4,974.64	2.48	168.63	9,357.37

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

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

Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J. Jeyamurugan
CFO & Company Secretary

Cash Flow Statement

for the year ended 31st March, 2020

(₹ in Crores)

	Year 2019-20	Year 2018-19 (Restated)**
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,413.03	3,170.25
Adjustments for:		
Depreciation and amortisation expense	689.97	540.77
Interest income	(41.67)	(24.49)
Dividend income	(34.73)	(45.60)
Finance costs	78.38	78.60
Allowance for doubtful debts and advances	15.27	4.43
Bad debts written off	6.18	2.53
Deferred income arising from government grant	(1.64)	(1.09)
Net unrealised foreign exchange loss/(gain)	36.74	(9.11)
(Gain) on sale of property, plant and equipment (net)	(10.50)	(13.91)
Net gain on modification/ termination of leases	(0.96)	(6.00)
Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	(75.26)	(52.76)
Impairment loss on non-current investments - subsidiaries	33.20	-
Other non cash adjustment	8.01	-
Operating Profit before working capital changes	4,116.02	3,643.62
Adjustments for :		
Decrease/(Increase) in trade receivables	116.12	(114.38)
Decrease/(Increase) in financial assets	18.85	(76.51)
(Increase) in inventories	(242.37)	(406.67)
Decrease in other assets	95.82	80.89
(Decrease)/Increase in trade and other payables	(773.78)	173.82
Increase in provisions	10.16	8.32
Cash generated from Operating activities	3,340.82	3,309.09
Income Tax paid (net of refund)	(933.35)	(913.84)
Net Cash generated from Operating activities	2,407.47	2,395.25
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(306.43)	(1,067.26)
Sale of Property, plant and equipment (including advances)	26.35	15.00
Payment for acquiring right of use assets	(9.79)	(17.75)
Loan given to subsidiary (net)	(6.25)	(1.65)
Purchase of non-current investments - Subsidiaries	(379.84)	-
Purchase of non-current investments - others	(24.95)	(325.00)
Sale of non current investments	85.50	363.42
Purchase of term deposits	(489.02)	(414.00)
Proceeds from maturity of term deposits	222.53	414.00
Sale of current investments (net)	31.26	121.72
Interest received	41.26	33.12
Dividend received from subsidiaries	8.13	7.11
Dividend received from others	26.60	38.49
Net Cash (used in) Investing activities	(774.65)	(832.80)

Cash Flow Statement (Contd.)

for the year ended 31st March, 2020

(₹ in Crores)

	Year 2019-20		Year 2018-19 (Restated)**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) from non-current borrowings	17.86		(1.42)
Acceptances (net)	202.80		153.88
Repayment of lease liabilities	(148.72)		(144.77)
Finance costs paid	(76.78)		(74.38)
Dividend and Dividend tax paid	(2,090.41)		(1,022.47)
Net Cash (used in) Financing activities		(2,095.25)	(1,089.16)
(D) NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]		(462.43)	473.29
Add: Cash and cash equivalents as at 1st April		1,156.36	683.07
Cash and cash equivalents as at 31st March		693.93	1,156.36

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

Notes:

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

(₹ in Crores)

	As at 31.03.2020	As at 31.03.2019
(b) Cash and Cash Equivalents comprises of		
Cash on hand	0.04	0.03
Balances with Banks:		
- Current Accounts	131.32	1.11
- Cash Credit Account	205.60	1.76
- Deposit with bank with maturity less than 3 months	-	52.02
Cheques, draft on hand	-	43.41
Cash and cash equivalents (Refer note 11A)	336.96	98.33
Add: Investment in liquid mutual funds [Refer note 4II (B)(iii)]	356.97	1,062.38
Bank Overdraft (Refer note 14)	-	(4.35)
Cash and cash equivalents in Cash Flow Statement	693.93	1,156.36

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

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Chairman
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Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J.Jeyamurugan
CFO & Company Secretary

Notes to the Financial Statements

COMPANY BACKGROUND

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

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

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant Accounting Policies:

1.1. Basis of preparation of financial statements

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

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements except as mentioned below in 1.2.

1.2. Application of New Accounting Pronouncements

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

1.3. Current / Non-Current Classification

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

- i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;

- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

1.4. Summary of Significant accounting policies

a) Business combinations

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

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value

Notes to the Financial Statements (Contd.)

of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

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

b) Goodwill

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

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

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

A CGU to which goodwill is allocated is tested for impairment annually, and whenever there is an indication that the CGU may be impaired,

by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the CGU. If the recoverable amount of the CGU exceeds the carrying amount of the CGU, the CGU and the goodwill allocated to that CGU is regarded as not impaired. If the carrying amount of the CGU exceeds the recoverable amount of the CGU, the Company recognizes an impairment loss by first reducing the carrying amount of any goodwill allocated to the CGU and then to other assets of the CGU pro-rata based on the carrying amount of each asset in the CGU. Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

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

c) Property, plant and equipment

Measurement at recognition:

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

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

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

heads of property, plant and equipment if the recognition criteria are met.

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

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

Capital work in progress and Capital advances:

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

Depreciation:

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

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

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

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 (Schedule III). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Derecognition:

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

Notes to the Financial Statements (Contd.)

d) Intangible assets**Measurement at recognition:**

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

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

Amortization:

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

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

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

Derecognition:

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

the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

e) Impairment

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

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

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

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

f) Revenue

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

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

Sale of products:

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

Rendering of services:

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

g) Government grants and subsidies

Recognition and Measurement:

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

The Company has received refundable government loans at below-market rate of interest which are accounted in accordance with the recognition and measurement principles of

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

Presentation:

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

f) Inventory

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

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

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

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and

Notes to the Financial Statements (Contd.)

a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement:**

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

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

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

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

Subsequent measurement:

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

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost

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

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

- i. Financial assets measured at amortized cost:
A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

- ii. Financial assets measured at FVTOCI:
A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

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

Notes to the Financial Statements (Contd.)

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

Impairment of financial assets:

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

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

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

from default events that are possible within 12 months from the reporting date.

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

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

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

Financial Liabilities

Initial recognition and measurement:

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

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

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

market participants take into account when pricing the financial liability.

Subsequent measurement:

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

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

Derecognition:

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

j) Derivative financial instruments and hedge accounting

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

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

Recognition and measurement of fair value hedge:

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

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

Derecognition:

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

k) Fair Value

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

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

Notes to the Financial Statements (Contd.)

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

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

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

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

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

l) Investment in subsidiary and associate Companies

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 4. Impairment policy applicable on such investments is explained in note 1.4(e) above.

m) Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

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

n) Income Taxes

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

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

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

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

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

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

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

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

Presentation of current and deferred tax:

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

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

o) Provisions and Contingencies

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

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

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

p) Measurement of EBITDA

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

q) Cash and Cash Equivalents

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

r) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

- I. Defined contribution plans:
Defined contribution plans are employee state insurance scheme and Government administered pension fund scheme for all

Notes to the Financial Statements (Contd.)

applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

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

ii. Defined benefit plans:

i) Provident fund scheme:

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

ii) Gratuity scheme:

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

iii) Pension Scheme:

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

iv) Post-Retirement Medical benefit plan:

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

Recognition and measurement of defined benefit plans:

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

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

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

Other Long Term Employee Benefits:

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

Balance Sheet date. Expenses related to other long term employee benefits are recognized in the Statement of Profit and loss (including actuarial gain and loss).

s) Lease accounting

Assets taken on lease:

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

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

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the

Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

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

Short-term leases and leases of low-value assets:

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

t) Research and Development

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

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

u) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with

Notes to the Financial Statements (Contd.)

the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

v) **Segment Reporting**

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

w) **Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

x) **Non-current Assets held for sale**

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

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

in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

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

a. **Income taxes**

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

b. **Business combinations and intangible assets**

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

c. **Property, plant and equipment**

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

d. **Impairment of Goodwill**

Goodwill is tested for impairment on an annual basis and whenever there is an indication that

1.5 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result

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

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

e. **Defined Benefit Obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the

management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 38, 'Employee benefits'.

f. **Fair value measurement of financial instruments**

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

g. **Right-of-use assets and lease liability**

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

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

Notes to the Financial Statements (Contd.)

NOTE 2A: PROPERTY, PLANT AND EQUIPMENT**

	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at 01.04.2019	Additions during the year	Deductions / Adjustments	As at 31.03.2020	As at 01.04.2019	Additions during the year	Deductions / Adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
Freehold Land	171.70	8.43	-	180.13	-	-	-	-	180.13	-
Buildings	1,333.73	21.71	1.70	1,353.74	112.96	47.98	0.27	160.67	1,193.07	1,193.07
Plant and Equipment	3,599.20	158.84	15.61	3,742.43	815.64	378.84	3.38	1,191.10	2,551.33	2,551.33
Scientific Research:										
Buildings	71.28	-	-	71.28	6.83	2.73	-	9.56	61.72	61.72
Equipment	66.12	3.82	0.01	69.93	23.86	8.43	0.01	32.28	37.65	37.65
Leasehold Improvements	-	0.27	-	0.27	-	0.02	-	0.02	0.25	0.25
Furniture and Fixtures	62.71	4.64	0.36	66.99	24.41	8.48	0.27	32.62	34.37	34.37
Vehicles	1.61	1.35	-	2.96	0.71	0.39	-	1.10	1.86	1.86
Office Equipment	55.03	13.23	0.64	67.62	29.12	9.86	0.54	38.44	29.18	29.18
Leasehold improvements	9.37	-	0.45	8.92	5.39	1.92	0.45	6.86	2.06	2.06
Information Technology Hardware	161.48	8.68	0.50	169.66	82.69	30.47	0.48	112.68	56.98	56.98
Total	5,532.23	220.97	19.27	5,733.93	1,101.61	489.12	5.40	1,585.33	4,148.60	4,148.60

	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at 01.04.2018	Additions during the year	Deductions / Adjustments	As at 31.03.2019	As at 01.04.2018	Additions during the year	Deductions / Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2019
Freehold Land	164.24	7.46	-	171.70	-	-	-	-	171.70	171.70
Buildings	722.40	611.79	0.46	1,333.73	78.45	34.56	0.05	112.96	1,220.77	1,220.77
Plant and Equipment	1,868.23	1,734.58	3.61	3,599.20	553.73	265.05	3.14	815.64	2,783.56	2,783.56
Scientific Research:										
Buildings	71.28	-	-	71.28	4.10	2.73	-	6.83	64.45	64.45
Equipment	62.29	3.86	0.03	66.12	15.75	8.12	0.01	23.86	42.26	42.26
Furniture and Fixtures	49.93	12.93	0.15	62.71	16.92	7.62	0.13	24.41	38.30	38.30
Vehicles	1.25	0.45	0.09	1.61	0.54	0.25	0.08	0.71	0.90	0.90
Office Equipment	43.80	11.96	0.73	55.03	21.49	8.26	0.63	29.12	25.91	25.91
Leasehold improvements	9.40	-	0.03	9.37	3.50	1.92	0.03	5.39	3.98	3.98
Information Technology Hardware	94.73	67.02	0.27	161.48	58.59	24.32	0.22	82.69	78.79	78.79
Total	3,087.55	2,450.05	5.37	5,532.23	753.07	352.83	4.29	1,101.61	4,430.62	4,430.62

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 2B: RIGHT OF USE ASSET**

Movement in net carrying amount	2019-20				2018-19			
	Leasehold Land	Building	Vehicles	Total	Leasehold Land	Building	Vehicles	Total
Net Carrying Amount								
Balance at 1 st April	149.95	547.96	2.70	700.61	142.96	427.25	4.83	575.04
Additions	0.19	229.19	1.15	230.53	8.73	299.14	0.54	308.41
Depreciation	1.79	169.81	1.43	173.03	1.74	156.48	2.11	160.33
Deletions	-	31.30	0.18	31.48	-	21.95	0.56	22.51
Balance at 31st March	148.35	576.04	2.24	726.63	149.95	547.96	2.70	700.61

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

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

NOTE 3: INTANGIBLE ASSETS (ACQUIRED SEPARATELY) (CONTD.)**Note:****Allocation of Goodwill to cash generating units**

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

	(₹ in Crores)
	As at 31.03.2020
	As at 31.03.2019
Goodwill relating to Bath Fittings Business	35.36

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

As at 31st March, 2020 and 31st March, 2019, goodwill in respect of Bath Fittings Business was not impaired.

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

	As at 31.03.2020	As at 31.03.2019
Compounded average net sales growth rate for five-year period (Previous year - five year)	26%	27%
Growth rate used for extrapolation of cash flow projections beyond the five-year period (Previous year - five year)	4%	4%
Discount rate	12.25%	14.00%

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

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

Notes to the Financial Statements (Contd.)

NOTE 4: INVESTMENTS

						(₹ in Crores)	
	Nos.#	Face value (₹)	Non-Current		Current		
			As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	
I. NON-CURRENT INVESTMENTS							
A. Investments in Equity Instruments							
(a) Unquoted equity shares							
(i) Subsidiaries (measured at cost, Refer note 1.4(i))							
(a) Asian Paints Industrial Coatings Limited	3,04,50,000	10	30.45	30.45	-	-	
(b) Asian Paints International Private Limited	42,78,75,387		706.44	406.60	-	-	
(105,042,017 shares acquired during the year for cash)	(32,28,33,370)						
(c) Asian Paints (Nepal) Private Limited	32,54,310	NPR 10	0.12	0.12	-	-	
(d) Maxbhum Developers Limited	4,19,000	10	15.55	15.55	-	-	
Less: Impairment loss (Refer note 45)			(3.50)	-	-	-	
			12.05	15.55			
(e) Sleek International Private Limited	2,04,273	10	249.61	169.61	-	-	
(82,093 shares acquired during the year for cash)	(1,22,180)						
Less: Impairment loss (Refer note 45)			(95.00)	(65.30)	-	-	
			154.61	104.31	-	-	
(f) Asian Paints PPG Private Limited	52,43,961	10	30.47	30.47	-	-	
(g) Reno Chemicals Pharmaceuticals And Cosmetics Private Limited	4,950	100	161.42	161.42	-	-	
			1,095.56	748.92	-	-	
(ii) Associate (measured at cost, Refer note 1.4(ii))							
PPG Asian Paints Private Limited	2,85,18,112	10	81.43	81.43	-	-	
			81.43	81.43	-	-	
Investments in subsidiaries and associate (i + ii)			1,176.99	830.35	-	-	
(iii) Other equity shares measured at FVTPL			1.07	1.07	-	-	
Total Unquoted equity shares			1,178.06	831.42	-	-	
(b) Quoted equity shares measured at FVTOCI							
Akzo Nobel India Limited	20,10,626	10	444.96	362.49	-	-	
Housing Development Finance Corporation Limited	4,65,000	2	75.94	91.52	-	-	
Apcotex Industries Limited	34,180	2	0.26	0.71	-	-	
(20,508 shares were allotted pursuant to share split where in the face value changed from ₹5/share to ₹2/share during the year)	(13,672)						
Total Quoted equity shares			521.16	454.72	-	-	
Total Investments in Equity Instruments other than Investments in subsidiaries and associate (a(iii) + b)	-	A	522.23	455.79	-	-	
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	-	-	
*[₹ 39,500/- (As at 31 st March, 2019 - ₹ 39,500)]							
C. Investments in Quoted Debentures or Bonds measured at FVTOCI			106.77	79.51	0.50	-	
Amount included under the head "Current Investments"			-	-	(0.50)	-	
Total Investments in Debentures or Bonds - Quoted		C	106.77	79.51	-	-	
D. Investments in Quoted Mutual Funds measured at FVTPL			419.59	451.72	74.88	84.25	
Amount included under the head "Current Investments"			-	-	(74.88)	(84.25)	
Total Investments in Mutual Funds - Quoted		D	419.59	451.72	-	-	
Total Non-Current Investments (A+B+C+D) (other than Investments in subsidiaries and associate)			1,048.59	987.02	-	-	
Aggregate amount of quoted investments - At cost			506.82	542.38	-	-	
Aggregate amount of quoted investments - At market value			1,047.52	985.95	-	-	
Aggregate amount of unquoted investments			1,178.06	831.42	-	-	
Aggregate amount of impairment in value of investments			98.50	65.30	-	-	

NOTE 4: INVESTMENTS (CONTD.)

