

Management discussion and analysis



The economic upheaval could have been much more severe had it not been for the quick and synchronised response from central banks and governments globally, although this too varied across countries.

MACRO-ECONOMIC SCENARIO

Global economy

FY 2020-21 has been an unprecedented year in modern times, with the COVID-19 pandemic impacting human life extensively across the globe. Its impact on the economic front, too, has been significant. The slowdown across economies witnessed in 2019 exacerbated further in 2020 by the shock delivered by the pandemic. As a result, the global GDP is believed to have contracted by ~3.3% in 2020, with all major economies moving into negative territory. China was the only exception amongst the major economies to have posted a positive growth in 2020, albeit at a much lower rate of 2.3%. The economic upheaval could have been much more severe had it not been for the quick and synchronised response from central banks and governments globally, although this too varied across countries. The increase in balance sheet sizes of almost all central banks and the supportive measures undertaken by governments globally ensured easy availability of funding and support for both private and public consumption. This support has been instrumental in the progressive recovery seen in the last two quarters of the calendar year as compared to the significant contractions observed in the first two quarters. The sequential recovery in global trade coupled with the easy liquidity conditions have also led to a sharp rise in commodity prices, especially in the last quarter of FY 2019-20. This has been further aggravated by large-scale disruptions in the global supply chain, with shipping line capacities and container availability posing a major challenge.

Indian economy

The Indian economy too witnessed similar stress, with the nationwide lockdown from end March 2020 bringing business activities to a standstill for the major part of April and May 2020. An accommodative monetary policy from the Reserve Bank of India (RBI) and fiscal policy interventions by the central government, coupled with the gradual reopening of the economic activities from June 2020, have led to a sequential recovery in economic output. India's real GDP clocked a 0.4% growth in the October-December 2020 quarter on a year-on-year basis after a sharp fall in the first two quarters of FY 2020-21. However, the recovery is largely centered around the formal part of the economy. The informal players, especially the Micro, Small and

Medium-sized Enterprises (MSMEs) in many industries have taken a disproportionately large hit.

Inflation picked up over the year, despite the pandemic, primarily led by food inflation and higher fuel taxes. On the exchange rate front, post the initial bout of depreciation in the Indian currency in the beginning of the financial year, the currency has been relatively well supported on account of robust portfolio inflows in the economy as well as a better current account position.

Outlook

The rollout of the vaccination drive across the major economies, including India, in the last quarter of FY 2020-21 has accorded a much-needed boost to sentiments around a sustained recovery of economic activity across the globe. Almost all major central banks have pledged to continue an accommodative monetary stance to reinforce the economic green shoots. Coupled with the base-effect, economic growth is expected to bounce back strongly in FY 2021-22 on the global as well as the domestic front. However, a lot would hinge on how the pandemic plays out, given the resurgence of the virus and the spread of infections. There has been a re-imposition of restrictions on business activity in many states and this has again disrupted operations of our vast supply chain network. This is expected to lead to uncertainty in demand in the larger home improvement categories, including paints. Again, inflation in commodity prices and, more specifically, in input materials in our product segments across geographies, has risen significantly since the last quarter of FY 2020-21, and continues to be on the uptrend. The challenges to business posed by this inflationary pressure and the uncertain market conditions, would place strong emphasis on managing the business in a dynamic manner and altering operational priorities to suit the changing market conditions.

Management discussion and analysis (continued)

BUSINESS SEGMENT REVIEW

DECORATIVE BUSINESS IN INDIA

With the COVID-19 pandemic wreaking havoc across the country, the first quarter saw limited sales given the lockdowns. April was a complete washout, however May and June saw a pick-up in volumes following the gradual unlocking. The economy range continued to do well, aided by a strong performance from the rural/semi-urban markets. The premium and luxury category also picked up well during the latter part of the year. Categories such as Waterproofing, Adhesives, Tools and Wood Finishes did extremely well, contributing to the overall growth.

Product segments and network engagement

Our network expansion drive continued, leading to one of the highest colourworld machine installations. A vast majority of these openings were in rural/semi-urban areas. This aided the strong growth in business, with Tier 2, 3 and 4 towns witnessing much higher paint sale than urban markets.

The Company continued to engage strongly with all stakeholders – dealers, contractors and consumers. We supported our business partners (dealers and contractors) by ensuring that all schemes and promotions from our end were settled within the first 10 days of April, thereby providing significant support to them during the complete lockdown. This was well appreciated by all stakeholders. We also reached out to our consumers to spread the message that staying home meant staying safe. This was done through an innovative campaign extending the ‘Har Ghar Kuch Kehta Hai’ concept. The film was shot in real homes with actual consumers. This enabled us to keep our customer engagement going even during a tough time.

In order to help government agencies fight the pandemic, we also ventured into the health and hygiene space with the launch of our range of sanitizers. This was done in record time to ensure that we are able to contribute towards the overall attempts of the government to control the pandemic.

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We leapfrogged to the digital route with the building of touchpoints to be in constant touch with our stakeholders. For our dealers we ensured that all areas—products, applications and colour consultancy—could be accessed through a simplified digital mode. This allowed dealers to access all areas necessary to execute business in a smooth manner. For painters and contractors, we devised an innovative digital campaign called ‘Chai Pe Charcha’, which focused on safety with our detailed guidelines on how to carry out painting in a safe manner. We could connect with a large number of painters through this campaign across the country. This exercise enabled painters to warm up to the safe painting concept. To enable our partners to safely initiate the reopening of business after the unlocking guidelines were announced, we sanitized the shops and warehouses of our dealers free of cost. For consumers, we ensured that expert consultancy was available through the digital mode that they could access from the comfort of the home.