(₹ in Crores)

(₹ in Crores)						
	Nos.#	Face value (₹)	Non-Current		Current	
			As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
II. CURRENT INVESTMENTS						
A. Investments in Quoted Debentures or Bonds measured at FVTOCI						
Current Portion of Long Term Investments (Refer note 4(I)(C))		A			0.50	-
B. Investments in Quoted Mutual Funds measured at FVTPL						
i. Current Portion of Long Term Investments (Refer note 4(I)(D))			-	-	74.88	84.25
ii. Investments in Liquid Mutual Funds			-	-	356.97	1,062.38
Total Investments in Mutual Funds - Quoted (i+ii)		B	-	-	431.85	1,146.63
Total Current Investments (A+B)			-	-	432.35	1,146.63
Aggregate amount of quoted investments - At cost			-	-	380.69	1,099.90
Aggregate amount of quoted investments - At market value			-	-	432.35	1,146.63

Figures in brackets indicate that of 31st March, 2019 as applicable**NOTE 5: LOANS**

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
UNSECURED AND CONSIDERED GOOD				
(a) Sundry deposits	64.11	76.00	13.38	12.32
(b) Loan to a related party				
Loan to Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ('Reno') (wholly owned subsidiary) (Refer note 43)	-	-	7.93	1.66
Total	64.11	76.00	21.31	13.98

NOTE 6: OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Royalty receivable (Refer note 43)	-	-	59.30	48.47
Due from subsidiary companies (Refer note 43)	-	-	15.80	15.36
Less: Allowance for doubtful debts and advances	-	-	(1.27)	(0.96)
	-	-	14.53	14.40
Due from associate company (Refer note 43)	-	-	2.10	5.21
Subsidy receivable from state government	232.39	220.64	144.54	154.54
Term deposits held as margin money against bank guarantee and other commitments	0.08	0.06	-	-
Bank deposits with more than 12 months of original maturity	-	-	464.08	163.90
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	4.01	3.62
Quantity discount receivable	-	-	158.40	177.48
Forward exchange contract (net)	-	-	-	0.01
TOTAL	232.47	220.70	846.96	567.63

Notes to the Financial Statements (Contd.)

NOTE 7: CURRENT TAX ASSETS (NET)

(₹ in Crores)				
	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Advance payment of income tax (net)	137.94	81.48	-	-
Total	137.94	81.48	-	-

NOTE 8: OTHER ASSETS**

(₹ in Crores)				
	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Capital advances	8.26	28.26	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	24.61	5.22	111.03	176.33
ii) Balances with government authorities	-	-	91.97	136.09
iii) Advances to employees	-	-	4.05	5.96
iv) Duty credit entitlement	-	-	1.26	3.89
v) Other Receivables	-	-	4.02	5.27
TOTAL	32.87	33.48	212.33	327.54

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 9: INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)		
	As at 31.03.2020	As at 31.03.2019
(a) Raw materials	714.54	701.02
Raw materials-in-transit	149.72	169.26
	864.26	870.28
(b) Packing materials	46.80	38.33
Packing materials-in-transit	0.09	-
	46.89	38.33
(c) Work-in-progress	81.67	105.72
(d) Finished goods	1,342.58	1,213.53
Finished goods-in-transit	2.78	5.85
	1,345.36	1,219.38
(e) Stock-in-trade (acquired for trading)	333.88	249.14
Stock-in-trade (acquired for trading) in-transit	36.52	12.98
	370.40	262.12
(f) Stores, spares and consumables	118.67	88.59
Stores, spares and consumables-in-transit	0.22	0.68
	118.89	89.27
TOTAL	2,827.47	2,585.10

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

The cost of inventories recognised as an expense includes ₹ 30.90 crores (Previous year ₹ 2.98 crores) in respect of write down of inventory to net realisable value. There has been no reversal of such write down in current and previous years.

NOTE 10: TRADE RECEIVABLES

(₹ in Crores)

	Current	
	As at 31.03.2020	As at 31.03.2019
Trade receivables		
(a) Unsecured, considered good	1,109.22	1,244.95
(b) Unsecured, considered doubtful	35.90	20.94
	1,145.12	1,265.89
Less: Allowance for unsecured doubtful debts	(35.90)	(20.94)
TOTAL	1,109.22	1,244.95

NOTE 11: CASH AND BANK BALANCES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(A) CASH AND CASH EQUIVALENTS				
(a) Balances with Banks				
(i) Current Accounts	-	-	131.32	1.11
(ii) Cash Credit Account ##	-	-	205.60	1.76
(iii) Deposits with original maturity of less than 3 months	-	-	-	52.02
(b) Cheques, drafts on hand	-	-	-	43.41
(c) Cash on hand	-	-	0.04	0.03
TOTAL	-	-	336.96	98.33
(B) OTHER BALANCES WITH BANKS				
(i) Term deposits with original maturity for more than 3 months but less than 12 months	-	-	16.63	50.33
(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	-	-	22.47	18.86
(iii) Term deposits held as margin money against bank guarantee and other commitments	0.08	0.06	-	-
	0.08	0.06	39.10	69.19
Amount included under the head "Other Financial Assets"	(0.08)	(0.06)	-	-
TOTAL	-	-	39.10	69.19

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

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

Notes to the Financial Statements (Contd.)

NOTE 12: EQUITY SHARE CAPITAL

	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
Authorised		
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	100.00
Issued, Subscribed and Paid up capital		
95,91,97,790 Equity Shares of ₹ 1 each fully paid	95.92	95.92
	95.92	95.92

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

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

b) Terms/rights attached to equity shares

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

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

Name of the Shareholders	As at 31.03.2020		As at 31.03.2019	
	No. of Equity Shares	Percentage holding	No. of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:				
1. Smiti Holding and Trading Company Private Limited	5,48,73,068	5.72	5,40,84,120	5.64
2. Sattva Holding and Trading Private Limited	5,63,88,682	5.88	5,28,84,120	5.51
3. Geetanjali Trading and Investments Private Limited	4,57,06,140	4.77	4,92,67,440	5.14

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

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

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

NOTE 13: OTHER EQUITY

(₹ in Crores)

	Capital Reserve	Reserves and Capital Redemption Reserve	Surplus General Reserve	Retained earnings	Debt instruments through OCI	Equity instruments through OCI	Total
Balance as at 1st April, 2018	44.38	0.50	4,166.74	3,387.91	1.16	101.55	7,702.24
Changes on account of Ind AS 116 (Refer note 31)	-	-	-	(42.01)	-	-	(42.01)
Balance as at 1st April, 2018 (A)**	44.38	0.50	4,166.74	3,345.90	1.16	101.55	7,660.23
Additions during the year:							
Profit for the year	-	-	-	2,132.17	-	-	2,132.17
Items of OCI for the year, net of tax							
Remeasurement of the defined benefit plans (Refer note 39)	-	-	-	(26.36)	-	-	(26.36)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	9.35	9.35
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	(1.17)	-	(1.17)
Total Comprehensive Income for the year 2018-19 (B)	-	-	-	2,105.81	(1.17)	9.35	2,113.99
Reductions during the year:							
Dividends (Refer note 30)	-	-	-	(853.68)	-	-	(853.68)
Income tax on dividend (Refer note 30)	-	-	-	(173.50)	-	-	(173.50)
Total (C)	-	-	-	(1,027.18)	-	-	(1,027.18)
Balance as at 31st March, 2019 (D) = (A+B+C)**	44.38	0.50	4,166.74	4,424.53	(0.01)	110.90	8,747.04
Additions during the year:							
Profit for the year	-	-	-	2,653.95	-	-	2,653.95
Items of OCI for the year, net of tax							
Remeasurement of the defined benefit plans	-	-	-	(9.82)	-	-	(9.82)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	57.73	57.73
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	2.49	-	2.49
Total Comprehensive Income for the year 2019-20 (E)	-	-	-	2,644.13	2.49	57.73	2,704.35
Reductions during the year:							
Dividends (Refer note 30)	-	-	-	(1,740.95)	-	-	(1,740.95)
Income tax on dividend (Refer note 30)	-	-	-	(353.07)	-	-	(353.07)
Total (F)	-	-	-	(2,094.02)	-	-	(2,094.02)
Balance as at 31st March, 2020 (D+E+F)	44.38	0.50	4,166.74	4,974.64	2.48	168.63	9,357.37

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

Description of nature and purpose of each reserve

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

Capital Reserve :

- Capital reserve of ₹ 5000/- was created on merger of 'Pentasia Chemicals Ltd.' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.
- Capital Reserve of ₹ 44.38 crores was created on merger of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Company, with the Company as per the order passed by the National Company Law Tribunal.

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

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

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

Notes to the Financial Statements (Contd.)

NOTE 14: BORROWINGS*

(₹ in Crores)				
	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Secured				
Deferred payment liabilities :				
Loan from State of Haryana ^{##}	18.50	10.89	5.90	-
Unsecured				
Loans repayable on demand				
From banks (Bank overdraft) [@]		-		4.35
	18.50	10.89	5.90	4.35
Amount Included under the head "Other Financial liabilities" (Refer note 16)		-	(5.90)	-
TOTAL	18.50	10.89	-	4.35

Notes:

^{##} The Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. For the year ended 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014 and 31st March, 2015 the Company has already received the interest free loan of ₹ 3.41 crores, ₹ 5.90 crores, ₹ 7.89 crores, ₹ 11.89 crores and ₹ 5.97 crores respectively. Loan received post transition to Ind AS (w.e.f 01.04.2015) are recognised at fair value using prevailing market interest rate for equivalent loan. The difference between the gross proceeds and fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (Refer note 19).

This loan is secured by way of a bank guarantee issued by the Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2016 and 31st March, 2017, the Company had made the necessary application to the Haryana Government for the issue of eligibility certificate. As on 31st March, 2020, the Company has repaid loan of ₹ 3.41 crores.

[@] Overdraft in current account carries interest rate @ 7.80% p.a. (as at 31st March, 2019 it was 8.60% p.a.)

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

NOTE 15: LEASE LIABILITIES**

(₹ in Crores)				
	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Lease liabilities	496.22	473.86	142.43	125.22
TOTAL	496.22	473.86	142.43	125.22

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

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 16: OTHER FINANCIAL LIABILITIES

(₹ in Crores)				
	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Current maturities of Long-term debt (Refer note 14)	-	-	5.90	-
(b) Investor Education and Protection Fund [#]				
Unpaid/Unclaimed dividend	-	-	22.47	18.86

NOTE 16: OTHER FINANCIAL LIABILITIES (CONTD.)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(c) Others (Refer note 35)				
Retention monies relating to capital expenditure	0.46	1.38	36.40	77.22
Payable towards capital expenditure	-	-	43.77	155.23
Payable towards services received	-	-	222.65	301.64
Payable towards stores, spares and consumables	-	-	13.33	8.79
Payable to employees [including ₹ 6.79 crores due to Managing Director (as at 31 st March, 2019 ₹ 5.25 crores)]	-	-	153.07	169.64
Payable towards other expenses (Refer note 39) [including ₹ 3.53 crores due to Non-Executive Directors (as at 31 st March, 2019 ₹ 3.97 crores)]	-	-	621.15	698.00
Forward exchange contract (Net)	-	-	0.15	-
	0.46	1.38	1,090.52	1,410.52
TOTAL	0.46	1.38	1,118.89	1,429.38

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

NOTE 17: PROVISIONS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Provision for Employee Benefits (Refer note 38)				
Provision for Compensated absences	131.96	113.64	15.59	14.21
Provision for Gratuity	-	-	10.37	13.90
Provision for Pension	1.23	1.04	0.35	0.30
Provision for Post retirement medical and other benefits	3.59	3.80	1.18	3.23
	136.78	118.48	27.49	31.64
(b) Others (Refer note 33)				
Provision for Excise	-	-	2.24	0.62
Provision for Central Sales Tax / VAT	-	-	14.41	20.01
	-	-	16.65	20.63
TOTAL	136.78	118.48	44.14	52.27

NOTE 18: INCOME TAXES**

(₹ in Crores)

	Year 2019-20	Year 2018-19
A. THE MAJOR COMPONENTS OF INCOME TAX EXPENSE FOR THE YEAR ARE AS UNDER:		
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax		
In respect of current year	871.15	881.64
Adjustments in respect of previous year	5.66	(2.17)
Deferred tax:		
In respect of current year	(117.73)	158.61
Income tax expense recognised in the Statement of Profit and Loss	759.08	1,038.08
(ii) Income tax expense recognised in OCI		
Deferred tax:		
Deferred tax (expense)/ benefit on net fair value gain on investments in debt instruments through OCI	(0.32)	0.15
Deferred tax benefit on remeasurement benefit of defined benefit plans	1.01	14.17
Deferred tax (expense) on net fair value gain on investments in equity instruments through OCI	(8.71)	-
Income tax (expense)/ benefit recognised in OCI	(8.02)	14.32

Notes to the Financial Statements (Contd.)

NOTE 18: INCOME TAXES (CONTD.)**

	(₹ in Crores)	
	Year 2019-20	Year 2018-19
B. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT FOR THE YEAR IS AS UNDER :		
Profit before tax	3,413.03	3,170.25
Income tax expense calculated at 25.168% (Previous year 34.944%)	858.99	1,107.81
Tax effect on non-deductible expenses	25.19	23.57
Incentive tax credits	-	(55.66)
Effect of Income which is taxed at special rates	(9.45)	(9.83)
Effect of Income that is exempted from tax	(8.01)	(15.27)
Effect of change in tax rate	(109.31)	-
Others	(3.99)	(10.37)
Total	753.42	1,040.25
Adjustments in respect of current income tax of previous year	5.66	(2.17)
Tax expense as per Statement of Profit and Loss	759.08	1,038.08

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

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

As at 31 st March, 2020		(₹ in Crores)		
	Balance Sheet 01.04.2019	Profit and loss* 2019-20	OCI* 2019-20	Balance Sheet 31.03.2020
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(451.46)	135.13	-	(316.33)
Provision for expense allowed for tax purpose on payment basis (Net)	44.61	(13.97)	-	30.64
Allowance for doubtful debts and advances	0.38	(0.11)	-	0.27
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	1.63	(1.20)	-	0.43
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.30)	-	(0.32)	(0.62)
Remeasurement benefit of the defined benefit plans through OCI	6.13	-	1.01	7.14
Difference in carrying value and tax base of investments measured at FVTPL	(17.34)	0.15	-	(17.19)
Net fair value gain on investments in equity instruments through OCI	-	-	(8.71)	(8.71)
Difference in Right-of-use asset and lease liabilities	23.96	(2.27)	-	21.69
Deferred tax (expense)/benefit		117.73	(8.02)	
Net Deferred tax liabilities	(392.39)			(282.68)

*Includes effect of change in tax rate

NOTE 18: INCOME TAXES (CONTD.)****C. THE MAJOR COMPONENTS OF DEFERRED TAX (LIABILITIES)/ASSETS ARISING ON ACCOUNT OF TIMING DIFFERENCES ARE AS FOLLOWS: (CONTD.)****As at 31st March, 2019**

(₹ in Crores)

	Balance Sheet 01.04.2018	Profit and loss 2018-19	OCI 2018-19	Balance Sheet 31.03.2019
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961	(298.29)	(153.17)	-	(451.46)
Provision for expense allowed for tax purpose on payment basis (Net)	50.09	(5.48)	-	44.61
Allowance for doubtful debts and advances	0.38	-	-	0.38
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	3.36	(1.73)	-	1.63
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.45)	-	0.15	(0.30)
Remeasurement benefit of the defined benefit plans through OCI	(8.04)	-	14.17	6.13
Difference in carrying value and tax base of investments measured at FVTPL	(17.38)	0.04	-	(17.34)
Difference in Right-of-use asset and lease liabilities (Refer note 31)	22.23	1.73	-	23.96
Deferred tax (expense)/benefit		(158.61)	14.32	
Net Deferred tax liabilities	(248.10)			(392.39)

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

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 19: OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(a) Revenue received in advance				
Advance received from customers	-	-	6.00	3.25
(b) Others				
Statutory dues payable	-	-	62.67	114.92
Deferred income arising from government grant (Refer note 14)	4.64	1.52	2.25	1.06
Other advance	-	-	10.00	-
	4.64	1.52	74.92	115.98
TOTAL	4.64	1.52	80.92	119.23

Notes to the Financial Statements (Contd.)

NOTE 20: TRADE PAYABLES

	(₹ in Crores)	
	Current	
	As at 31.03.2020	As at 31.03.2019
Trade Payables (including Acceptances)*		
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer note 35)	45.86	42.22
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,714.22	2,020.07
TOTAL	1,760.08	2,062.29

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 116.49 crores (Previous year ₹ 319.29 crores).

NOTE 21: CURRENT TAX LIABILITIES (NET)

	(₹ in Crores)	
	Current	
	As at 31.03.2020	As at 31.03.2019
Provision for Income Tax (net)	48.59	48.67
TOTAL	48.59	48.67

NOTE 22A: REVENUE FROM OPERATIONS

	(₹ in Crores)	
	Year 2019-20	Year 2018-19
Revenue from sale of products	17,025.26	16,196.87
Revenue from sale of services	0.35	12.57
Other operating revenue *	168.48	182.34
TOTAL	17,194.09	16,391.78

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

NOTE 22B: REVENUE FROM CONTRACTS WITH CUSTOMERS

	(₹ in Crores)	
	Year 2019-20	Year 2018-19
A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCTS OR SERVICES		
Revenue from sale of products		
Paints and allied products	16,810.51	15,995.78
Bath Fittings and allied products	214.75	201.09
Revenue from sale of services		
Revenue from home solutions operations	-	12.48
Others	0.35	0.09
Other operating revenues		
Processing and service income	32.99	34.47
Scrap sales	18.84	14.46
Other Income (Refer note 23(c)(ii))		
Royalty received		
From subsidiaries and associate	59.88	55.48
From others	0.01	0.02
Total	17,137.33	16,313.87

NOTE 22B: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD.)

(₹ in Crores)

	Year 2019-20	Year 2018-19
B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY		
Home market	17,008.83	16,191.80
Exports	128.50	122.07
Total	17,137.33	16,313.87

The Company has recognized revenue of ₹ 2.61 crores (31st March, 2019: ₹ 5.06 crores) from the amounts included under advance received from customers at the beginning of the year.

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

(₹ in Crores)

	Year 2019-20	Year 2018-19
Gross Revenue	19,852.04	18,701.65
Less: Discounts	2,714.71	2,387.78
Net Revenue recognised from Contracts with Customers	17,137.33	16,313.87

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

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

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

NOTE 23: OTHER INCOME**

(₹ in Crores)

	Year 2019-20	Year 2018-19
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	6.43	5.84
Other Financial assets carried at amortised cost	35.24	18.65
	41.67	24.49
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI*	5.66	5.36
Dividends from subsidiary companies (Refer note 43)	8.13	7.11
Dividends from mutual fund investments measured at FVTPL	20.94	33.13
	34.73	45.60
(c) Other non-operating income		
(i) Insurance claims received	0.19	0.34
(ii) Royalty received		
- From subsidiaries and associate	59.88	55.48
- From Others	0.01	0.02
	59.89	55.50
(iii) Net gain arising on financial assets measured at FVTPL*	75.26	52.76
(iv) Others	131.47	86.21
	266.81	194.81
(d) Other gains and losses		
Net foreign exchange gain	2.87	-
Net gain on sale of property, plant and equipment	10.50	13.91
Net gain on modification/ termination of leases	0.96	6.00
	14.33	19.91
TOTAL	357.54	284.81

* Relates to investments held at the end of reporting period

* Includes gain on sale of financial assets measured at FVTPL for ₹ 1.25 crores (Previous year ₹ 10.29 crores).

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

Notes to the Financial Statements (Contd.)

NOTE 24 (A): COST OF MATERIALS CONSUMED

	(₹ in Crores)	
	Year 2019-20	Year 2018-19
Raw Materials Consumed		
Opening Stock	870.28	728.16
Add : Purchases	7,032.58	7,420.33
	7,902.86	8,148.49
Less: Closing Stock	864.26	870.28
	7,038.60	7,278.21
Packing Materials Consumed		
Opening Stock	38.33	39.59
Add : Purchases	1,402.47	1,368.35
	1,440.80	1,407.94
Less : Closing Stock	46.89	38.33
	1,393.91	1,369.61
TOTAL COST OF MATERIALS CONSUMED	8,432.51	8,647.82

NOTE 24 (B): PURCHASES OF STOCK-IN-TRADE

	1,283.88	1,010.66
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NOTE 24 (C): CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

Stock at the beginning of the year		
Finished Goods (including goods in transit)	1,219.38	1,019.08
Work-in-Progress	105.72	95.60
Stock-in-trade- acquired for trading (including goods in transit)	262.12	224.68
TOTAL	1,587.22	1,339.36
Stock at the end of the year		
Finished Goods (including goods in transit)	1,345.36	1,219.38
Work-in-Progress	81.67	105.72
Stock-in-trade- acquired for trading (including goods in transit)	370.40	262.12
TOTAL	1,797.43	1,587.22
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	(210.21)	(247.86)

NOTE 25: EMPLOYEE BENEFITS EXPENSE**

	(₹ in Crores)	
	Year 2019-20	Year 2018-19
Salaries and wages	855.86	779.95
Contribution to provident and other funds (Refer note 38)	48.80	46.61
Staff welfare expenses	80.77	73.58
TOTAL	985.43	900.14

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 26: OTHER EXPENSES**

(₹ in Crores)

	Year 2019-20	Year 2018-19
Consumption of stores, spares and consumables	53.79	47.77
Power and fuel	83.30	88.60
Processing charges*	117.60	117.02
Repairs and maintenance:		
Buildings	14.30	17.66
Machinery	41.11	27.82
Other assets	39.59	33.00
	95.00	78.48
Rent and amenity charges ^	41.35	40.97
Rates and taxes	9.42	6.84
Water charges	4.11	4.54
Insurance	22.04	5.71
Printing, stationery and communication expenses	39.20	42.18
Travelling expenses	105.49	95.53
Donations	10.39	0.12
Corporate social responsibility expenses (Refer note 46)	74.64	52.70
Commission to Non Executive Directors	3.53	3.97
Directors' sitting fees	0.56	0.68
Payment to auditors (Refer note 34)	1.74	1.59
Electricity expenses	10.93	10.76
Bank charges	1.95	2.13
Net loss on foreign currency transaction	-	1.40
Information technology expenses	62.65	57.84
Legal and professional expenses	52.39	36.45
Training and recruitment	42.58	33.85
Freight and handling charges	1,088.33	1,036.19
Advertisement expenses	782.53	695.40
Bad debts written off	6.18	2.53
Allowance for doubtful debts and advances (net)	15.27	4.43
Security expenses	34.58	30.70
Miscellaneous expenses	85.89	77.83
TOTAL	2,845.44	2,576.21

^Expense relating to short-term leases amounts to ₹ 0.29 crores (Previous year ₹ 0.24 crores) and leases of low value assets amounts to ₹ 23.11 crores (Previous year ₹ 21.71 crores).

*Represents variable lease payments

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 27: FINANCE COSTS**

(₹ in Crores)

	Year 2019-20	Year 2018-19
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	0.08	0.08
(b) Interest on bill discounting	18.93	23.82
(c) Interest on loan from State of Haryana	1.59	1.03
(d) Interest on lease liabilities	55.70	48.59
(e) Other Interest expense	2.08	1.97
Total interest expense for financial liabilities carried at amortised cost	78.38	75.49
Interest on income tax	-	3.11
TOTAL	78.38	78.60

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

Notes to the Financial Statements (Contd.)

NOTE 28: DEPRECIATION AND AMORTISATION EXPENSE**

	(₹ in Crores)	
	Year 2019-20	Year 2018-19
Depreciation of Property, Plant and Equipment (Refer note 2A)	489.12	352.83
Depreciation of Right-of-Use assets (Refer note 2B)	173.03	160.33
Amortisation of Intangible assets (Refer note 3B)	27.82	27.61
TOTAL	689.97	540.77

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

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

		(₹ in Crores)			
Financial assets/ financial liabilities	Refer note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	4(I)D & 4(II)B	419.59	451.72	431.85	1,146.63
Investments in unquoted equity shares	4(I)(A)(a)(iii)	1.07	1.07	-	-
Forward exchange contract (net)	6	-	-	-	0.01
		420.66	452.79	431.85	1,146.64
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares #	4(I)(A)(b)	521.16	454.72	-	-
Investments in quoted debentures or bonds	4(I)C & 4(II)A	106.77	79.51	0.50	-
		627.93	534.23	0.50	-
Financial assets measured at amortised cost					
Investments in unquoted government securities	4(I)(B)	*	*	-	-
Sundry deposits	5	64.11	76.00	13.38	12.32
Loan to related party	5	-	-	7.93	1.66
Royalty receivable	6	-	-	59.30	48.47
Due from subsidiary companies	6	-	-	14.53	14.40
Due from associate company	6	-	-	2.10	5.21
Subsidy receivable from state government	6	232.39	220.64	144.54	154.54
Term deposits held as margin money against bank guarantee and other commitments	6	0.08	0.06	-	-
Bank deposits with more than 12 months original maturity	6	-	-	464.08	163.90
Interest accrued on investments in debentures or bonds measured at FVTOCI	6	-	-	4.01	3.62
Quantity discount receivable	6	-	-	158.40	177.48
Trade receivables	10	-	-	1,109.22	1,244.95
Cash and Cash Equivalents	11A	-	-	336.96	98.33
Other Bank Balances	11B	-	-	39.10	69.19
		269.58	296.70	2,353.55	1,994.07
Financial liabilities measured at fair value through profit or loss					
Forward exchange contract (net)	16	-	-	0.15	-
		-	-	0.15	-

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

(₹ in Crores)

Financial assets/ financial liabilities	Refer note	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Financial liabilities measured at amortised cost					
Loan from State of Haryana	14	18.50	10.89	5.90	-
Loans repayable on demand - Bank overdraft	14	-	-	-	4.35
Lease Liabilities	15	496.22	473.86	142.43	125.22
Unpaid/Unclaimed dividend	16	-	-	22.47	18.86
Retention monies relating to capital expenditure	16	0.46	1.38	36.40	77.22
Payable towards capital expenditure	16	-	-	43.77	155.23
Payable towards services received	16	-	-	222.65	301.64
Payable towards stores, spares and consumables	16	-	-	13.33	8.79
Payable to employees	16	-	-	153.07	169.64
Payable towards other expenses	16	-	-	621.15	698.00
Trade payables (including Acceptances)	20	-	-	1,760.08	2,062.29
		515.18	486.13	3,021.25	3,621.24

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

* ₹ 39,500/-

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 29(B): FAIR VALUE MEASUREMENTS

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

As at 31st March, 2020

(₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer note 4(I)(A)(b))	521.16	521.16	-	-
Investments in quoted debentures or bonds (Refer note 4(I)(C) & 4(II)(A))	107.27	107.27	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 4(I)(D) & 4(II)(B))	851.44	851.44	-	-
Investments in unquoted equity shares (Refer note 4(I)(A)(a)(iii))	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 16)	0.15	0.15	-	-

As at 31st March, 2019

(₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer note 4(I)(A)(b))	454.72	454.72	-	-
Investments in quoted debentures or bonds (Refer note 4(I)(C))	79.51	79.51	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 4(I)(D) & 4(II)(B))	1,598.35	1,598.35	-	-
Investments in unquoted equity shares (Refer note 4(I)(A)(a)(iii))	1.07	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 6)	0.01	0.01	-	-

(ii) **Financial instrument measured at amortised cost**

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

Notes to the Financial Statements (Contd.)

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

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

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

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

1) Market Risk

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

a) Interest Rate Risk

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

b) Foreign Currency Risk

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

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

(₹ in Crores)

Currency	Liabilities		Assets	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
USD	415.21	468.50	122.79	121.00
EUR	85.57	92.90	9.11	9.20
SGD	0.15	0.33	0.29	0.02
GBP	5.64	7.54	0.19	3.44
SEK	0.04	0.08	-	-
JPY	0.63	14.18	-	-
Others	1.16	0.79	1.06	9.39
	508.40	584.32	133.44	143.05

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

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

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

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2019-20	Year 2018-19	Year 2019-20	Year 2018-19
+5%	(10.11)	(11.68)	(10.11)	(11.68)
-5%	10.11	11.68	10.11	11.68

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2020, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 521.16 crores (Previous year ₹ 454.72 crores). The details of such investments in equity instruments are given in Note 4 (I)(A)(b).

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

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

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March, 2020, Other Comprehensive Income for the year ended 31st March, 2020 would increase by ₹ 46.93 crores (2018-19 ₹ 40.18 crores) and decrease by ₹ 46.93 crores (2018-19 ₹ 45.47 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2020. 10% represents management's assessment of reasonably possible change in equity prices.

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Company's exposure to credit risk is disclosed in note 4 (except equity shares, bonds and debentures), 5, 6, 10 and 11B.

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

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

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

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is given below. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company believes that the current value of trade receivables reflects the fair value/recoverable values.

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

Notes to the Financial Statements (Contd.)

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

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	31.03.2020	31.03.2019
Balance at the beginning of the year	20.94	15.42
Loss allowance measured at lifetime expected credit losses	14.96	5.52
Balance at the end of the year	35.90	20.94

3) Liquidity Risk**

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

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

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

(₹ in Crores)

	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
At 31st March, 2020					
Borrowings (Refer note 14)	-	31.66	-	31.66	18.50
Trade Payables (Refer note 20)	1,760.08	-	-	1,760.08	1,760.08
Lease Liabilities (Refer note 15)	189.94	480.76	118.32	789.02	638.65
Other financial liabilities (Refer note 16)	1,118.89	0.46	-	1,119.35	1,119.35
At 31st March, 2019					
Borrowings (Refer note 14)	4.35	13.80	-	18.15	15.24
Trade Payables (Refer note 20)	2,062.29	-	-	2,062.29	2,062.29
Lease Liabilities (Refer note 15)	170.43	448.48	136.03	754.94	599.08
Other financial liabilities (Refer note 16)	1,429.38	1.38	-	1,430.76	1,430.76

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

4) Risk due to outbreak of COVID 19 pandemic

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

NOTE 29(D): CAPITAL MANAGEMENT

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

As at 31st March, 2020, the Company has only one class of equity shares and has low debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

NOTE 30: DIVIDEND

	Year 2019-20	(₹ in Crores) Year 2018-19
Dividend on equity shares paid during the year		
Final dividend for the FY 2018-19 [₹ 7.65 (Previous year ₹ 6.05) per equity share of ₹ 1 each]	733.79	580.31
Dividend distribution tax on final dividend	148.70	118.80
Interim dividend for the FY 2019-20 [₹ 10.50 (Previous year ₹ 2.85) per equity share of ₹ 1 each] (Refer note 13)	1,007.16	273.37
Dividend distribution tax on interim dividend	204.37	54.70
	2,094.02	1,027.18

Proposed Dividend:

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

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

NOTE 31: EFFECT OF ADOPTING IND AS 116, LEASES**Changes in Accounting Policies and Disclosures:**

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

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

The Company has applied the practical expedient and thus not reassessed whether or not a contract meets the definition of lease on transition. Accordingly Ind AS 116 is applied to all the lease contracts entered before 1st April, 2018 on the initial date of application of Ind AS 116.

The effect of adopting Ind AS 116 is as follows:

	As at 01.04.2018	Ind AS 116 Adjustments	(₹ in Crores) Post Ind AS 116
Effect of Ind AS 116 adoption on the Balance Sheet			
ASSETS			
Non-Current assets			
Property, Plant and Equipment	2,477.44	(142.96)	2,334.48
Right of Use Asset	-	575.04	575.04
Other non-current assets	305.81	(5.89)	299.92
Total Assets	11,587.93	426.19	12,014.12
EQUITY AND LIABILITIES			
Equity			
Other Equity	7,702.24	(42.01)	7,660.23
LIABILITIES			
Non-Current Liabilities			
Lease Liabilities	-	341.43	341.43
Deferred tax liabilities (Net)	270.33	(22.23)	248.10
Current Liabilities			
Lease Liabilities	-	149.00	149.00
Total Equity and Liabilities	11,587.93	426.19	12,014.12

Notes to the Financial Statements (Contd.)

NOTE 31: EFFECT OF ADOPTING IND AS 116, LEASES (CONTD.)

	(₹ in Crores)		
Effect of Ind AS 116 adoption on the Balance Sheet	As at 31.03.2019	Ind AS 116 Adjustments	Post Ind AS 116
ASSETS			
Non-Current assets			
Property, Plant and Equipment	4,580.57	(149.95)	4,430.62
Right of Use Asset	-	700.61	700.61
Other non-current assets	53.62	(20.14)	33.48
Total Assets	13,152.37	530.52	13,682.89
EQUITY AND LIABILITIES			
Equity			
Other Equity	8,791.64	(44.60)	8,747.04
LIABILITIES			
Non-Current Liabilities			
Lease Liabilities	-	473.86	473.86
Deferred tax liabilities (Net)	416.35	(23.96)	392.39
Current Liabilities			
Lease Liabilities	-	125.22	125.22
Total Equity and Liabilities	13,152.37	530.52	13,682.89

	(₹ in Crores)		
Effect of Ind AS 116 adoption on the Statement of Profit and Loss	Year 2018-19	Ind AS 116 Adjustments	Post Ind AS 116
REVENUE FROM OPERATIONS			
Other Income	278.81	6.00	284.81
TOTAL INCOME (I)	16,670.59	6.00	16,676.59
EXPENSES			
Employee benefits expense	902.79	(2.65)	900.14
Other expenses	2,770.42	(194.21)	2,576.21
TOTAL EXPENSES (II)	13,083.83	(196.86)	12,886.97
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)	3,586.76	202.86	3,789.62
Finance costs	30.01	48.59	78.60
Depreciation and amortisation expense	382.18	158.59	540.77
PROFIT BEFORE TAX	3,174.57	(4.32)	3,170.25
Tax expense			
Deferred tax	160.34	(1.73)	158.61
Total tax expense	1,039.81	(1.73)	1,038.08
PROFIT AFTER TAX	2,134.76	(2.59)	2,132.17
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,116.58	(2.59)	2,113.99

	(₹ in Crores)		
Effect of Ind AS 116 adoption on the Statement of Cash Flow	Year 2018-19	Ind AS 116 Adjustments	Post Ind AS 116
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	3,174.57	(4.32)	3,170.25
Depreciation and amortisation expense	382.18	158.59	540.77
Finance costs	30.01	48.59	78.60
Net gain on modification/ termination of leases	-	(6.00)	(6.00)
Operating Profit before working capital changes	3,446.76	196.86	3,643.62
Decrease in other assets	66.64	14.25	80.89
Cash generated from Operating activities	3,097.98	211.11	3,309.09
Net Cash generated from Operating activities	2,184.14	211.11	2,395.25
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquiring right of use of assets	-	(17.75)	(17.75)
Net Cash (used in) Investing activities	(815.05)	(17.75)	(832.80)
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	-	(144.77)	(144.77)
Finance costs paid	(25.79)	(48.59)	(74.38)
Net Cash (used in) Financing activities	(895.80)	(193.36)	(1,089.16)

NOTE 31: EFFECT OF ADOPTING IND AS 116, LEASES (CONTD.)