We also launched a novel safe painting service for our retail and project consumers. This instilled confidence amongst all stakeholders while enabling our painters and contractors to carry out the painting work in a safe manner.

Despite the tough scenario, we saw 13% volume growth and strong value growth. Substantial growth across the product categories made Asian Paints the fastest growing company in the industry. We continue to build on our efforts to enable our stakeholders to tide over the crisis.

Consumer services

Asian Paints remained strongly invested in its vision of becoming the most inspirational home décor brand by revolutionising consumer experience and empowering the consumer to dream. Strong omnichannel models developed by us help the consumer to complete this experiential journey and translate their dream homes into reality.

‘Beautiful Homes with Asian Paints’ is a unique platform on which visitors have the opportunity to access everything they need to create a perfect home. This online magazine is now India’s largest digital design content platform with almost a Million-strong community of followers and subscribers.



With visits to real homes around the country, interviews with the country’s best design talent, videos of DIY projects and plenty of advice on various issues faced by the Indian homemaker, the magazine is a veritable library of information and inspiration for readers. However, the most difficult part of creating a home is still the making of it. And that’s where Beautiful Homes Service (BHS) comes in. BHS offers consumers the opportunity to have homes that are custom-designed by experienced interior designers and professionally executed by dedicated project managers. BHS is a destination for Indian homemakers who are looking for great quality and design at a sensible price. The service is now available in eight cities across India, offering complete homemaking journey – right from consultation, personalised designs to professional execution. With this spectrum of offerings, beautifulhomes.com continues engagement with a burgeoning community of consumers where they have the opportunity to do both – dream about, and actualise ideas.

On the retailing front, AP Beautiful Homes stores offer one-of-its-kind consultative consumer experience and have received an excellent response. The footprint of this multi-category décor stores has now expanded to 18 stores and quite a few more are in the pipeline. At the core of the stores is a strong Phygital (physical + digital) model, with cutting-edge technology and physical experience interwoven to provide a unique consumer experience. All the stores use advanced digital technology to provide expert guidance and world-class visualisation to consumers. They have rapidly enhanced their fulfilment capability through the décor execution service offered at these stores. In addition to paints, these stores offer Asian Paints’ range of décor products—furniture, furnishing, decorative lighting, customised tiles, kitchens, wardrobes, bath and sanitaryware—which help consumers to create their dream home.

On the Project/Institutional business front, the initial period saw significant slowdown because of the pandemic. However, the continued focus on building the funnel ensured a strong pick-up once the lockdown pressure eased in the second half of the financial year, leading to robust business growth.

Waterproofing and construction chemicals expanded significantly, driven by breakthroughs into new accounts and a robust product portfolio. Government sectors such as infrastructure and factory saw good response and we were able to leverage our strengths and establish the Company as a prominent player. Working closely with key influencers such as structural consultants, we bagged landmark infrastructure projects.

Supply chain

Given the restrictions imposed by the national lockdown, paint plants had to be shutdown with due precautions. This ensured safety in all our plants and avoidance of infection and fatalities. Operations began as soon as the permission to open up was released by the authorities. Throughout this period, utmost care was taken to ensure safety of the teams working in our entire supply chain, and we rapidly embraced a hybrid work approach in our operations. Robust on-site hygiene practices, which equipped our on-site personnel with critical personal protective equipment, daily health screenings and enhanced sanitation practices, were rolled out at our sites.

This year will be remembered as one when supply chain faced maximum disruption across the globe. Our teams worked tirelessly, despite the fast-changing situation, to meet emerging customer demands. Through the use of innovative technology in various areas of operations, we were able to make rapid what-if analysis and serve the marketplace in a timely manner. The team was able to scale up the utilisation of our manufacturing capacities to service the large demand recovery witnessed in the second half of the year. The Company is looking at capacity expansion in certain product categories to support the expected growth in these categories as we move forward. This year, our Company has further invested in advanced Machine Learning algorithms for demand forecasting. In a world of flux, having an agile and responsive supply chain will be key to determining which companies will be able to serve ever-changing customer needs. To fulfil this objective, our Company has embarked on the deployment of the latest solutions in areas of advanced supply chain visibility and execution by partnering with leading software vendors in this space.

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Management discussion and analysis (continued)

INTERNATIONAL OPERATIONS

Outside India, Asian Paints has operations in 13 countries across four regions of the world – South Asia and Indonesia, the Middle East, South Pacific and Africa. Our products and services are sold under seven corporate brands, namely Asian Paints, SCIB Paints, Apco Coatings, Asian Paints Berger, Taubmans, Asian Paints Causeway and Kadisco Asian Paints. The Group continues to focus on increasing its presence in high-growth emerging markets, especially in Asia and Africa.

Operating environment

FY 2020-21 was an exceptionally challenging year for both the businesses and the people that make up our international operations. With COVID-19 spreading like wild-fire across the world, we were faced with lockdowns, slowdowns and health-related challenges across the entire spectrum of our operations. In this environment, the health of employees and other stakeholders was our first priority. This involved strict adherence to the rules imposed by various governments as well as ensuring that our own work-spaces and work practices conformed to the safety and hygiene standards necessitated by the pandemic.

From a business viewpoint, we were most affected during the period starting from the last fortnight of March 2020 till the end of the first quarter. During this period, many markets were shut for extended periods, as were many of our factories, offices and warehouses. This was also a time for agility and quick responses. We focused on several cost optimisation and working capital management measures during this period, thus ensuring cash conservation that helped us tide over the immediate crisis. We also put this period of disruption to good use – getting the entire international team together over digital meeting platforms to chart out the future of our global operations. We focused on a seamless flow of experiences and learnings across geographies to benefit the operations across different markets. As conditions improved post June 2020, the international business rebounded strongly with renewed vigour and focus, with the three subsequent quarters recording a good recovery even in a difficult environment.