Effect of Ind AS 116 adoption on Earnings Per Share	2018-19 Reported	2018-19 Restated
a) Basic and diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	22.26	22.23
b) Profit after tax as per Statement of Profit and Loss (₹ in crores)	2,134.76	2,132.17
c) Weighted average number of equity shares outstanding during the year	95,91,97,790	95,91,97,790

Total cash flows for leases including variable lease payments is ₹ 315.81 crores (previous year ₹ 312.17 crores) which includes finance cost on lease liability of ₹ 55.70 crores (previous year ₹ 48.59 crores).

NOTE 32: CONTINGENT LIABILITIES AND COMMITMENTS**a. Contingent Liabilities**

	As at 31.03.2020	As at 31.03.2019
1. Letters of comfort issued to banks on behalf of one of its indirect subsidiary	6.50	6.40
2. Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal	239.93	161.23
ii. Others	42.70	31.33

b. Commitments

	As at 31.03.2020	As at 31.03.2019
1. Estimated amount of contracts remaining to be executed on capital account and not provided for		
i. Towards Property, Plant and Equipment	94.57	105.60
ii. Towards Intangible Assets	4.35	3.47
	98.92	109.07
2. Letters of Credit and Bank guarantees issued by bankers towards procurement of goods and services and outstanding as on 31 st March, 2020	2.03	24.83
3. For derivative contract related commitments, Refer note 36(a)		

NOTE 33: PURSUANT TO THE IND AS 37 - 'PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS', THE DISCLOSURE RELATING TO PROVISIONS MADE IN THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020 IS AS FOLLOWS:

	Provision for Excise *		Provision for Sales tax **	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Opening Balance	0.62	0.71	20.01	24.78
Additions	2.17	-	2.18	5.13
Utilizations	-	-	-	-
Reversals	(0.55)	(0.09)	(7.78)	(9.90)
Closing Balance	2.24	0.62	14.41	20.01

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

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

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

NOTE 34: PAYMENT TO AUDITORS (EXCLUDING GST)

	Year 2019-20	Year 2018-19
Statutory audit fee	1.22	1.08
Taxation matters	0.12	0.12
Certification fees and other services	0.30	0.30
For reimbursement of expenses	0.10	0.09
Total	1.74	1.59

Notes to the Financial Statements (Contd.)

NOTE 35: DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2019-20, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount due to micro and small enterprise	62.09*	42.22
Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

*includes ₹ 16.23 crores payable towards other financial liabilities.

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

NOTE 36: DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS**a) Exposure in foreign currency - Hedged**

The Company enters into forward exchange contracts to hedge 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 contracts used for hedging foreign Currency exposure and outstanding as at reporting date are as under:

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2020	5.00	4.29	32.27
Forward contract to buy USD - As at 31.03.2019	25.00	19.61	135.84

b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2020 are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
USD	50.67	48.10	16.25	17.50
EUR	10.29	11.97	1.10	1.19
SGD	0.03	0.07	0.06	0.00
GBP	0.61	0.83	0.02	0.38
SEK	0.06	0.11	0.00	-
JPY	9.09	226.41	-	-
Others	0.75	0.32	0.19	1.76

NOTE 36: DETAILS OF HEDGED AND UNHEDGED EXPOSURE IN FOREIGN CURRENCY DENOMINATED MONETARY ITEMS (CONTD.)

b) Exposure in foreign currency - Unhedged (Contd.)

Currency	Payable (₹ in Crores)		Receivable (₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
USD	382.94	332.66	122.79	121.00
EUR	85.57	92.90	9.11	9.20
SGD	0.15	0.33	0.29	0.02
GBP	5.64	7.54	0.19	3.44
SEK	0.04	0.08	0.00	-
JPY	0.63	14.18	-	-
Others	1.16	0.79	1.06	9.39
	476.13	448.48	133.44	143.05

NOTE 37(A): DISCLOSURE AS PER REGULATION 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

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	(₹ in Crores)			
		Amount outstanding as at 31.03.2020	Amount outstanding as at 31.03.2019	Maximum balance outstanding during the year 31.03.2020	Maximum balance outstanding during the year 31.03.2019
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited	Wholly Owned Subsidiary	7.93	1.66	7.93	1.66

The above loan was given to the subsidiary for its business activities (Refer note 43).

NOTE 37(B): DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

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

- Details of Investments made are given in Note 4(I)(A)(a)(i) and 4(I)(A)(a)(ii).
- Details of loans given by the Company are as follows:

Name of the party	Relationship	(₹ in Crores)	
		As at 31.03.2020	As at 31.03.2019
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited	Wholly Owned Subsidiary company	7.93	1.66

- There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

NOTE 38: EMPLOYEE BENEFITS

1) Post-employment benefits:

The Company has the following post-employment benefit plans:

a) Defined benefit gratuity plan (Funded)

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

Notes to the Financial Statements (Contd.)

NOTE 38: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****a) Defined benefit gratuity plan (Funded) (Contd.)**

Each year, the Board of Trustees and the Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

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

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

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

b) Defined benefit pension plan (Unfunded)

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

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

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

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

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

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31st March, 2020 by M/s Transvalue Consultants, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

NOTE 38: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****c) Defined benefit post-retirement medical benefit plan (Unfunded) (Contd.)**

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

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
(i) Opening defined benefit obligation	170.28	158.08	1.34	1.76	1.59	1.52
(ii) Current service cost	12.47	11.56	-	-	0.07	0.07
(iii) Interest cost	12.84	12.26	0.09	0.27	0.12	0.12
(iv) Past Service Cost	-	1.81	-	-	-	-
(v) Sub-total included in statement of profit and loss(ii+iii+iv)	25.31	25.63	0.09	0.27	0.19	0.19
(vi) Actuarial loss/(gain) from changes in financial assumptions	13.64	5.61	0.08	0.02	0.17	0.04
(vii) Actuarial (gain) from changes in demographic assumptions	-	(0.14)	-	-	-	-
(viii) Experience adjustment	2.68	1.14	0.36	(0.38)	(0.11)	(0.11)
(ix) Sub-total included in other comprehensive income(vi+vii+viii)	16.32	6.61	0.44	(0.36)	0.06	(0.07)
(x) Inter-Company Transfer	(0.02)	-	-	-	-	-
(xi) Benefits paid	(20.75)	(20.04)	(0.29)	(0.33)	(0.05)	(0.05)
(xii) Closing defined benefit obligation(i+v+ix+xi)	191.14	170.28	1.58	1.34	1.79	1.59
(xiii) Opening fair value of plan assets	156.38	162.76	-	-	-	-
(xiv) Expected return on plan assets	11.84	12.71	-	-	-	-
(xv) Sub-total included in statement of profit and loss(xiv)	11.84	12.71	-	-	-	-
(xvi) Actuarial loss	7.30	(6.05)	-	-	-	-
(xvii) Sub-total included in other comprehensive income (xvi)	7.30	(6.05)	-	-	-	-
(xviii) Contributions by employer	26.00	7.00	-	-	-	-
(xix) Benefits paid	(20.75)	(20.04)	-	-	-	-
(xx) Closing fair value of plan assets (xiii+xv+xvii+xviii+xix)	180.77	156.38	-	-	-	-
(xxi) Net (Asset)/ Liability (xii-xx)	10.37	13.90	1.58	1.34	1.79	1.59
Expense recognised in:						
(xxii) Statement of profit and loss(v-xv)	13.47	12.92	0.09	0.27	0.19	0.19
(xxiii) Statement of other comprehensive income(ix-xvi)	9.02	12.66	0.44	(0.36)	0.06	(0.07)

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

(₹ in Crores)

	Gratuity (Funded Plan) As at 31.03.2020	Gratuity (Funded Plan) As at 31.03.2019
Government of India securities (Central and State)	93.47	92.26
High quality corporate bonds (including Public Sector Bonds)	75.87	55.60
Equity shares, Equity mutual funds and ETF	5.39	5.31
Cash (including liquid mutual funds)	0.75	0.44
Others	5.29	2.77

Notes to the Financial Statements (Contd.)

NOTE 38: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****c) Defined benefit post-retirement medical benefit plan (Unfunded) (Contd.)**

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

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.67%	7.57%	6.67%	7.57%	6.67%	7.57%
Salary Escalation Rate	All Grades- 9% for first 2 years, 8% thereafter	All Grades- 9% for first 3 years, 8% thereafter	-	-	-	-

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

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Defined Benefit Obligation - Discount Rate + 100 basis points	(15.53)	(12.32)	(0.09)	(0.06)	(0.21)	(0.22)
Defined Benefit Obligation - Discount Rate - 100 basis points	16.59	13.08	0.09	0.07	0.22	0.23
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	15.33	11.95	-	-	-	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(14.69)	(11.39)	-	-	-	-

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

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.59 years. (Previous year 10.24 years)

The Company expects to make a contribution of ₹ 24.31 crores (Previous year ₹ 26.37 crores) to the defined benefit plans during the next financial years.

d) Provident Fund

The Provident Fund assets and liabilities are managed by 'Asian Paints Office Provident Fund' and 'Asian Paints Factory Employees Provident Fund' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31st March, 2020.

NOTE 38: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****d) Provident Fund (Contd.)**

The Company contributed ₹ 13.63 crores (Previous Year ₹ 13.45 crores) towards Asian Paints Office Provident Fund during the year ended 31st March, 2020. The Company contributed ₹ 9.56 crores (Previous Year ₹ 7.58 crores) towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2020.

The details of the Asian Paints Office Provident Fund and plan assets position as at 31st March, 2020 is given below:

Particulars	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
Present value of benefit obligation at period end	324.14	289.36
Plan assets at period end, at fair value, restricted to ^	324.14	289.36
Asset recognized in balance sheet	-	-

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

The details of the Asian Paints Factory Employees Provident Fund and plan assets position as at 31st March, 2020 are given below:

Particulars	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
Present value of benefit obligation at period end	256.50	224.58
Plan assets at period end, at fair value, restricted to	256.50	224.58
Asset recognized in balance sheet	-	-

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

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

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

2) Other Long term employee benefits:**Annual Leave and Sick Leave assumptions**

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 19.70 crores. (Previous Year- increased by ₹11.48 crores)

(a) Financial Assumptions

Particulars		
	As at 31.03.2020	As at 31.03.2019
Discount Rate	6.67%	7.57%
Basic salary increases allowing for Price inflation	All Grades- 9% for first 2 years 8% thereafter	All Grades- 9% for first 3 years 8% thereafter

Notes to the Financial Statements (Contd.)

NOTE 38: EMPLOYEE BENEFITS (CONTD.)**2) Other Long term employee benefits: (Contd.)****(b) Demographic Assumptions**

Particulars	As at 31.03.2020	As at 31.03.2019
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee Turnover	Upto 34 yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%	Upto 34 yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%
Leave Availment Ratio	5%	5%

NOTE 39: During the previous year ended 31st March, 2019, the Company had charged ₹ 34.00 crores, being the change in remeasurement of the defined benefit plans, in Other comprehensive income due to impairment in the value of investments made in securities of IL&FS limited and IL&FS Financial Services Limited by the trusts' managing the defined benefit plans of the Company.

NOTE 40: A competitor of the Company had filed a complaint with the Competition Commission of India (CCI) alleging the Company to be hindering its entry in the decorative paints market by virtue of unfair use of the Company's position of dominance in the market. On 14th January, 2020, the CCI passed a prima facie Order under the provisions of the Competition Act, 2002 directing the Director General (DG) to conduct an investigation into the matter. The Company has received notice on 22nd June, 2020 from the office of the DG requesting the Company to provide certain information and documents. The Company is in the process of furnishing the same.

NOTE 41: The Board of Directors of the Company and of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ('Reno'), a wholly owned subsidiary of the Company at their meetings held on 22nd January, 2020 and 20th January, 2020 respectively, had approved the Scheme of Amalgamation of Reno with the Company, subject to necessary statutory and regulatory approvals, including approval of the National Company Law Tribunal (NCLT) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company is in the process of complying with the directions of the NCLT as specified in their Order dated 22nd April, 2020. Pending the approval by NCLT and other regulatory approvals, no accounting effect has been given for the scheme in the financial statements.

NOTE 42: EARNINGS PER SHARE**

	2019-2020	2018-2019
a) Basic and diluted earnings per share in rupees (face value – ₹1 per share)* (In ₹)	27.67	22.23
b) Profit after tax as per Statement of Profit and Loss (₹ in crores)	2,653.95	2,132.17
c) Weighted average number of equity shares outstanding during the year	95,91,97,790	959,197,790

* Earning per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020**a) Associates:**

PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

b) Subsidiaries: (where control exists)

Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2020	% of Holding as at 31.03.2019
Asian Paints (Nepal) Private Limited	Nepal	52.71	51.00
Asian Paints Industrial Coatings Limited	India	100.00	100.00
Asian Paints International Private Limited	Singapore	100.00	100.00
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited (Refer note 41)	India	100.00	100.00
Maxbhumi Developers Limited	India	100.00	100.00
Sleek International Private Limited	India	100.00	100.00
Asian Paints PPG Private Limited	India	50.00	50.00

Indirect Subsidiaries:

i) Subsidiaries of Asian Paints International Private Limited, Singapore

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2020	% of Holding as at 31.03.2019
Berger Paints Singapore Pte Limited **	Singapore	-	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
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	51.00	51.00
PT Asian Paints Indonesia	Indonesia	100.00	100.00
PT Asian Paints Color Indonesia	Indonesia	100.00	100.00
Asian Paints (Tonga) Limited	Kingdom of Tonga	100.00	100.00
Asian Paints (South Pacific) Limited	Fiji Islands	54.07	54.07
Asian Paints (S.I.) Limited	Solomon Islands	75.00	75.00
Asian Paints (Bangladesh) Limited	Bangladesh	89.78	89.78
Asian Paints (Middle East) LLC	Sultanate of Oman	49.00	49.00
SCIB Chemicals S.A.E.	Egypt	60.00	60.00
Samoa Paints Limited	Samoa	80.00	80.00
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	60.00	60.00
Asian Paints (Lanka) Limited	Sri Lanka	99.18	99.18
Causeway Paints Lanka (Pvt) Ltd	Sri Lanka	100.00	100.00

**On 16th September, 2019, Asian Paints International Private Limited, Singapore ('APIPL'), subsidiary of the Company entered into a Share Purchase Agreement with Omega Property Investments Pty Ltd., Australia for divestment of its entire stake in Berger Paints Singapore Pte. Limited, Singapore ('BPS'). The said transaction was concluded on 17th September, 2019.

ii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2020	% of Holding as at 31.03.2019
Nirvana Investments Limited	Isle of Man, U.K.	100.00	100.00

iii) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2020	% of Holding as at 31.03.2019
Berger Paints Emirates LLC	U.A.E.	100.00	100.00

iv) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2020	% of Holding as at 31.03.2019
Berger Paints Bahrain W.L.L.	Bahrain	100.00	100.00

Notes to the Financial Statements (Contd.)

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)**c) Key Managerial Personnel:**

Name	Designation
Shri K. B. S. Anand	Managing Director & CEO (Retired on 31 st March, 2020)
Shri Amit Syngle	Managing Director & CEO (w.e.f. 1 st April, 2020)
Shri Jayesh Merchant	CFO & Company Secretary, President – Industrial JVs (Retired on 26 th November, 2019)
Shri R J Jeyamurugan	CFO & Company Secretary (w.e.f. 27 th November, 2019)
Non-Executive Directors	
Shri. Ashwin Dani	Shri. M.K. Sharma
Shri. Abhay Vakil	Mrs. Vibha Paul Rishi
Shri. Malav Dani	Shri. R Seshasayee
Ms. Amrita Vakil	Shri Jigish Choksi (w.e.f. 1 st April, 2019)
Shri. Manish Choksi (w.e.f. 22 nd October, 2018)	Shri. Suresh Narayanan (w.e.f. 1 st April, 2019)
Shri. Deepak Satwalekar	Mrs. Pallavi Shroff (w.e.f. 1 st April, 2019)
Dr. S. Sivaram	Shri. Mahendra Shah (upto 31 st March, 2019)
Late Shri. Ashwin Choksi (upto 19 th September, 2018)	Shri. S. Ramadorai (upto 31 st March, 2019)
Shri. Mahendra Choksi (upto 31 st March, 2019)	

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

Shri. Shri. Varun Vakil
Shri. Manish Choksi*

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

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

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

* w.e.f. 18th September, 2019

** w.e.f. 22nd October, 2019

^ w.e.f. 21st January, 2020

f) Other entities where significant influence exist :**i) Post employment-benefit plan entity:**

Asian Paints (India) Limited Employees' Gratuity Fund

ii) Other :

Asian Paints Office Provident Fund (Employee benefit plan)

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

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

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

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

Particulars	Associate		Subsidiaries		Key Managerial Personnel		Close Family Members of Key Managerial Personnel		Entities Controlled/Significantly Influenced by Directors/Close Family Members of Directors			Other Entities where significant influence exist	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2018-19	2019-20	2018-19
	(₹ in Crores)												
Revenue from sale of products	10.97	18.09	34.48	44.70	0.00 *	-	-	-	-	0.28	-	-	-
Processing of goods (Income)	16.48	19.47	21.63	20.71	-	-	-	-	-	-	-	-	-
Interest Income	-	-	0.23	0.06	-	-	-	-	-	-	-	-	-
Royalty Income	3.61	3.78	57.72	53.16	-	-	-	-	-	-	-	-	-
Other non operating income	11.29	11.28	19.71	15.67	-	-	-	-	-	-	-	-	-
Sitting Fees Received (from subsidiaries for nominee directors)	-	-	0.58	0.57	-	-	-	-	-	-	-	-	-
Other services – paid	-	-	2.39	1.97	-	-	-	-	1.67	0.03	-	-	-
Reimbursement of Expenses - received	0.15	0.33	23.02	19.42	-	-	-	-	-	-	-	-	-
Dividend received	-	-	8.13	7.11	-	-	-	-	-	-	-	-	-
Purchase of goods	0.03	0.03	2.41	4.02	-	-	-	-	535.18	537.55	-	-	-
Purchase of assets	-	-	-	-	-	-	-	-	-	3.73	-	-	-
Remuneration	-	-	-	-	22.76 **	16.91	0.54	3.25	-	-	-	-	-
Retiral benefits	-	-	-	-	10.68	0.18	-	3.50	-	-	-	-	-
Commission to Non-executive Directors	-	-	-	-	3.53	3.97	-	-	-	-	-	-	-
Sitting Fees Paid to Non-executive Directors	-	-	-	-	0.56	0.68	-	-	-	-	-	-	-
Reimbursement of Expenses - paid	-	-	1.40	1.62	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	73.99	35.75	110.83	54.91	734.28	360.02	-	-	-
Contributions during the year (includes Employees' share and contribution)	-	-	-	-	-	-	-	-	-	-	92.87	96.06	-
Investment made	-	-	379.84	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	6.25	1.65	-	-	-	-	-	-	-	-	-
Sale of assets	0.48	0.27	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility Expenses	-	-	-	-	-	-	-	-	1.98	3.17	-	-	-
Outstanding as at 31st March	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan given	-	-	7.93	1.66	-	-	-	-	-	-	-	-	-
Trade and other receivables	4.01	8.87	79.31	75.17	-	-	-	-	-	-	-	-	-
Trade and other payables	0.02	0.01	2.27	2.42	9.73	9.22	-	-	1.58	6.20	5.37	-	29.14

Trade and other receivables for Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors- Current year ₹ 20,827/- (Previous year ₹ 37,858).

* Revenue from sale of goods to Key Managerial personnel - Current year - ₹ 42,687/-

** Includes remuneration of ₹ 1,75,15,148/- paid to Shri Manish Choksi for his past services in his erstwhile capacity as employee of the Company.

Note: The Company has issued letters of comfort to banks on behalf of some of its operating subsidiaries from time to time and the financial support based on such letters is limited to ₹ 6.50 crores (Previous year ₹ 6.40 crores) as on 31st March, 2020.

Notes to the Financial Statements (Contd.)

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)**Terms and conditions of transactions with related parties**

- The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.
- Trade and other receivables are unsecured, interest free and will be settled in cash. During the year ended 31st March, 2020, the Company has recorded an amount of ₹ 0.30 crores from Asian Paints (Bangladesh) Ltd (Previous year ₹ 0.20 crores) as provision for doubtful debts on account of receivables. As at 31st March, 2020, the provision for doubtful receivables is ₹ 1.27 crores for Asian Paints (Bangladesh) Ltd (Previous year ₹ 1.00 crores)
During the year ended 31st March, 2020, the Company has written off ₹ 0.03 crores towards doubtful receivables from Asian Paints (Bangladesh) Ltd.
The above mentioned assessment is undertaken each financial year through examining the financial position of related parties, the market and regulatory environment in which related party operate and the accounting policy of the Company.
- During the year ended 31st March, 2020, the Company has provided an additional loan ₹ 6.25 crores (₹ 1.65 crores in previous year) to its wholly owned subsidiary, Reno Chemicals Pharmaceuticals & Cosmetics Private Limited for its business activities. The loan is unsecured and repayable within a period of one year. The interest rate is in line with the prevailing yield of one year Government Security and the same is quarterly revised.

Compensation of key management personnel of the Company:

	(₹ in Crores)	
	2019-20	2018-19
Short-term employee benefits	25.55	21.56
Post-employment benefits	10.68	0.18
Other long-term benefits	1.30	-
Total compensation paid to key management personnel	37.53	21.74

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

	(₹ in Crores)	
	2019-20	2018-19
Revenue from sale of products		
PPG Asian Paints Private Limited	10.97	18.09
Asian Paints (Nepal) Private Limited	10.19	10.39
Asian Paints PPG Private Limited	7.55	9.18
Kadisco Paint and Adhesive Industry Share	4.52	7.47
Asian Paints (Bangladesh) Limited	3.76	6.31
Others	8.46	11.63
	45.45	63.07
Processing of Goods (Income)		
Asian Paints PPG Private Limited	21.63	20.71
PPG Asian Paints Private Limited	16.48	19.47
	38.11	40.18
Interest Income		
Reno Chemicals Pharmaceuticals and Cosmetics Private Limited	0.23	0.06
	0.23	0.06
Royalty Income		
SCIB Chemicals S.A.E., Egypt	11.59	10.10
Asian Paints (Bangladesh) Limited	9.93	8.84
Asian Paints PPG Private Limited	9.12	8.97
Asian Paints International Private Limited	7.06	6.14
Asian Paints (Nepal) Private Limited	6.73	6.86
Others	16.90	16.03
	61.33	56.94
Other non operating income		
PPG Asian Paints Private Limited	11.13	11.11
Asian Paints International Private Limited	5.33	4.23
Asian Paints PPG Private Limited	7.68	6.46
Sleek International Private Limited	4.74	3.24
Others	2.12	1.91
	31.00	26.95

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)

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

	2019-20	2018-19
(₹ in Crores)		
Sitting Fees Received (from subsidiaries for nominee directors)		
Asian Paints International Private Limited	0.58	0.57
	0.58	0.57
Other Services Paid		
Addverb Technologies Pvt Ltd	1.38	-
Asian Paints International Private Limited	1.32	1.25
Berger Paints Emirates LLC	0.89	0.25
SCIB Chemicals S.A.E., Egypt	-	0.29
Others	0.47	0.21
	4.06	2.00
Reimbursement of Expenses – Received		
Sleek International Private Limited	10.96	8.59
Asian Paints PPG Private Limited	3.56	4.13
Asian Paints International Private Limited	5.19	3.13
Others	3.46	3.90
	23.17	19.75
Dividend Received		
Asian Paints (Nepal) Private Limited	8.13	7.11
	8.13	7.11
Purchase of Goods		
Hitech Corporation Limited	350.70	341.91
Parekhplast India Limited	119.68	122.90
Others	67.24	76.79
	537.62	541.60
Purchase of Assets		
Addverb Technologies Pvt. Ltd.	-	3.73
	-	3.73
Remuneration		
Shri. K.B.S. Anand	14.41	11.81
Shri. Jayesh Merchant	5.99	5.10
Shri. Manish Choksi	1.75	2.80
Shri. Varun Vakil	0.54	0.45
Shri R J Jeyamurugan	0.61	-
	23.30	20.16
Retiral Benefits		
Shri. K.B.S. Anand	6.36	-
Shri. Jayesh Merchant	4.18	-
Shri. Manish Choksi	-	3.50
Shri. Ashwin Dani	0.07	0.07
Shri. Abhay Vakil	0.07	0.08
Late Shri. Ashwin Choksi	-	0.03
	10.68	3.68
Commission to Non Executive Directors		
Shri. Ashwin Dani	0.32	0.35
Shri. Abhay Vakil	0.25	0.28
Shri. Malav Dani	0.27	0.30
Ms. Amrita Amar Vakil	0.25	0.28
Shri. Manish Choksi	0.29	0.22
Shri. Jigish Choksi	0.25	-
Shri. Mahendra Choksi	-	0.28
Late Shri. Ashwin Choksi	-	0.18
Others	1.90	2.08
	3.53	3.97

Notes to the Financial Statements (Contd.)

NOTE 43: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)**Disclosure in respect of significant transactions of the same type with related parties during the year: (contd.)**

(₹ in Crores)

	2019-20	2018-19
Sitting Fees Paid to Non Executive Directors		
Shri M K Sharma	0.06	0.08
Shri Abhay Vakil	0.06	0.07
Shri Mahendra Shah	-	0.07
Others	0.44	0.46
	0.56	0.68
Reimbursement of Expenses – Paid		
Causeway Paints Lanka (Pvt) Ltd	0.61	0.03
PT Asian Paints Indonesia	0.28	0.18
Berger Paints Emirates LLC	0.07	0.47
Sleek International Private Limited	0.02	0.26
Asian Paints (Nepal) Private Limited	0.02	0.21
Asian Paints International Private Limited	0.05	0.21
Others	0.35	0.26
	1.40	1.62
Dividend Paid		
Smiti Holding And Trading Company Private Limited	98.87	48.13
Sattva Holding and Trading Private Limited	98.44	47.07
Others	721.79	355.48
	919.10	450.68
Contributions during the year (includes Employees' share and contribution)		
Asian Paints Office Provident Fund	36.44	51.43
Asian Paints Factory Employees Provident Fund	29.35	35.43
Asian Paints Management Cadres Superannuation Scheme	1.08	2.20
Asian Paints (India) Limited Employees' Gratuity Fund	26.00	7.00
	92.87	96.06
Investment made		
Asian Paints International Private Limited	299.84	-
Sleek International Private Limited	80.00	-
	379.84	-
Loan Given		
Reno Chemicals Pharmaceuticals & Cosmetics Private Limited	6.25	1.65
	6.25	1.65
Sale of Asset		
PPG Asian Paints Private Limited	0.48	0.27
	0.48	0.27
Corporate Social Responsibility Expenses		
Piramal Swasthya Management and Research Institute	1.55	3.17
Pratham Education Foundation	0.22	-
Ankleshwar Industrial Development Society	0.21	-
	1.98	3.17

All the amounts reported in Note 43 are inclusive of GST wherever applicable

NOTE 44: SEGMENT REPORTING****Basis of Segmentation:****Factors used to identify the reportable segments:**

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

Reportable Segment	Products/Services
Paints	Manufacturing and Trading of Paints and related services
Home Improvement	Manufacturing and Trading of Bath Fitting products and related services

NOTE 44: SEGMENT REPORTING (CONTD.)**

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

(₹ in Crores)

	Year 2019-20			Year 2018-19		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
A. SEGMENT REVENUE	16,974.67	219.42	17,194.09	16,189.66	202.12	16,391.78
B. SEGMENT RESULT	3,660.71	(29.37)	3,631.34	3,403.92	(30.32)	3,373.60
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULT						
Depreciation and amortisation	625.36	2.87	628.23	475.92	2.85	478.77
Interest Income	0.56	0.00*	0.56	0.78	0.01	0.79
Finance costs	75.87	0.85	76.72	71.36	0.46	71.82
Dividend Income	8.13	-	8.13	7.11	-	7.11
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	3,660.71	(29.37)	3,631.34	3,403.92	(30.32)	3,373.60
Add/(Less):						
Interest Income			41.11			23.70
Depreciation and amortisation			(61.74)			(62.00)
Net foreign exchange gain/(loss)			2.87			(1.40)
Dividend received			26.60			38.49
Net gain arising on financial assets recognised at FVTPL			75.26			52.76
Finance costs			(1.66)			(6.78)
Income taxes			(759.08)			(1,038.08)
Exceptional items (Refer note 45)			(33.20)			-
Other Un-allocable Expenses net of Un-allocable Income			(267.55)			(248.12)
PROFIT AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			2,653.95			2,132.17

* Interest income of Home Improvement segment for the current year - ₹ 15,040/-

(₹ in Crores)

	31.03.2020			31.03.2019		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
E. OTHER INFORMATION						
Segment assets	9,481.66	172.22	9,653.88	9,807.35	174.91	9,982.26
Un-allocable assets			3,933.74			3,700.63
Total assets			13,587.62			13,682.89
Segment liabilities	3,503.80	66.56	3,570.36	4,148.59	78.34	4,226.93
Un-allocable liabilities			563.97			613.00
Total liabilities			4,134.33			4,839.93
Capital expenditure	141.25	2.59	143.84	1,203.28	3.69	1,206.97
Un-allocable capital expenditure			29.57			65.78
Total			173.41			1,272.75

(₹ in Crores)

	2019-20	2018-19
F. REVENUE FROM OPERATIONS		
India	17,113.68	16,313.37
Outside India	80.41	78.41
Total Revenue	17,194.09	16,391.78

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

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

Notes to the Financial Statements (Contd.)

NOTE 44: SEGMENT REPORTING (CONTD.)****G. RECONCILIATION BETWEEN SEGMENT REVENUE AND REVENUE FROM CONTRACTS WITH CUSTOMERS**

(₹ in Crores)

	2019-20			2018-19		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
Revenue from sale of products	16,810.51	214.75	17,025.26	15,995.78	201.09	16,196.87
Revenue from sale of services	0.35	-	0.35	12.57	-	12.57
Other operating revenue	47.16	4.67	51.83	47.90	1.03	48.93
Add : Items not included in disaggregated revenue						
Subsidy from state government	116.65	-	116.65	133.41	-	133.41
Total Segment Revenue	16,974.67	219.42	17,194.09	16,189.66	202.12	16,391.78
Add : Items not included in segment revenue						
Royalty received						
-From Subsidiaries and Associate	59.88	-	59.88	55.48	-	55.48
-Others	0.01	-	0.01	0.02	-	0.02
Less : Items not included in disaggregated revenue						
Subsidy from state government	116.65	-	116.65	133.41	-	133.41
Revenue from contracts with customers (Refer note 22B)	16,917.91	219.42	17,137.33	16,111.75	202.12	16,313.87

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 45: EXCEPTIONAL ITEMS

(₹ in Crores)

	Year 2019-20	Year 2018-19
1. Impairment loss on investment in Sleek International Private Limited (Refer note a.)	29.70	-
2. Impairment loss on investment in Maxbhum Developers Limited (Refer note b.)	3.50	-
	33.20	-

The Company has made an assessment of the recoverable value of investment in its subsidiaries taking into account the past business performance, prevailing business conditions and revised expectations of the future performance.

- The recoverable value of investment in Sleek International Private Limited is the value in use determined as per discounted cash flow method. The discount rate used is 12.25%.
- Maxbhum Developers Limited (MBL) is an asset holding company having land held for sale. It has entered into a Memorandum of Understanding (MoU) with a buyer for sale of the land. The recoverable value of land from the proposed sale transaction less estimated incidental expenses is used to determine the value of investment in the subsidiary (Level 2 hierarchy of fair value measurement).

NOTE 46: CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Crores)

A. Gross amount required to be spent by the Company during the year 2019-20 - ₹ 57.51 crores (2018-19 - ₹ 52.35 crores)						
B. Amount spent during the year on:						
	2019-20			2018-19		
	In cash*	Yet to be paid in cash	Total	In cash*	Yet to be paid in cash	Total
i. Construction/Acquisition of any assets	-	-	-	-	-	-
ii. Purposes other than (i) above	68.34	6.29	74.64	46.77	5.93	52.70
	68.34	6.29	74.64	46.77	5.93	52.70
C. Related party transactions in relation to Corporate Social Responsibility:			1.98			3.17
D. Provision movement during the year:						
Opening provision			1.58			0.62
Addition during the year			1.35			1.58
Utilised during the year			(1.58)			(0.62)
Closing provision			1.35			1.58

*Represents actual outflow during the year.