Business performance

As with last year, we focused on our core strengths of product propositions and market activations. The focus remains on moving away from the herd to being a clear leader in innovation across markets, with emphasis on ‘USP- centric’ product development. With this in mind, we had about 60 new product launches and product revamps across our geographies, mainly focusing on the premium/ luxury category and the waterproofing segment in order to provide both superior quality and a comprehensive offering to the global consumer. Innovative and unique products were launched such as ‘Royale Health Shield’, ‘Royale Smart Clean’ and ‘Royale Bling’, all of which are relevant at times of increasing health consciousness.

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All our units have focused on Waterproofing as a category, and there have been several new products launches. We believe that we can build on the considerable technological and marketing strengths of these products already available with us in order to quickly ramp up our presence in this category across our international markets.

Product launches were backed up by on-ground demand generation activities including proof of concept tools and demo kits. We have connected with 80,000+ painters and contractors with programmes for sustained engagement and benefits. This year, we also rolled out Safe Painting Services in most of our geographies. These services offered by our dealers provide consumers end-to-end solutions for their painting and waterproofing needs, these services are executed through well-trained contractors under our supervision.

Africa: In Egypt, after the launch of the ‘Hero’ value-for-money range of products in the latter half of FY 2019-20, we continued the revamp and launch of new products in the current year as well, focusing on premium emulsions and enamels. We also launched the ‘Royale’ brand of luxury emulsions this year for the first time in this market. Ethiopia’s economy continues to be hindered by a combination of several factors including the lack of US dollars, high inflation and civil war in the province of Tigray, apart from the COVID-19 pandemic. While we have marginally grown sales, profits have fallen due to the high inflationary cost scenario. Overall, our unit continues to have a healthy profit margin even in these troubled times. Hence we believe that a policy to consolidate our market position, coupled with a patient wait for the overall recovery and stabilisation of the economy, will bear us well in the years ahead.



Middle East: Especially the Middle East has been badly affected by the pandemic. Projects have slowed down, and many migrant workers have been displaced. While our retail business did relatively well, projects and industrial paint sales were affected. Profits for the region as a whole were better than last year, due to stringent cost control and a low raw material price scenario for the first nine months of the financial year.

Asia (South Asia and Indonesia): Nepal was the worst hit among our South Asian operations, due to prolonged lockdowns in the first quarter. Although our unit made a valiant recovery thereafter, the first quarter loss of business meant that we ended the year at a lower than last year base. Nevertheless, the unit has gained market share, and continues to be one of the stellar performers amongst our larger international units. In Sri Lanka, we completed the merger of our two units as on April 1, 2021, and have now started selling under the brand ‘Asian Paints Causeway’. Both the unit teams aligned operations and worked closely together during FY 2020-21, and both have done well, backed by several product launches and upgrades. In Bangladesh, while the economy continued to grow, despite the pandemic, the decorative paint market is estimated to have de-grown. We have done well relative to the overall paint market, gaining market share. The unit continues to focus on innovative product and service launches to assist in scaling up its presence in the local market. The new factory project in Bangladesh has also continued on schedule, and should be operational towards the middle of FY 2021-22, with an initial capacity of 25,000 KL/ annum.

The Indonesia paint market has been badly affected by the pandemic, and is estimated to have shrunk by ~ 15% this year. Our own unit has also faced several challenges in its attempt to ramp up, and has seen a sales degrowth in the year. In some regions, we had to shut under-performing distributors and have strategically shifted to a mix of distributors and direct-to-dealer model. Nevertheless, we remain optimistic of the long-term potential of this huge, though fragmented market and are ramping up our

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marketing spends and capacities in anticipation of a good turnaround in FY 2021-22.

We have also released a new TV commercial for the first time in March 2021 and intend to strategically build on the foundations we have laid so far in the country in order to shift the trajectory to a new level.

This year, we also launched the ‘Bath’ business (under the Asian Paints BathSense brand) in Nepal and Bangladesh, with a range of elegant sanitaryware and bath fittings, in our quest to provide a range of home solutions to the customer. While these businesses are likely to remain relatively small compared to our paint sales in these markets for the coming few years, they have the potential to further strengthen our brand in the mind of the consumer in the areas of colour, décor, design and protection.

South Pacific: Economic conditions in Fiji and other South Pacific islands were poor, with tourism and the hotel industry being the worst affected by the pandemic. Despite this, we had only a marginal decline in sales and a significant increase in profits on the back of cost control measures and benign material prices for the first nine months of the year. In one of the islands, Tonga, we closed our operations during the year and shifted to an export model (served from Fiji).



Management discussion and analysis (continued)

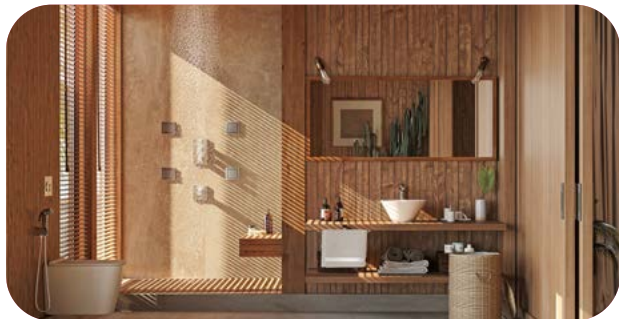
HOME IMPROVEMENT BUSINESS IN INDIA

We operate in the Kitchen and the Bath business through the Home Improvement division and help our customers create kitchen and bathroom spaces of their choice for their dream homes. Our Home Improvement division complements our vision of being a complete décor solutions provider.