NOTE 47: ITEMS INCLUDED IN FINANCIAL ACTIVITIES**

(₹ in Crores)

	As at 31.03.2019	Cash Flows	Other Changes	Non-cash changes			As at 31.03.2020
				Net additions	Fair value changes	Current/ Non-current classification	
Borrowings- Non current (Refer note 14)	10.89	17.86	-	-	(4.35)	(5.90)	18.50
Other Financial Liabilities (Refer note 16)	-	-	-	-	-	5.90	5.90
Other Liabilities (Refer note 19)	2.58	-	-	-	4.31	-	6.89
Borrowings - Current (Refer note 14)	4.35	-	(4.35)	-	-	-	-
Lease Liabilities (Refer note 15)	599.08	(148.72)	-	188.29	-	-	638.65

(₹ in Crores)

	As at 31.03.2018	Cash Flows	Other Changes	Non-cash changes			As at 31.03.2019
				Net additions	Fair value changes	Current/ Non-current classification	
Borrowings- Non current (Refer note 14)	9.87	-	-	-	1.02	-	10.89
Other Financial Liabilities (Refer note 16)	1.42	(1.42)	-	-	-	-	-
Other Liabilities (Refer note 19)	3.67	-	-	-	(1.09)	-	2.58
Borrowings - Current (Refer note 14)	-	-	4.35	-	-	-	4.35
Lease Liabilities (Refer note 15)	490.42	(144.77)	-	253.43	-	-	599.08

**Restated pursuant to retrospective adoption of Ind AS 116, Leases (Refer note 31)

NOTE 48: The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 23rd June, 2020.

Independent Auditors' Report

To the Members of Asian Paints Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of Asian Paints Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows

and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matter

How was the matter addressed in our audit

Revenue recognition – the Parent (Refer note 1.4 (f) and 23A of the Consolidated Financial Statements)

Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches / deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

Impairment of goodwill in Consolidated Financial Statements (Refer note 1.4 (e) and Note 3A of the Consolidated Financial Statements)

The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 319.99 crores, including ₹ 35.36 crores towards acquisition of bath fitting business recognized in the standalone financial statements of the Parent, while the balance emanates from the subsidiaries. Goodwill is required to be tested annually for impairment. To this end, the Parent and the relevant subsidiaries have estimated the recoverable amount, of the Cash Generating Unit (CGU) to which the goodwill is allocable, based on Value in Use (ViU) and additionally considered fair values less costs to sell in respect of certain subsidiaries. Determination of ViU and fair values less costs to sell determined by reference

Our audit procedures to the extent the goodwill is recognised in the standalone financial statements of the Parent included, reviewing the approach adopted for testing impairment including the method used for determination of ViU, testing the design, implementation and operating effectiveness of controls over the process of impairment assessment and performing substantive testing in respect of financial projections for their accuracy, reviewing the assumptions used for reasonableness and involving fair value specialists. We challenged the assumptions made by the management of the Parent in relation to the ViU computation. We also reviewed the sensitivity analysis performed by the management of the Parent on the key assumptions.

The Key Audit Matter

to share prices of comparable listed companies, involves significant estimates, assumptions and judgements as regards determination of method to be used for ViU/fair value calculations, reasonableness of assumptions involved in developing projections of financial performance, identification of comparable companies etc., and are therefore susceptible to material misstatement due to error or fraud. The key assumptions applied in the impairment reviews are described in note 3A of the Consolidated Financial Statements.

How was the matter addressed in our audit

To the extent, goodwill relates to the subsidiaries, component auditor has reviewed the ViU calculations/fair value less costs to sell computation for compliance with generally accepted methodologies, assess management's estimates of key inputs (discount rates, growth rates and profit margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analysis to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We have reviewed the working papers of the component auditors and sought information and explanations from the component auditors, as considered, necessary.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with Ind AS and other accounting principles generally

accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates; for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

Independent Auditors' Report (Contd.)

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

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

business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statements/consolidated financial information of 21 subsidiaries, whose financial statements/consolidated financial information reflect total assets of ₹ 3,302.82 crores as at 31st March, 2020, total revenues of ₹ 2,362.85 crores and net cash outflows

(net) amounting to ₹ 101.83 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 50.74 crores for the year ended 31st March, 2020, as considered in the Consolidated Financial Statements, in respect of 3 associates, whose Consolidated Financial Statements have not been audited by us. These financial statements/ Consolidated Financial Statements/ consolidated financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the

Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
 - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No 102912

UDIN: 20102912AAAADF3540

Mumbai
June 23, 2020

Annexure “A” to the Independent Auditors' Report

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Group as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Asian Paints Limited (“the Company” or “the Parent”) and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiary companies and 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No 102912

UDIN: 20102912AAAADF3540

Mumbai

June 23, 2020

Consolidated Balance Sheet

as at 31st March, 2020

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

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

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

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

Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J.Jeyamurugan
CFO & Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2020

(₹ in Crores)

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

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

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

Ashwin Dani
Chairman
DIN:00009126

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

Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J.Jeyamurugan
CFO & Company Secretary

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A) EQUITY SHARE CAPITAL		As at	As at
		31.03.2020	31.03.2019
Balance at the beginning of the reporting year		95.92	95.92
Changes in Equity Share capital during the year		-	-
Balance at the end of the reporting year		95.92	95.92

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

B) OTHER EQUITY (CONTD.)

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

(₹ in Crores)

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
23rd June, 2020

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

CIN:L24220MH1945PLC004598

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R.J.Jeyamurugan
CFO & Company Secretary

Mumbai
23rd June, 2020

Consolidated Cash Flow Statement

for the year ended 31st March, 2020

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

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

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2020

Notes:

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

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

As per our report of even date attached

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

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai
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Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J.Jeyamurugan
CFO & Company Secretary

Notes to Consolidated Financial Statements

GROUP'S BACKGROUND

The consolidated financial statements comprise financial statements of Asian Paints Limited ('the Parent' or 'the Company') and its subsidiaries (collectively, the Group) and includes share of profit of the associates for the year ended 31st March 2020.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant Accounting Policies:

1.1. Basis of preparation of consolidated financial statements

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

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements except as mentioned below in 1.2.

1.2. Application of New Accounting Pronouncements

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

1.3. Current / Non-Current Classification

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

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

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

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

1.4. Summary of Significant accounting policies

a) Business combinations

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

the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

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

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

b) Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are

largely independent of the cash inflows from other assets or group of assets. Each CGU or a combination of CGUs to which goodwill is so allocated represents the lowest level at which goodwill is monitored for internal management purpose and it is not larger than an operating segment of the Group.

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

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

c) Property, plant and equipment

Measurement at recognition:

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

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

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its

Notes to Consolidated Financial Statements (Contd.)

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

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

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

Capital work in progress and Capital advances:

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

Depreciation:

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

Companies Act, 2013 are depreciated separately over their useful life. Depreciation on tinting systems leased to dealers, is provided under Straight Line Method over the estimated useful life of nine years as per technical evaluation.

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

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

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

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

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

Derecognition:

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

d) Intangible assets**Measurement at recognition:**

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

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

Amortization:

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

The estimated useful life of intangible assets is mentioned below:

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

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

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from

the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

e) Impairment

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

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

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

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

f) Revenue

Revenue from contracts with customers is recognized on transfer of control of promised

Notes to Consolidated Financial Statements (Contd.)

goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.

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

Sale of Products:

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

Rendering of Services:

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

g) Government grants and subsidies

Recognition and Measurement:

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

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

Presentation:

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

h) Inventory

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

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

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

i) Financial Instruments

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

Financial assets

Initial recognition and measurement:

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

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

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

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

Subsequent measurement:

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

- i. The Group's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

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

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

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

- a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group (Refer note 30 for further details). Such financial assets are subsequently measured at amortized cost using the effective interest method.

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

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

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ii. Financial assets measured at FVTOCI:

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

- a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to certain investments in debt instruments (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income and impairment losses and its reversals in the consolidated statement of profit and loss.

On Derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is reclassified from equity to consolidated statement of profit and loss.

Further, the Group, through an irrevocable election at initial recognition, has measured certain investments in equity instruments at FVTOCI (Refer note 30 for further details). The Group has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Consolidated Statement of Profit and Loss when the right to receive payment is established, it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

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

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group excluding investments in associate (Refer note 30 for further details). Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Consolidated Statement of Profit and Loss.

Derecognition:

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

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Group neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

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

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

Impairment of financial assets:

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

- i. Trade receivables and lease receivables
- ii. Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

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

from default events that are possible within 12 months from the reporting date.

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

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

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

Financial Liabilities

Initial recognition and measurement:

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

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

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Consolidated Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in

Notes to Consolidated Financial Statements (Contd.)

factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

All financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method (Refer note 30 for further details).

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

Derecognition:

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

j) Derivative financial instruments and hedge accounting

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

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

Recognition and measurement of fair value hedge:

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

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

Derecognition:

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

k) Fair Value

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

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

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

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

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

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

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

l) Foreign Currency Translation

Initial Recognition:

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

Measurement of foreign currency items at reporting date:

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

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

Translation of financial statements of foreign entities:

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Consolidated Statement of OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after adoption of Ind AS 103, Business Combination, and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of adoption of Ind AS 103, Business Combination, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

m) Income Taxes

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

Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and

Notes to Consolidated Financial Statements (Contd.)

items that are never taxable or deductible in accordance with applicable tax laws.

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

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

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

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

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

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

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

Parent and each subsidiary company, as per their applicable laws and then aggregated.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent that it is probable that the respective group company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent that it is no longer probable that the respective group company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

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

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

n) Provisions and Contingencies

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic

benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

o) Measurement of EBITDA

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

p) Cash and Cash Equivalents

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

q) Employee Benefits

Short Term Employee Benefits:

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

Post-Employment Benefits:

I. Defined contribution plans:

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

defined contribution plans pertaining to Employee State Insurance Scheme and Government administered Pension Fund Scheme for all applicable employees and the Parent Company operates a Superannuation scheme for eligible employees. A few Indian Subsidiaries also operate Defined Contribution Plans pertaining to Provident Fund Scheme.

Recognition and measurement of defined contribution plans:

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

II. Defined benefit plans:

i) Provident fund scheme:

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

ii) Gratuity scheme:

The Parent Company, its Indian subsidiaries and some of its foreign subsidiaries operate a gratuity scheme for employees. The contribution is paid to a separate entity (a fund) or to a financial institution, towards meeting the Gratuity obligations.

Notes to Consolidated Financial Statements (Contd.)

- iii) Pension and Leaving Indemnity Scheme:
The Parent Company and some of its foreign subsidiaries operate a pension and leaving indemnity plan for certain specified employees and is payable upon the employee satisfying certain conditions as approved by the Board of Directors.
- iv) Post-Retirement Medical benefit plan:
The Parent Company and some of its foreign subsidiaries operate a post-retirement medical benefit plan for certain specified employees and is payable upon the employee satisfying certain conditions.

Recognition and measurement of defined benefit plans:

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

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

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

Other Long Term Employee Benefits:

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

r) Lease accounting

Assets taken on lease:

The group mainly has various lease arrangements for land and building for its offices, warehouse spaces and retail stores. In addition it has vehicle and other lease agreements.

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

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

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the

same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

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

Short-term leases and leases of low-value assets:

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

Assets given on lease:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the

contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

s) Research and Development

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

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

t) Borrowing Cost

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

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

u) Segment Reporting

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

Notes to Consolidated Financial Statements (Contd.)

v) **Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

w) **Non-current Assets held for sale**

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

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

x) **Investment in associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate,

the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the consolidated statement of profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

y) **Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company ('the Company') and its subsidiaries. Control is achieved when the Company has:

- Power over the investee,
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangement,
- The Company's voting rights and potential voting rights,
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between

Notes to Consolidated Financial Statements (Contd.)

members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

1.5. Key accounting estimates and judgements

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

Critical accounting estimates and assumptions

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

a. Income taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also Refer note 20.

b. Business combinations and intangible assets

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

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the

expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

d. Impairment of Goodwill and Other Intangible Assets with Indefinite Life

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

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

e. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Consolidated Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 33, 'Employee benefits'.

f. **Fair value measurement of financial instruments**

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

g. **Right of Use assets and lease liability**

The Group has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the

impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 2A: PROPERTY, PLANT AND EQUIPMENT **

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

* Refer note 32A for details on disposal of subsidiary

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

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

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

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

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

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

NOTE 2B: RIGHT OF USE ASSETS**

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

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 3: INTANGIBLE ASSETS

	Gross carrying value						Impairment						Net carrying value	
	As at 01.04.2019			As at 31.03.2020			As at 01.04.2019			As at 31.03.2020			As at 31.03.2020	
	Translation Difference	Additions/Adjustments	Deductions/Adjustments	Disposals of Subsidiaries*	As at 01.04.2019	As at 31.03.2020	Translation Difference	Additions/Adjustments	Deductions/Adjustments	Disposals of Subsidiaries*	As at 01.04.2019	As at 31.03.2020	As at 31.03.2020	As at 31.03.2020
3A. GOODWILL (Refer note 2 below)														
Goodwill on Consolidation					326.47	(1.31)					326.47	(1.31)		
Goodwill acquired separately					47.28	-					47.28	-		
Total (3A)					373.75	(1.31)					373.75	(1.31)		
3B. OTHER INTANGIBLE ASSETS (acquired separately)														
Brand (Refer note 1 below)					136.86	(2.37)					136.86	(2.37)		
Trademark					0.94	-					0.94	-		
Computer Software					166.21	0.61					166.21	0.61		
Others					91.25	(0.62)					91.25	(0.62)		
Scientific Research:														
Computer Software					0.14	-					0.14	-		
Total (3B)					395.40	(2.38)					395.40	(2.38)		
Total (3A+3B)					769.15	(3.69)					769.15	(3.69)		

	Gross carrying value						Impairment						Net carrying value	
	As at 01.04.2018			As at 31.03.2019			As at 01.04.2018			As at 31.03.2019			As at 31.03.2019	
	Translation Difference	Additions/Adjustments	Deductions/Adjustments	Disposals of Subsidiaries*	As at 01.04.2018	As at 31.03.2019	Translation Difference	Additions/Adjustments	Deductions/Adjustments	Disposals of Subsidiaries*	As at 01.04.2018	As at 31.03.2019	As at 31.03.2019	As at 31.03.2019
3A. GOODWILL (Refer note 2 below)														
Goodwill on Consolidation					332.43	(5.96)					332.43	(5.96)		
Goodwill acquired separately					47.28	-					47.28	-		
Total (3A)					379.71	(5.96)					379.71	(5.96)		
3B. OTHER INTANGIBLES ASSETS (acquired separately)														
Brand (Refer note 1 below)					139.71	(2.85)					139.71	(2.85)		
Trademark					0.94	-					0.94	-		
Computer Software					137.68	0.54					137.68	0.54		
Others					95.59	(4.34)					95.59	(4.34)		
Scientific Research:														
Computer Software					0.16	-					0.16	-		
Total (3B)					374.08	(6.65)					374.08	(6.65)		
Total (3A+3B)					753.79	(12.61)					753.79	(12.61)		

	Gross carrying value						Impairment						Net carrying value	
	As at 01.04.2018			As at 31.03.2019			As at 01.04.2018			As at 31.03.2019			As at 31.03.2019	
	Translation Difference	Additions/Adjustments	Deductions/Adjustments	Disposals of Subsidiaries*	As at 01.04.2018	As at 31.03.2019	Translation Difference	Additions/Adjustments	Deductions/Adjustments	Disposals of Subsidiaries*	As at 01.04.2018	As at 31.03.2019	As at 31.03.2019	As at 31.03.2019
3A. GOODWILL (Refer note 2 below)														
Goodwill on Consolidation					332.43	(5.96)					332.43	(5.96)		
Goodwill acquired separately					47.28	-					47.28	-		
Total (3A)					379.71	(5.96)					379.71	(5.96)		
3B. OTHER INTANGIBLES ASSETS (acquired separately)														
Brand (Refer note 1 below)					139.71	(2.85)					139.71	(2.85)		
Trademark					0.94	-					0.94	-		
Computer Software					137.68	0.54					137.68	0.54		
Others					95.59	(4.34)					95.59	(4.34)		
Scientific Research:														
Computer Software					0.16	-					0.16	-		
Total (3B)					374.08	(6.65)					374.08	(6.65)		
Total (3A+3B)					753.79	(12.61)					753.79	(12.61)		

1: 'Brand' include Brands acquired pursuant to acquisition of subsidiaries. These have indefinite useful life as the registration of these brands can be renewed indefinitely and management assessed that they will continue to generate future cash flows for the Group indefinitely. Accordingly, the same is not amortised.

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

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

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

NOTE 3A: GOODWILL (CONTD.)

2. Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
Goodwill on Consolidation		
Berger Paints Emirates LLC	2.66	2.60
Kadisco Paint and Adhesive Industry S.C.	43.79	46.36
Asian Paints (Vanuatu) Limited	0.96	0.89
Asian Paints (South Pacific) Pte Limited	1.96	1.81
SCIB Chemicals, S.A.E.	12.54	11.62
Asian Paints (Lanka) Limited	0.08	0.07
Causeway Paints Lanka (Private) Limited	134.89	134.84
Asian Paints International Private Limited	75.83	75.83
Goodwill acquired separately		
Asian Paints Limited (Bath Fittings Business) *	35.36	35.36
Sleek International Private Limited *	11.92	11.92
Total	319.99	321.30

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

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

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

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

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

* The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management covering a five year period (Previous Year: five to seven year period), as the Group believes this is to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows. Cash flows beyond such period were extrapolated using estimate rates stated above.

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

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 4: INVESTMENTS**

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

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

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

NOTE 5: LOANS

(₹ in Crores)

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

NOTE 6: TRADE RECEIVABLES

(₹ in Crores)

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

NOTE 7: OTHER FINANCIAL ASSETS

(₹ in Crores)

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 8: CASH AND BANK BALANCES

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

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

^ Fixed deposits of one of the subsidiary amounting to ₹ 6.26 crores (2019: ₹Nil) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

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

NOTE 9: CURRENT TAX ASSETS (NET)

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

NOTE 10: OTHER ASSETS**

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

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

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

(₹ in Crores)

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

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

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

NOTE 12: ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 13: EQUITY SHARE CAPITAL

	As at 31.03.2020	As at 31.03.2019
Authorised		
99,50,00,000 Equity Shares of ₹ 1 each	99.50	99.50
50,000 11% Redeemable Cumulative Preference shares of ₹ 100 each	0.50	0.50
	100.00	100.00
Issued, Subscribed and Paid up capital		
95,91,97,790 Equity Share of ₹ 1 each fully paid	95.92	95.92
	95.92	95.92

(₹ in Crores)

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

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

b) Terms/rights attached to equity shares

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

c) Details of Shareholders holding more than 5% equity shares in the parent company[@]

	As at 31.03.2020		As at 31.03.2019	
Name of the Shareholders	No of Equity Shares	Percentage holding	No of Equity Shares	Percentage holding
Fully paid Equity Shares of ₹ 1 each held by:				
1.Smiti Holding and Trading Company Private Limited	5,48,73,068	5.72	5,40,84,120	5.64
2.Sattva Holding and Trading Private Limited	5,63,88,682	5.88	5,28,84,120	5.51
3.Geetanjali Trading and Investments Private Limited	4,57,06,140	4.77	4,92,67,440	5.14

[@] As per the records of the Parent Company, including its register of members

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

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

NOTE 14: OTHER EQUITY

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

1. Description of nature and purpose of each reserve

Capital Reserve :

- Capital reserve of ₹ 5000/- was created on merger of 'Pentasia Chemicals Ltd' with the Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.
- Capital reserve of ₹ 44.38 crores was created on amalgamation of Asian Paints (International) Limited, Mauritius, wholly owned subsidiary of the Parent Company, with the Parent Company as per the order passed by the National Company Law Tribunal.

Capital Reserve on Consolidation: During the year 2012-13, a Composite Scheme of Restructuring ('Scheme') as approved by Hon'ble High Court of Bombay was affected to transfer certain businesses between the Parent, PPG Asian Paints Pvt. Ltd. and Asian Paints PPG Pvt. Ltd. The Capital Reserve on Consolidation represents the additional net assets received by the Parent pursuant to the Scheme.

Capital Redemption Reserve: This reserve was created for redemption of preference shares by the Group prior to 2003.

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

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

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

Foreign currency translation reserve - Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

Statutory reserve - Certain subsidiaries of the Group are required to set aside a minimum amount of specified percentage of profits annually before distribution of dividends in accordance with the local regulations. No further transfer is required when the reserve reaches certain percentage of the issued capital of the subsidiary. The statutory reserve may only be distributed to shareholders upon liquidation of the subsidiary or in the circumstances stipulated in the regulations

Other reserve: Other reserve represents non-controlling interest reserve created on acquisition of additional stake of 49% from non-controlling shareholder of Sleek International Private Limited and increase in stake of 1.71% effected through buyback done by Asian Paints (Nepal) Private Limited.

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 14: OTHER EQUITY (CONTD.)

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

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

NOTE 15: BORROWINGS ^**

(₹ in Crores)

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

Notes:

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

+ Secured against mortgage on Building and Plant & Equipment of one of the subsidiary company. Current portion is repayable in quarterly installments by December 2020. [Interest rate : 4.5% p.a. (Previous Year : 4%)]

The Parent Company is eligible to avail interest free loan in respect of 50% of VAT paid within Haryana on the sale of goods produced at Rohtak plant for a period of 7 financial years beginning from April 2010. For the year ended 31st March, 2011, 31st March, 2012, 31st March, 2013, 31st March, 2014 and 31st March, 2015 the Parent Company has already received the interest free loan of ₹ 3.41 crores, ₹ 5.90 crores, ₹ 7.89 crores, ₹ 11.89 crores and ₹ 5.97 crores respectively. Loan received post transition to Ind AS (w.e.f 01.04.2015) are recognised at fair value using prevailing market interest rate for equivalent loan. The difference between the gross proceeds and fair value of the loan is the benefit derived from the interest free loan and is recognised as deferred income (Refer note 19).

This loan is secured by way of a bank guarantee issued by the Parent Company and is repayable after a period of 5 years from the date of receipt of interest free loan. For the year ended 31st March, 2016 and 31st March, 2017, the Parent Company had made the necessary application to the Haryana Government for the issue of eligibility certificate. As on 31st March, 2020, the Parent Company has repaid loan of ₹ 3.41 crores.

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

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

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

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 16: LEASE LIABILITIES**

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

The maturity analysis of lease liabilities are disclosed in Note 30(C)(3).

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

NOTE 17: OTHER FINANCIAL LIABILITIES**

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

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

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

NOTE 18: PROVISIONS

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

NOTE 19: OTHER LIABILITIES

(₹ in Crores)

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

NOTE 20: TRADE PAYABLES**

(₹ in Crores)

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

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

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days amounting to ₹ 116.93 crores (Previous Year ₹ 320.06 crores).

NOTE 21: INCOME TAXES**

(₹ in Crores)

	Year 2019-20	Year 2018-19
A. THE MAJOR COMPONENTS OF INCOME TAX EXPENSE FOR THE YEAR ARE AS UNDER:		
(i) Income tax recognised in the Consolidated Statement of Profit and Loss		
Current tax		
In respect of current year	944.65	940.35
Adjustments in respect of previous year	5.48	2.40
Deferred tax		
In respect of current year	(95.55)	155.97
Adjustments in respect of deferred tax of previous year	0.27	(0.66)
Income tax expense recognised in the Consolidated Statement of Profit and Loss	854.85	1,098.06
(ii) Income tax recognised in OCI		
Deferred tax		
Income tax expense/(benefit) on fair value gain on investments in debt instruments through OCI	0.32	(0.15)
Income tax expense on net fair value gain on investments in equity instruments through OCI	8.71	-
Income tax (benefit) on remeasurements of the defined benefit plans	(1.19)	(14.07)
Income tax expense recognised in OCI	7.84	(14.22)

Notes to Consolidated Financial Statements (Contd.)

NOTE 21: INCOME TAXES** (CONTD.)

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

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

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

As at 31st March, 2020

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

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

NOTE 21: INCOME TAXES (CONTD.)****As at 31st March, 2019**

(₹ in Crores)

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

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

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

The Group has the following unused tax losses which arose on incurrance of capital losses and business losses under the Income Tax for which no deferred tax asset has been recognised in the balance sheet.

As at 31st March, 2020

Financial Year	Category	31.03.2020	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Depreciation	1.08	NA
2012-2013	Business loss/Capital loss	0.10	31 st March, 2021
2013-2014	Business loss	0.83	31 st March, 2022
2013-2014	Depreciation	15.64	NA
2013-2014	Depreciation	0.97	NA
2013-2014	Business loss/Capital loss	1.35	31 st March, 2022
2014-2015	Business loss	11.45	31 st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.87	NA
2014-2015	Business loss/Capital loss	0.26	31 st March, 2023
2015-2016	Business loss	9.93	31 st March, 2024
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.78	NA
2015-2016	Business loss/Capital loss	0.10	31 st March, 2024
2015-2016	Business Loss	7.30	31 st March, 2021
2016-2017	Business loss	13.46	31 st March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.85	NA
2016-2017	Business loss/Capital loss	0.59	31 st March, 2025
2016-2017	Business Loss	18.24	31 st March, 2022
2017-2018	Business loss	5.20	31 st March, 2026
2017-2018	Depreciation	8.38	NA

Notes to Consolidated Financial Statements (Contd.)

NOTE 21: INCOME TAXES (CONTD.)****As at 31st March, 2020**

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

As at 31st March, 2019

Financial Year	Category	31.03.2019	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Depreciation	1.12	NA
2012-2013	Business loss/Capital loss	0.10	31 st March, 2021
2013-2014	Business loss	0.83	31 st March, 2022
2013-2014	Depreciation	15.64	NA
2013-2014	Depreciation	0.97	NA
2013-2014	Business loss/Capital loss	1.35	31 st March, 2022
2014-2015	Business loss	11.45	31 st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.87	NA
2014-2015	Business loss/Capital loss	0.26	31 st March, 2023
2014-2015	Business Loss	0.09	31 st March, 2020
2015-2016	Business loss	10.46	31 st March, 2024
2015-2016	Depreciation	15.82	NA
2015-2016	Depreciation	0.78	NA
2015-2016	Business loss/Capital loss	0.10	31 st March, 2024
2015-2016	Business Loss	7.76	31 st March, 2021
2016-2017	Business loss	13.46	31 st March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.85	NA
2016-2017	Business loss/Capital loss	0.59	31 st March, 2025
2016-2017	Business Loss	19.40	31 st March, 2022
2017-2018	Business loss	13.82	31 st March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Depreciation	0.89	NA
2017-2018	Business loss/Capital loss	0.30	31 st March, 2026
2017-2018	Business Loss	39.77	31 st March, 2023
2018-2019	Business loss	15.74	31 st March, 2027
2018-2019	Depreciation	7.27	NA
2018-2019	Depreciation	1.74	NA
2018-2019	Business Loss	49.05	31 st March, 2024

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 319.76 crores (2018-19 : ₹ 308.65 crores). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

NOTE 22: CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

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

NOTE 23A: REVENUE FROM OPERATIONS

(₹ in Crores)

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

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

NOTE 23B: REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 23B: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD.)**RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

The Group has recognised a revenue of ₹ 7.91 crores (31st March, 2019: ₹ 13.57 crores) from the amounts included under advance received from customer at the beginning of the year.

The amounts receivable from customers become due after expiry of credit period which is maximum 210 days. There is no significant financing component in any transaction with the customers.

The Group provides agreed upon specification warranty for selected range of products. (Refer note 43)

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

NOTE 24: OTHER INCOME**

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

*Relates to investments held at the end of reporting period

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

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

NOTE 25 (A): COST OF MATERIALS CONSUMED

(₹ in Crores)

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

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

1,530.83 1,238.58

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

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

NOTE 26: EMPLOYEE BENEFITS EXPENSE**

(₹ in Crores)

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 27: OTHER EXPENSES**

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

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

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

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

NOTE 28: FINANCE COSTS**

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

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

NOTE 29: DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in Crores)

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

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

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

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

(₹ in Crores)

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

Notes to Consolidated Financial Statements (Contd.)

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

(₹ in Crores)

(₹ in crores)

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

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

* ₹ 39,500 /-

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

NOTE 30(B): FAIR VALUE MEASUREMENTS

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

As at 31st March, 2020

(₹ in Crores)

As at 31. March, 2020		(in crores)		
Financial assets/Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2020	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer note 4(I)(A)(a))	521.16	521.16	-	-
Investments in quoted debentures or bonds (Refer note 4(I)(C)(a))	106.77	106.77	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 4(I)(D) & 4(II)(B))	877.59	877.59	-	-
Investments in unquoted equity shares (Refer note 4(I)(A)(b)(ii))	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 17)	0.15	0.15	-	-

NOTE 30(B): FAIR VALUE MEASUREMENTS (CONTD.)**As at 31st March, 2019**

(₹ in Crores)

Financial assets	Fair value	Fair value hierarchy		
	As at 31.03.2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer note 4(I)(A)(a))	454.72	454.72	-	-
Investments in quoted debentures or bonds (Refer note 4(I)(C)(a))	79.51	79.51	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 4(I)(D & 4(II)(B))	1,623.09	1,623.09	-	-
Investments in unquoted equity shares (Refer note 4(I)(A)(b)(ii))	1.07	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 7)	0.01	0.01	-	-

(ii) Financial Instrument measured at Amortised Cost

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

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

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

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

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

1) Market Risk

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

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

Notes to Consolidated Financial Statements (Contd.)

NOTE 30(C): FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)**1) Market Risk (Contd.)****a) Interest Rate Risk (Contd.)**

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit before tax for the year ended 31st March, 2020 would decrease/increase by ₹ 2.39 crores (Previous Year ₹ 2.60 crores).

b) Foreign Currency Risk

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

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

(₹ in Crores)

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

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). Out of the above, details of exposures hedged using forward exchange contracts are given below:

Currency	Number of Contracts	Buy Amount (USD in mn.)	Indian Rupee Equivalent (₹ in Crores)
Forward contract to buy USD - As at 31.03.2020	5.00	4.29	32.27
Forward contract to buy USD - As at 31.03.2019	25.00	19.61	135.84

(₹ in Crores)

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

c) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and bonds. The Parent Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2020, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 521.16 crores (Previous Year ₹ 454.72 crores). The details of such investments in equity instruments are given in Note 4 (I)(A)(a).

NOTE 30(C): FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)**1) Market Risk (Contd.)****c) Other Price Risk (Contd.)**

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

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

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March, 2020, Other Comprehensive Income for the year ended 31st March, 2020 would increase by ₹ 46.93 crores (2018-19 ₹ 40.18 crores) and decrease by ₹ 46.93 crores (2018-19 ₹ 45.47 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2020. 10% represents management's assessment of reasonably possible change in equity prices.

2) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. The Group's exposure to credit risk is disclosed in note 4 (except equity shares and bonds), 5, 6, 7 and 8B. The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

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

The average credit period on sales of products and services is a maximum of 210 days. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and accordingly individual credit limits are defined. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Group companies compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period for the Parent Company is given below. Additionally, considering the COVID 19 situation, the Company has also assessed the performance and recoverability of trade receivables. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables.

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

Above matrix for expected credit loss allowance is used by the Parent Company. Similar matrix has been prepared for respective subsidiaries considering business context of the respective subsidiaries.

	(₹ in Crores)	
Movement in expected credit loss allowance on trade receivables	2019-20	2018-19
Balance at the beginning of the year	120.72	89.13
Loss allowance measured at lifetime expected credit losses	34.77	31.59
Balance at the end of the year	155.49	120.72

Notes to Consolidated Financial Statements (Contd.)

NOTE 30(C): FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)**3) Liquidity Risk****

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

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

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

	(₹ in Crores)				
	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying Value
At 31st March, 2020					
Borrowings (Refer note 15)	321.48	31.79	-	353.27	340.11
Lease liabilities (Refer note 16)	226.61	547.25	185.49	959.36	763.81
Trade Payables (Refer note 20)	2,136.57	-	-	2,136.57	2,136.57
Other financial liabilities (Refer note 17)	1,374.34	2.94	-	1,377.28	1,377.28
At 31st March, 2019					
Borrowings (Refer note 15)	596.53	21.97	-	618.50	615.59
Lease liabilities (Refer note 16)	200.04	508.89	161.09	870.03	693.02
Trade Payables (Refer note 21)	2,394.29	-	-	2,394.29	2,394.29
Other financial liabilities (Refer note 17)	1,651.34	3.65	-	1,654.99	1,654.99

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

4) Risk due to outbreak of COVID 19 pandemic

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

NOTE 30(D): CAPITAL MANAGEMENT

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

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 15 and equity attributable to owners of the Company, comprising issued capital, reserves and accumulated profits as presented in the statements of changes in equity.

Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

NOTE 31: DIVIDEND

(₹ in Crores)

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

Proposed Dividend:

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

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

NOTE 32A: DISCONTINUED OPERATIONS

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

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

Analysis of loss for the year from discontinued operations:

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

(₹ in Crores)

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

(₹ in Crores)

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 32A: DISCONTINUED OPERATIONS (CONTD.)

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

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

	(₹ in Crores)
Net cash inflow from BPS	17th September, 2019
Cash consideration received	19.63
Less: Cash and cash equivalents disposed of	2.81
Net cash inflow from BPS	16.82

NOTE 32B: EFFECT OF ADOPTING IND AS 116, LEASES**Changes in Accounting Policies and Disclosures :**

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

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

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

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

The effect of adopting Ind AS 116 is as follows:

(₹ in Crores)

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

(₹ in Crores)

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

Notes to Consolidated Financial Statements (Contd.)