Kitchen business

We forayed into the Kitchen business by acquiring 51% stake in Sleek International Pvt. Ltd. (Sleek) in FY 2013-14 and further increased our stake to 100% in FY 2017-18.

‘Sleek by Asian Paints’ is present in both the ‘Kitchen Components’ as well as the ‘Full Modular Solutions’ segments with a pan-India presence. Under the Kitchen Components business, we sell our own range of kitchen hardware, kitchen accessories and kitchen appliances through the B2B channel. Under the Full Modular Solutions segment, we undertake design-to-execution of full kitchens through a strong network of franchisee-owned showrooms across the country. We also have a dedicated ‘projects channel’ to provide Full Modular Solutions for new constructions, especially residential housing.



Business performance

There was disruption during the spread of the COVID-19 pandemic in the first half of the year. We focused on enhancing our operational capabilities during this period. We stepped up our online customer reach efforts through our in-house designers, taking up conversations for kitchen designs even during the early lockdown period. This helped us generate a healthy order book through the year, building a pipeline for future business value. The business turned around in the second half, with strong growth across both the Kitchen Components as well as the Full Modular Solutions segments. We continued the expansion of our showroom network and have now 200+ showrooms across the country offering modular kitchen design and

installation services. The network that we have in this business line is unparalleled in the country today. The luxury collection of Kitchens with Premium Finishes, launched last year, saw high demand during the year and has grown well. This is one of the most comprehensive collections of premium kitchens by any company in India.

Sleek, a subsidiary of the Company, also operates in the Full Modular Solutions business through a dedicated project vertical. Sleek has a strong presence in Mumbai, Pune and Delhi and has also expanded its presence in this channel to cities in southern India in the previous year. During FY 2020-21, expansion to other major cities has helped the channel to register strong business, winning several major projects in spite of the slowdown in new constructions during the year.

The Kitchen Components segment saw strong growth in the second half of the year after a dull first half. In the first half, there were also supply issues with imports from China, which stabilised towards the end of the second quarter. While the supply situation has improved, there has been a steady rise in commodity prices as well as import charges during the second half of the year. The inflationary pressures are expected to continue in the near future. We have expanding our dealer network in this segment strongly across all major states and is a formidable player in a market that has been largely dominated by German/European players.

The organised sector in the kitchen industry continues to contribute a small part of the total kitchen demand. Only a handful of players have meaningful presence in the Full Modular Solutions segment. Currently, online players are also catering to the larger cities. This leaves space for an industry player like Sleek to establish a brand at the national level with differentiated offerings and superior service over a longer period with consistent focus. To support this long-term growth focus, we would be making investments for setting up an additional manufacturing capacity for the Kitchen business in FY 2021-22.

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Bath Fittings and Sanitaryware business

Asian Paints forayed into the Bath business by acquiring the front-end business of Ess Ess in FY 2014-15. Over the years, we have expanded our network as well as product range. We have expanded its sanitaryware range over the last two years to leverage our network and presence in the Chrome-plated (CP) fittings market. We are focusing on creating a new world of bath products and solutions, where the consumer can actively look at solutions and customised offerings.

Business performance

The business grew well inspite of the lockdown in the first quarter of the year across the country. Strong growth was registered in the second half as we leveraged our network and product portfolio. As the lockdown started, a range of new products in the touch-free category – including sensor and hands-free faucets, touchless flushing systems and Water Closet (WCs) were introduced in the early part of first quarter and these products saw strong demand from the commercial and office sector. We made a strong impact in the Projects and Builder segment during the year, utilising the strengths of the Projects team of the Decorative business. This has helped in making stronger inroads in this category across prominent builders and construction companies. The products are now approved for use in government projects and works across several states.

The network expansion drive also continued through the year, with representation in large cities as well as Tier 2, 3 towns increasing significantly. The ‘service excellence’ theme continued this year as well, with the technicians ensuring prompt and reliable post-sales support. We attached significant importance to operational performance. In line with this, we carried out productivity improvement at the manufacturing facility in Baddi, Himachal Pradesh. This has helped the business reduce costs significantly and improve overall profitability. With an eye on the high utilisation levels at the existing facility and the future growth plans, we will be making investments to set up a second manufacturing facility for the Bath business in FY 2021-22.

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. PPG-AP manufactures and trades in paints and coatings for automotive Original Equipment Manufacturers (OEMs), certain industrial segments, automotive refinish segment, packaging and marine segments, and is one of the largest industrial coatings suppliers in India.

Operating environment

Slowdown in the economy due to COVID-19 has impacted OEMs. Business degrowth in the financial year is primarily because of the auto and two-wheeler markets, which degrew by ~ 11% and ~ 13% respectively. The subdued demand in the entire automotive industry for more than a year has increased pressure on most of the companies in the automotive coatings segment. The automotive industry has also been facing supply challenges with steel and availability of semi-conductors.

Business performance



PPG-AP has registered degrowth in sales given the degrowth in the automotive sector. However, with the uptick in the automotive industry in the third and fourth quarter, the company was able to register topline growth in these two quarters but due to the significant drop in volumes, profitability declined.

Management discussion and analysis (continued)

The company is witnessing inflationary trends, along with shortages in containers causing supply constraints. The company witnessed growth in the Packaging business although its Automotive and Industrial businesses degrew as they were impacted by lower demand.

During the financial year, the company acquired the business of Whitford India Limited from a PPG Group company. This enables PPG-AP to provide coatings for automotive rubber, certain industrial segments, cookware and small appliance segments.

The company's Dahej Resin facility is fully operational and most of the resins are now localised. PPG-AP continues to focus on its R&D facilities to innovate, leverage technological support from both its parents, PPG Industries Inc., USA and Asian Paints, and provide value proposition to its customers. The company also remains focused on its core values, which includes focus on customer connect, people development and Environment, Health and Safety (EHS).

Non-auto industrial coatings



Road markings by AP-PPG

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

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Operating environment

The industrial coatings market was affected by disruptions caused by lockdowns during the year. Delays in maintenance schedule, slowdown in manufacturing and exports coupled with the lack of private capital expenditure resulted in an overall decline in demand for industrial coatings. Supply side constraints, specially in feedstock raw material, resulted in the steep inflation witnessed during the fourth quarter of the year, affecting margins.

Business performance

Despite decline in industrial coatings demand, we did well and registered growth in sales. AP-PPG's continuous focus on geographical expansion, enhancement of product portfolio and customer acquisitions resulted in growth in a declining market. Introduction of innovative products and services targeted to grow share of business in the Infrastructure and Maintenance & Repair segment helped the company register good growth. Collaboration with Asian Paints Project sales to maximise reach of floor coatings products and robust growth in road marking segments owing to government investments, helped significantly improve its position in these segments.



ONGC 98/2 sub-sea project coated with AP-PPG products (EPC - L&T Hydrocarbon)

Steep inflation in raw material prices was seen in the fourth quarter and quick action taken in the area of price increase and cost savings measures helped the company to protect margins. Overall, AP-PPG registered good growth in terms of revenue and posted profits in a challenging year.

HUMAN RESOURCES

Internal policies

The year presented unique challenges and tested our outlook towards employees and stakeholders. Care and empathy towards employees were at the forefront of all our policies, initiatives and agendas. The year also tested our leadership's ability to carry the team along towards individual and organisational success.

We acknowledge the need for employees to stay physically and mentally healthy, and stays committed to creating fulfilling lives for them. Through various remotely-conducted employee wellness programmes targeted at ensuring the physical, mental and financial wellness as well as controlling the spread of disease and ailments, Asian Paints has strived to keep up the morale of its workforce during these difficult times. Health challenges, financial awareness sessions and safety campaigns were taken up. To support employees and their families, we strengthened the helpline, offering counselling services throughout the pandemic to help them cope with mental stress. A medical teleconsultation helpline was also launched to help employees with medical issues that may have otherwise required them to go to hospitals. We have taken a special insurance cover for our employees for COVID-19 related expenses incurred by them.

Asian Paints is committed to align its people processes and frameworks with the Company's Charter. To ensure that the values embedded in the Charter are seamlessly driven through our actions and behaviours, and is also cascaded to all levels of employees in the right spirit, the Leadership Competency Framework was redefined to create the Values-based Behaviours Framework (VBF). This framework has been fully integrated with various HR processes such as recruitment, onboarding, people review process and 360-degree feedbacks. Learning journeys have also been designed and integrated with the VBF for all grades and functions.

The performance management system has also been revamped to incorporate all the key elements of the Charter. The Variable Pay Policy of the Company has also undergone change to reflect the significance of the Charter and promote collaboration as one of the building blocks of the organisation.

During the year, we continued our its endeavour to attract best-in-class talent through multiple talent engagement initiatives targeting the campus as well as the lateral talent pool. A structured interview process has been integrated with the VBF to help build a talent pipeline aligned to the values.

Programmes and conversations around safety, health, wellness and so on were conducted for Swara, the internal women's network. A detailed study on the challenges faced by women in the Sales function 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 2020-21, anchored around several drivers such as leadership, enabling infrastructure, diversity and inclusion, collaboration, rewards and recognition, and others. To enhance and sustain the spirit of collaboration, sessions were designed to enable conversations and a Collaboration Index was designed and launched in June 2020.

External initiatives

Our campus branding was further scaled up with the purpose of deepening our engagement with the brightest minds through multiple initiatives. Given the current context, all the engagements were done virtually with the aid of innovative technology tools and platforms. Our flagship engagement, CANVAS, which is among the most prestigious and sought-after case competitions in premier B-Schools, saw its largest participation yet. Apart from the competitions, to further our continuous efforts at giving students exposure to best industry practices and cutting-edge work, our 'AP Paathshaala' series was taken to a number of partner institutes. Several campaigns were also run on our career pages on social media platforms to engage and communicate with the relevant talent pool with a focus on the emerging areas of design and décor.

Leadership blueprint

Our talent management philosophy is 'To develop leaders for life'. We facilitate holistic development by providing employees with tools, platforms and resources to exercise their knowledge and skills and enhance them. During this year of the pandemic, we continued to invest in our people by leveraging the virtual platforms and enabling meaningful conversations through various media.

Our employee's learning needs have been addressed through various organisation development programmes aligned to the Company's values and focusing on collaboration, innovation, strategy, workplace partnerships, leadership development, agility etc. Several learning journeys were conducted and innovative formats created in partnership with educational institutes and external agencies. Internal learning formats such as e-modules, stories and coaching supported employees while enhancing their business acumen, perspective and leadership capabilities. This year, we also focused on skilling our managers to conduct developmental conversations more effectively. The Connect Programme focused on building people management capability among managers in manufacturing plants.

Management discussion and analysis (continued)

The employee relationship health of every plant is being measured through a scorecard that was designed and deployed this year.

One Link philosophy of team management
'One Link', a team comprising of the General Managers, Associate Vice Presidents and Vice Presidents of the Company and led by the MD & CEO, was created as a forum for developing the next leadership line. There were active engagements across the teams over 18-20 days during which ways were considered to give greater exposure to the high performers and grow their potential. The forum engages the top management teams to work on futuristic but relevant projects in order to involve, galvanise and develop leadership abilities. Four transformation projects related to unexplored areas were chosen. The programme has garnered much appreciation from employees.