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

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

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

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

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

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

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

NOTE 33: EMPLOYEE BENEFITS**1) Post-employment benefits:**

The group has the following post-employment benefit plans:

a) Defined benefit gratuity plan

The Parent and Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. In case of the Parent, the fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. In case of Indian subsidiaries, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

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

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

b) Defined benefit pension plan

The Parent operates a defined benefit pension plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Board of Directors. Certain overseas subsidiaries also operate defined benefit plans for their pensioners. These plans are salary defined benefit plans and are fully funded. The assets of the fund are held separately from those of the subsidiaries in an independently administered fund. The plans are funded by payments from employees and the subsidiaries based on the recommendations of independent qualified actuaries.

c) Defined benefit post-retirement medical benefit plan

The Parent and certain overseas subsidiaries operate a defined post retirement medical benefit plan for certain specified employees and payable upon the employee satisfying certain conditions.

d) Leaving Indemnity plan

Certain overseas subsidiaries provide Leaving Indemnity plan benefits based on last drawn basic salary at the time of separation in accordance with the local labour laws.

Notes to Consolidated Financial Statements (Contd.)

NOTE 33: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****d) Leaving Indemnity plan (Contd.)****Asset-Liability Matching (for gratuity and pension plan funded)**

Each year, the Board of Trustees and the Parent review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Parent decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of sovereign debt instruments, debt instruments of Corporates and equity instruments. The Parent company aims to keep annual contributions relatively stable at a level such that no significant plan deficits (based on valuation performed) will arise.

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

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

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

Investment Risk	These Plans invest in long term debt instruments such as Government securities and highly rated corporate bonds. The valuation of which is inversely proportionate to the interest rate movements. There is risk of volatility in asset values due to market fluctuations and impairment of assets due to credit losses.
Interest Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa. A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

Actuarial Valuation

The above mentioned plans are valued by independent actuaries using the projected unit credit method. The information that follows is extracted from the actuarial reports of the subsidiaries. The independent actuaries who carried out the actuarial valuations as at 31st March, 2020 are as follows: -

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

NOTE 33: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****d) Leaving Indemnity plan (Contd.)**

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

(₹ in Crores)

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

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 33: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****d) Leaving Indemnity plan (Contd.)**

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

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

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

	Defined Benefits Plan		Pension and Post retirement Medical Plan	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020*	As at 31.03.2019
	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)	(₹ in Crores)
Defined Benefit Obligation - Discount Rate + 100 basis points	(16.09)	(12.71)	(0.29)	(0.28)
Defined Benefit Obligation - Discount Rate - 100 basis points	17.19	13.49	0.31	0.29
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	15.89	12.29	-	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(15.22)	(11.70)	-	-

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

The average duration of the defined benefit plan obligation at the end of the reporting period ranges from 6.81 years to 11.78 years (31st March, 2019: 10.24 years to 12.41 years.)

The Group expects to make a contribution of ₹ 29.43 crores (Previous Year ₹ 31.45 crores) to the defined benefit plans during the next financial years.

*Sensitivity analysis does not include impact of overseas subsidiaries as the same is not material

e) Provident Fund

The provident fund assets and liabilities of the Parent Company is managed by its provident fund trusts. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Parent or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31st March, 2020.

NOTE 33: EMPLOYEE BENEFITS (CONTD.)**1) Post-employment benefits: (Contd.)****e) Provident Fund (Contd.)**

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

Particulars	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
Present value of benefit obligation at period end	580.64	513.94
Plan assets at period end, at fair value, restricted to asset recognized in balance sheet [^]	580.64	513.94

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

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

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

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

2. Other Long term employee benefits:**Annual Leave and Sick Leave assumptions**

The liability towards compensated absences (annual leave and sick leave) for the year ended 31st March, 2020 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 28.29 crores (Previous Year ₹ 10.32 crores)

Financial Assumptions

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

Demographic Assumptions

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

Notes to Consolidated Financial Statements (Contd.)

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

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

Non-Executive Directors

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

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

Shri. Varun Vakil

Shri. Manish Choksi*

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

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

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

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

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

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

* w.e.f. 18th September, 2019

** w.e.f. 22nd October, 2019

^ w.e.f. 21st January, 2020

d) Other entities where significant influence exist :

i) Post employment-benefit plan entity:

Asian Paints (India) Limited Employees' Gratuity Fund

ii) Others :

Asian Paints Office Provident Fund (Employee benefit plan)

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

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

e) Associates :

PPG Asian Paints Private Limited

Wholly owned subsidiaries of PPG Asian Paints Private Limited:

a) Revocoat India Private Limited

b) PPG Asian Paints Lanka Private Limited

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

(₹ in Crores)

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)**f) Details of related party transactions during the year ended 31st March, 2020: (Contd.)**

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

Trade and other receivables for Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors- Current year ₹ 20,827/- (Previous Year ₹ 37,858).

* Revenue from sale of goods to Key Managerial personnel - Current year - ₹ 42,687.

** Includes remuneration of ₹ 1,75,15,148/- paid to Shri Manish Choksi for his past services in his erstwhile capacity as employee of the company.

Terms and conditions of transactions with related parties

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

Compensation of key managerial personnel of the Parent Company:

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

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

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

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

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 34: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2020 (CONTD.)**Disclosure in respect of significant transactions of the same type with related parties during the year: (Contd.)**

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

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

NOTE 35: INVESTMENT IN AN ASSOCIATE**

The Group has a 50% interest in PPG Asian Paints Private Limited, which is involved in the manufacture of original equipment manufacturer coatings. PPG Asian Paints Private Limited is a private entity that is not listed on any public exchange. The Group's interest in PPG Asian Paints Private Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in PPG Asian Paints Private Limited:

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

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

The associate had the following contingent liabilities and capital commitments:

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 36: SEGMENT REPORTING****Basis of Segmentation:****Factors used to identify the reportable segments:**

The Group has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes.

Reportable Segment	Operations
Paints	Buying and Manufacturing of Paints and related services
Home Improvement	Buying and Manufacturing of Kitchen products along with related services and Bath Fitting products along with related services

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker. The measurement principles of segments are consistent with those used in Significant Accounting Policies. Inter-segment transactions are determined on an arm's length basis.

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

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

NOTE 36: SEGMENT REPORTING (CONTD.)**

(₹ in Crores)

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

(₹ in Crores)

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

(₹ in Crores)

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

* Non Current Assets are excluding Financial Instruments, Deferred tax assets and Post-employment benefit assets.

RECONCILIATION BETWEEN SEGMENT REVENUE AND REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

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

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 37: Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 :

(₹ in Crores)

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

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

NOTE 37: Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013 : **

(₹ in Crores)

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

Note : The above figures are after eliminating intra group transactions and intra group balances as at 31st March, 2019.

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 38: CONTINGENT LIABILITIES AND COMMITMENTS**a. Contingent Liabilities:**

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

b. Commitments:

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

NOTE 39: DETAILS OF SUBSIDIARIES AND ASSOCIATE**A. Subsidiaries:**

The subsidiary companies considered in the Consolidated Financial Statements are:

i. Direct Subsidiaries

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

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

NOTE 39: DETAILS OF SUBSIDIARIES AND ASSOCIATE (CONTD.)**ii. Indirect Subsidiaries****a) Subsidiaries of Asian Paints (International) Private Limited**

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

b) Subsidiary of Enterprise Paints Limited

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

c) Subsidiary of Nirvana Investments Limited

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

d) Subsidiary of Universal Paints Limited:

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

B. Associates:

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

Notes to Consolidated Financial Statements (Contd.)

NOTE 40A:

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

NOTE 40B:

A competitor of the Parent Company had filed a complaint with the Competition Commission of India (CCI) alleging the Parent Company to be hindering its entry in the decorative paints market by virtue of unfair use of the Parent Company's position of dominance in the market. On 14th January, 2020, the CCI passed a prima facie Order under the provisions of the Competition Act, 2002 directing the Director General (DG) to conduct an investigation into the matter. The Parent Company has received a notice on 22nd June, 2020 from the office of the DG requesting the Parent Company to provide certain information and documents. The Parent Company is in the process of furnishing the same.

NOTE 40C:

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

NOTE 41: EARNING PER SHARE**

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

Earnings Per Share amounts are calculated by dividing the profit for the year attributable to owners of the Parent by the weighted average number of Equity shares outstanding during the year.

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

NOTE 42: PURSUANT TO IND AS-17 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED:****I. Assets given on operating leases**

- (a) Certain subsidiaries have provided tinting systems to its dealers on an operating lease basis. The lease period varies between four to nine years. The lease rentals are payable monthly by the dealers. A refundable security deposit is collected at the time of signing the agreement.
- (b) Future minimum lease rentals receivable as at 31st March, 2020 as per the lease agreements:

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

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

- (c) The initial direct cost relating to acquisition of tinting system is capitalized.
- (d) The information on gross amount of leased assets, depreciation and impairment is given in Note 2.

II. Assets given on finance lease

- (a) Certain subsidiaries have leased some of their plant and equipment on finance lease which effectively transferred substantially all of the risks and benefits incidental to the ownership.
- (b) The total gross investment in these leases and the present value of minimum lease payment receivable as on 31st March, 2020 is as under:

	As at 31.03.2020			As at 31.03.2019		
	Gross investments in lease	Unearned finance income	Present value receivables	Gross investments in lease	Unearned finance income	Present value receivables
Not Later than 1 year	0.26	-	-	0.22	0.10	0.12
Later than 1 year and not later than 5 years	-	-	-	0.02	-	0.02
Later than 5 years	-	-	-	-	-	-
Total	0.26	-	-	0.24	0.10	0.14

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

Notes to Consolidated Financial Statements (Contd.)

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

(₹ in Crores)

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

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

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

NOTE 44: CHANGES IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES:**

(₹ in Crores)

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

*Refer note 32A

(₹ in Crores)

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

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

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

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

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (accounts)rules, 2014)

PART "A": SUBSIDIARIES

All figures except exchange rates in ₹ crores

Sl No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Reporting period		Share Capital	Reserves & Surplus		Total Liabilities		Total Assets		Investments ~		Turnover		PBT		Tax provision		PAT		Dividends for the year		% of Share holding
				Current Period	Period	Current Period	Current Period	Period	Current Period	Period	Current Period	Period	Current Period	Period	Current Period	Period	Current Period	Period	Current Period	Period	Current Period	Period	Current Period	Period	
1	Asian Paints (Bangladesh) Ltd	Taka	0.90	Apr 19 to Mar 20		79.50	(16.43)		172.62		235.69		-		323.84		1.45		(6.87)		(5.41)		-		89.78
2	Asian Paints (Middle East) LLC	OMR	194.53	Apr 19 to Mar 20		21.83	73.00		111.70		206.52		2.92		213.51		5.04		(0.74)		4.30		5.84		49
3	Asian Paints (Nepal) Pvt Ltd	Nepal Rs	0.63	14 Mar 19 to 13 Mar 20		3.87	225.69		100.31		329.86		-		344.82		84.68		(16.35)		68.33		15.47		52.71
4	Asian Paints (S.I.) Ltd	SI \$	9.04	Apr 19 to Mar 20		0.57	9.17		5.14		14.87		-		12.56		2.84		0.36		3.20		4.48		75
5	Asian Paints (South Pacific) Pte Ltd	Fiji \$	32.84	Apr 19 to Mar 20		4.72	75.58		22.32		102.62		-		88.11		13.80		(2.49)		11.30		10.92		54.07
6	Asian Paints (Tonga) Ltd	\$ Top	32.03	Apr 19 to Mar 20		0.38	2.86		0.55		3.79		-		4.99		0.15		(0.01)		0.14		-		100
7	Asian Paints (Vanuatu) Ltd	Vatu	0.66	Apr 19 to Mar 20		2.05	5.17		1.80		9.02		-		7.36		1.23		-		1.23		-		60
8	Asian Paints Industrial Coatings Ltd	₹	1.00	Apr 19 to Mar 20		30.45	7.76		5.59		43.80		17.90		14.25		0.29		-		0.29		-		100
9	Asian Paints (Lanka) Ltd	LKR	0.40	Apr 19 to Mar 20		31.10	(2.92)		34.61		62.79		-		87.40		0.21		(0.31)		(0.10)		-		99.18
10	Asian Paints International Private Ltd	SG\$	52.60	Apr 19 to Mar 20		790.57	164.25		231.49		1,186.31		-		-		21.54		(4.73)		16.81		-		100
11	Berger Paints Bahrain W.L.L.	BHD	198.43	Apr 19 to Mar 20		8.29	30.40		25.85		64.55		-		115.02		15.87		-		15.87		23.81		100
12	Berger Paints Emirates LLC	AED	20.39	Apr 19 to Mar 20		36.29	99.31		138.04		273.64		-		333.18		15.95		-		15.95		-		100
13	Berger Paints Singapore Pte Ltd (Refer note 32A)	SG\$	51.65	Apr 19 to Mar 20		-	-		-		-		-		53.01		(4.68)		0.79		(3.89)		-		100
14	Kadisco Paint and Adhesive Industry Share Company	Ethiopian Birr	2.27	Apr 19 to Mar 20		48.22	32.60		61.50		142.31		1.14		155.72		37.81		(12.35)		25.47		12.69		51
15	Enterprise Paints Ltd	GBP	92.68	Apr 19 to Mar 20		1.35	(15.71)		14.37		#		-		-		-		-		-		-		100
16	Maxbhumi Developers Limited	₹	1.00	Apr 19 to Mar 20		0.42	12.14		1.26		13.81		-		-		(1.10)		#		(1.10)		-		100
17	Nirvana Investments Ltd	GBP	92.68	Apr 19 to Mar 20		#	1.75		-		1.75		-		-		-		-		-		-		100
18	Samoa Paints Ltd	WST \$	27.00	Apr 19 to Mar 20		0.24	4.42		1.76		6.42		-		6.51		0.90		(0.24)		0.66		0.73		80
19	SCIB Chemicals S.A.E.	EGP	4.75	Apr 19 to Mar 20		8.56	121.90		120.71		251.16		53.84		429.00		18.14		(4.79)		13.35		8.08		60
20	Universal Paints Ltd	GBP	92.68	Apr 19 to Mar 20		3.98	13.07		-		17.05		-		-		23.78		-		23.78		23.78		100
21	PT Asian Paints Indonesia	IDR	0.005	Apr 19 to Mar 20		271.31	(143.59)		38.04		165.76		-		57.01		(49.08)		-		(49.08)		-		100
22	PT Asian Paints Color Indonesia	IDR	0.005	Apr 19 to Mar 20		13.59	(12.95)		0.13		0.77		-		-		(0.43)		-		(0.43)		-		100
23	Sleek International Private Limited	₹	1.00	Apr 19 to Mar 20		0.20	82.80		119.95		202.96		#		238.25		(41.01)		-		(41.01)		-		100
24	Causeway Paints Lanka (Pvt) Ltd	LKR	0.40	Apr 19 to Mar 20		54.03	91.01		50.93		195.96		-		257.82		42.65		(12.07)		30.58		15.83		100
25	Reno Chemicals Pharmaceuticals and Cosmetics Pvt Ltd	₹	1.00	Apr 19 to Mar 20		0.05	(0.68)		8.50		7.87		-		-		(0.52)		(0.01)		(0.53)		-		100

1. Names of subsidiaries which have been liquidated or sold during the year.
Berger Paints Singapore Pte Ltd

~ Investments other than in subsidiary companies

Amounts less than ₹ 1 Lac

Note - Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31.03.2020.

PART "B": JOINT VENTURES

Sl No.	Name of Joint Ventures	Asian Paints PPG Private Limited	PPG Asian Paints Private Limited
1	Latest audited Balance Sheet Date	31 st March, 2020	31 st March, 2020
2	Shares of Joint Ventures held by the company as at year end (number of shares)	52,43,961	2,85,18,112
	Amount of Investment in Joint Venture	₹ 30.47 Crores	₹ 81.43 Crores
	Extent of Holding %	50%	50%
3	Description of how there is significant influence	Not Applicable	Not Applicable
4	Reason why the joint venture is not consolidated	Consolidated	Consolidated
5	Networth attributable to Shareholders as per latest audited Balance Sheet	₹ 75.16 Crores	₹ 456.63 Crores
6	Profit for the year		
	i. Considered in Consolidation	₹ 22.73 Crores	₹ 50.74 Crores
	ii. Not Considered in Consolidation	NIL	₹ 50.74 Crores

- Names of joint ventures which are yet to commence operations - NIL
- Names of joint ventures which have been liquidated or sold during the year - NIL

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

Ashwin Dani
Chairman
DIN:00009126

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

Mumbai
23rd June, 2020

Amit Syngle
Managing Director & CEO
DIN:07232566

R.J.Jeyamurugan
CFO & Company Secretary

SALUTE THE SPIRIT OF SCIENTIFIC ENQUIRY



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





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

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

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

f @asianpaints /AsianPaintsIndia



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

investor.relations@asianpaints.com
www.asianpaints.com

/Concept, content and design at **AICL** (hello@aicl.in)