Technological innovations
Keeping in mind changing learner preferences and the intense need of virtual learning, the learning platforms across the organisation were strengthened and new platforms introduced, such as EBSCO, new e-learning modules and so on.

Leveraging the virtual learning environment, 280+ learning pathways were launched across functions on 3i socials. Most of our learning content is designed to facilitate the personalised, blended, bite sized and peer learning format. We have expanded the reach of our learning content by making them accessible through the mobile phone.

This year, we looked at enhancing the candidate experience, optimising recruitment processes and digitising HR processes by adding features and upgrading the Applicant Tracking System and the launch of the prejoining-onboarding-induction application. These platforms are designed to deliver signature experience to candidates and new employees, and thus looks at all critical aspects of a candidate's journey, starting from the application stage to the induction stage. The platforms have been seamlessly integrated with the HR Management System (HRMS).

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RESEARCH AND TECHNOLOGY
In an unprecedented year, routine work at the Asian Paints Research and Technology function was carried out with due permits from the local authorities concerned and judicious shuffling of manpower. The function thus continued to support the business goals of Asian Paints by creating intellectual property that helped our foray in new markets and introduction of several new products. In their new avatar as 'AP Creators', the talent pool of the Research and Technology function truly empowered us through the power of science.

A total of 20 patents were filed in the current year, including three for industrial paints and two for global operations, taking the cumulative filing count to 76 for Asian Paints, with a commercialisation percentage of 26%. Our scientists continue to represent work carried out in Research and Technology through publications in reputed national and international journals; they have six publications to their credit this year. Working under a challenging macro environment, the team supported our initiative in strengthening the health and hygiene portfolio and developed formulations with several new raw materials that led to the launch of a new product range, including hand sanitizer, handwash, floor cleaner, space sanitizer, surface sanitizer, toilet cleaner and vegetable cleaner. All these products have been well received by the market and are generating additional revenue for the business. One patent has also been filed for hand sanitizer.



Under the 'Nexpedition' initiative, our scientists are actively engaged in creating a pipeline of innovations. They are currently working on several different projects in emulsions, resins, waterproofing, exterior and interior paints, enamels, and industrial paints that will cause the next level of breakthrough products.

The entire process is built on a collective participative process of ideation and prototyping, and then enrolling stakeholders for their commercialisation.

As before, a few members of the Research and Technology team participated in the 6th Breakthrough Innovation programme. This resulted in the launch of three unique and pioneering products. These include:

- **TrueGrip Dynamo**, an innovative water-based synthetic resin adhesive that is used for bonding a wide variety of wood-based substrates used in furniture and the wood-working industry
- **Apolite All Protek**, a revolutionary indoor water-based paint that provides all-round protection to the home. Its innovative hybrid technology enhances safety by providing excellent flame-spread resistance. Its advanced stain guard prolongs paint life by making it easy to clean stains
- **Marvelloplast Ezy MS**, a unique gypsum plaster that can be applied by spray to create a smooth finish besides significantly reducing application time

Some other new products include:

- **ACE Sparc Advanced**, a unique emulsion for exterior based on a sustainable raw material that helps reduce TiO₂ and yet delivers exceptional whiteness when applied
- **Asian Paints ezyCR8 Health Shield Single Coat Emulsion**, a water-based single coat emulsion. Its silver ion technology provides excellent anti-bacterial and air purifying performance. Combined with unique application tool, it provides One Coat Hide, superior flow levelling and a luxurious sheen finish
- **Apcothane 150 2K**, a high build, high solid DTM (Direct to Metal) Polyurethane coating, specifically designed for the Pre-Engineered Building (PEB) segment. It offers faster handling of painted components due to its quick drying properties. The product offers excellent corrosion protection as well as durability of polyurethane
- **Apcoflor PU Crete 4K**, a self-levelling polyurethane screed that offers seamless matt finish for concrete floorings. The product has exceptional physio-mechanical properties such as compressive, tensile and flexural strength. It also offers excellent steam clean ability, high slip resistance in wet areas, excellent adhesion, durability, and temperature resistance ranging from -20°C to 90°C. Typical use

areas includes food, pharmaceuticals, warehouse, and cold storage units.

In its quest for excellence through RFT (Right First Time) to market and zero product complaints in new and existing products, the AP Creators team constituted a new initiative, Quality at Source, wherein a thorough review of new product launches is held regularly by the leadership team to validate approach, lab, and field-testing protocols to provide timely inputs before designs are standardised.

We continued in our commitment to developing human capital by building technical competency through Sikshalaya – the in-house training academy. Out of the nine workshops conducted this year, two were conducted by external faculty members affiliated to premier educational and research institutions from India and abroad. Some of the key technical areas covered were colour science, binder chemistries for industrial and decorative paints, polymer characterisation and sustainability. We have invested in techniques that can predict the long-term stability of products and intermediates and characterisation of polymers. Emphasis on automation ensured that productivity was maintained despite physical absence from laboratories.



Management discussion and analysis (continued)



ENVIRONMENT, HEALTH AND SAFETY

Environment

This year has been characterised by the achievement of significant milestones in the area of environmental sustainability despite the challenges created by restrictions induced by COVID-19. Our continued commitment to sustainability has helped us shape our efforts and deliver effectively towards the goals we have set for ourselves.

All our eight decorative paint factories have continued to focus their efforts in the following areas of environmental sustainability:

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

Even in the challenging conditions of FY 2020-21, our factories were able to work safely, and at the same time deliver on most of the targets we set for the year.

Some of the key initiatives undertaken during the year:

Integrated watershed development: As part of this continuing focus area, integrated watershed development was undertaken in villages surrounding our eight decorative paint factories. Due to our interventions over the years, 11 Lakh+ KL of rainwater was replenished in FY 2020-21, which will eventually fulfil the water requirement of the community throughout the year.

Reduction in electricity consumption: FY 2020-21 was characterised by significant shut down and re-start related events. This naturally put a pressure on specific electricity consumption metrics. Our initiatives at more efficient throughput management delivered a lower specific power consumption than that of the previous year.

Renewable energy: Renewable energy generation is one of the identified focus areas and several investments have been made in this space over the years. While we face many policy related uncertainties in this area, renewable energy now accounts for 57.2% of the total energy consumption. Our Mysuru plant achieved 98% of its energy from renewable sources in FY 2020-21. We are proud to share that our Visakhapatnam factory is now Platinum rated under the Indian Green Building Council (IGBC) Green Factory Buildings Rating System, which is recognised as a global standard in the green building parlance.

98% of Mysuru plant’s energy needs met from renewable sources in FY 2020-21

Hazardous waste management: When our factories became operational post-lockdown, there was need to make the whole setup ready to resume production. This meant cleaning and flushing of machinery and pipelines which generated additional waste. This was much more than what had been set in our annual targets. But we accepted the challenge and were able to achieve specific hazardous waste of 1.19 as compared to 1.35 in the previous year.

Biodiversity: Although our manufacturing sites are located in notified industrial areas, our operations have various impacts and dependencies on local biodiversity. Hence, sustainable management of these linkages with biodiversity is important to mitigate the negative impacts and reduce dependencies. We meet the regulatory requirement for green belt development. To promote and enhance regional biodiversity, we nurture a wide variety of local species of plants within our factories and also undertake a plethora of projects to replenish the water bodies in the region. Our Sriperumbudur factory is home to 171 floral and faunal species that are thriving due to our dedicated initiatives.

Plastic waste management: Our initiatives towards fulfilling our Extended Producer’s Responsibility (EPR) has resulted in the collection and recycling of 2,700+ tonnes of post-consumer flexible plastic, representing 100% of flexible plastic footprint in packaging in the year 2020-21.

Health and safety

We are committed to the safety of our people and assets and towards the protection of the environment through a variety of initiatives. 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, our newest plants at Mysuru and Visakhapatnam were certified for an Integrated Management System consisting of ISO 9001, ISO 14001, and ISO 45001 standards. Our plant at Taloja, which produces industrial coatings, was certified with ISO 45001 standard. The plant is already certified with ISO 9001 and ISO 14001 standards.

Our decorative manufacturing plants in India follow the Asian Paints Safety System, which is based on British Safety Council specifications. During FY 2020-21, our Sriperumbudur plant was awarded the ‘Sword of Honour’ by the British Safety Council. The plant was also declared winner of the Golden Peacock Occupational Health and Safety Award for the year 2020. Our plant at Ankleshwar

successfully completed British Safety Council’s safety audit and achieved highest five star rating.

During the year, we benchmarked our safety measures with that of global coating industries and finalised targets for the next five years in the areas of occupational safety, process safety and safety culture across the organisation (Decorative manufacturing, sales, office units, International Business units, JVs), thereby aligning to the global approach towards all aspects of safety.

While we have been working on occupational safety and on building a proactive safety culture with our teams, the scale and complexity of our operations now requires us to dwell indepth in the areas of process safety. Process safety focuses on identifying risks associated with storage and handling of hazardous material and address them proactively. It also focuses on eliminating catastrophic incidences by strengthening process-related aspects over and above the inherent safety risks associated with infrastructure. Drawing from learnings from various catastrophic incidents that happened in the recent past in other organisations in the country and determining to take up this matter with agility, we decided to seek support from experts in this field and have tied up with the British Safety Council for implementing the process safety standard over the next four years.

While work on process safety was initiated this year, we are continuing our commitment towards occupational safety. We have undertaken to achieve ‘Generative’ stage (5th stage – the highest in behaviour-based safety that starts with Chaos as Stage 1 and then moves to Reactive, Calculative, Proactive stages before reaching the Generative stage) in our safety culture assessment by 2025. Our first assessment happened in FY 2020-21 and three out of eight plants are in the Proactive stage while the others are in Calculative stage.

With the targets set, it is important to have a system that will capture data across the organisation, will help knowledge management and ensure horizontal deployment of actions across units. To accomplish this, the Company has launched an IT platform for safety, aptly branded as ‘i-safe’, thereby digitising key safety processes like the Incident Management System, inspections and audits, risk assessments and Permit to Work System. This platform has been implemented in all eight decorative manufacturing plants and will be extended to the rest of the organisation in the next two years.



Management discussion and analysis (continued)

INFORMATION TECHNOLOGY (IT)

Asian Paints has always been forward looking in terms of adopting digital for leveraging business benefits. The investments in digital helped us to be better prepared for times like the pandemic. The same enabled the transition to remote working for employees and partners in a secure manner. The IT systems were scaled up in quick time to allow businesses to digitally collaborate and run operations.

Highlights of FY 2020-21

We continued to leverage digital in the areas related to customer experience, supply chain management and all operations. All stakeholders in the business were part of the digital drive wherein cutting-edge technologies like Robotic Process Automation (RPA), Artificial Intelligence/Machine Learning (AI/ML), Advanced Analytics, Internet of Things (IOT) and others were deployed in some manner.

One key area of focus has been the enablement of the Décor business. An end-to-end platform has been deployed right from an inspiration and commerce-driven website (beautifulhomes.com), an immersive 3D visualiser (for interior designers) for creating beautiful home designs, to a robust execution platform for all stakeholders in the service, including customers, to help deliver the dream home. This AI-driven platform will help bring in seamlessness between the physical store and digital journeys of the home décor customer.

We deployed digital on the retailing front to not just provide engaging experiences in selecting the right colours/paint products/services/contractors, but also to ensure that authentic and genuine products are delivered through the deployment of the anti-counterfeiting systems and processes.

The Core Transaction systems (S/4 HANA) have been scaled along with the business. We have been able to extend the platform to new-age businesses in the space of health and hygiene, home décor, construction chemicals and also modelling additional ERP capabilities for international businesses. New channels of distribution have also been enabled.

We implemented a completely automated warehouse in one location integrated with the S/4 HANA Extended Warehouse Management Systems. This will help it serve its customers in a more responsive and cost-effective manner.

RPA has been extended further to automate existing and new business processes. The opportunities to further drive efficiencies, increase throughput and scale operations have been tapped.

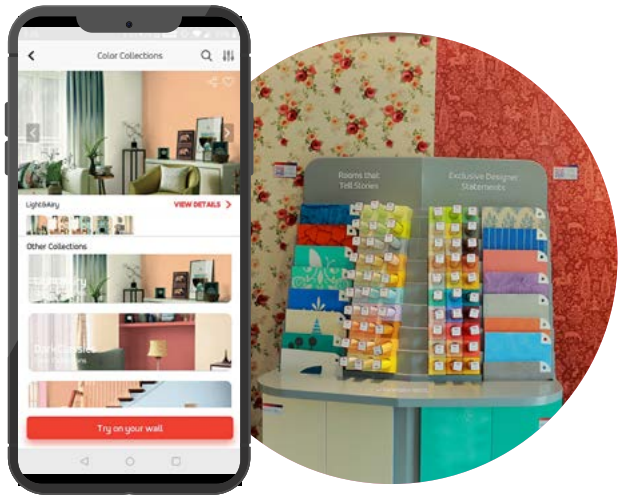
We continue to treat data as a strategic asset and has deployed many projects using the power of AI/ML in analytics. A recommendation engine power of new-age algorithms has been deployed to help dealers select the right schemes/products while placing the orders on the self-service digital channels. The analytics on the Customer Data Platform (CDP) deployed last year, has helped in precision digital marketing and aided the smooth onboarding of customers. The digital twin initiative at the manufacturing plants have helped in superior decision-making on the shopfloor, thereby impacting plant operational efficiencies and also increasing capacity in some areas.

Another area which continued to be the focus of the Company in FY 2020-21 is IT availability/resiliency/disaster recovery and information security. We have moved to a new-age Disaster Recovery (DR) centre – both Near DR and Far DR. The Far DR is on a hybrid cloud infrastructure and reduces cost for maintaining the same. Information security during the pandemic has become a critical priority. The security from the edge to the data centres has been strengthened through processes and technology. Projects to fortify IT/OT networks at the manufacturing facilities have been undertaken. The Company will continue to make the necessary investments to secure information systems and information assets.

We have a clear strategy of leveraging the cloud for innovation, agility and scalability. Prudent choices have been made in FY 2020-21 in terms of moving workloads to the cloud, especially in the areas of customer experience, supply chain and analytics systems. The journey to modernise the applications to make them cloud-ready has also been initiated.

Employee experience has always been important to build employee engagement and enhance productivity across. A new-age employee portal has been launched that provides a single window experience. We have also launched a digital safety portal to help promote a safe working environment across all our locations in India and this will be extended to our international operations the next year.

We continue to treat data as a strategic asset and has deployed many projects using the power of AI/ML in analytics.



Enterprise risk management

This year has seen uncertainties of a scale and complexity never seen before. Caught between saving lives and keeping much-needed economic activities going, governments across the globe did a very fine balancing act. The phased opening up of the economy and the sudden spikes in infections, added to the anxiety and pressure on the supply chain.

During this critical period, our investments over the years in addressing risks pertaining to handling hazardous materials, safety at the workplace, engagement with customers, information security, business continuity and prudent financial management helped mitigate the uncertainties to a large extent. We focused on the safety of our people and ensured availability of material where it was needed. The employees responded remarkably in adapting to the new norms of safety and managed to keep the operations going.

The Risk Management Committee met specifically to assess the readiness of the organisation to handle hazardous chemicals during the period of the lockdown. The Board was briefed on the risks and steps taken to prevent information security risk arising due to work from home being enabled during the lockdown period.

During this period, we embarked on an exciting journey to create a new future for itself. Through this exercise, we identified the uncertainties that had to be considered while framing the strategy and those that would impact the accomplishment of the strategies. These were done by a mix of bottom-up and top-down identification and

Management discussion and analysis (continued)

assessment. This culminated in finalising a set of risks that were identified, assessed and risk treatment plans put in place under the able guidance of the Board through its Risk Management Committee.

We are committed to continuously monitor the horizon for newer uncertainties and risks and take steps to mitigate them. The significant risks that we continue to work on actively fall in the following categories. The nature of risks in each category along with the action plan is explained. There are no risks that threaten the going concern of the Company.

Customer facing: The customer’s need to personalise living spaces brings with it the tremendous opportunity to create a differentiator but also the risk of losing mind share of customers if not continuously acted upon. Given our foray into other categories of furnishing, furniture and lighting and the challenges of understanding these markets, the responsibility of understanding the underlying customer needs and exceeding them each time have added to the risk.

The consumer may interact with the Company through our extended channel partners and off role/contract manpower, thus ensuring that the experience is seamless; creating delight for the consumer is of paramount importance.

The competition intensity has also increased with the emergence of newer players with deep pockets in the Indian market. Consumer delight through innovation and unique experiences are therefore even more critical. We continue to engage and invest with the channel partners and in ensuring supply chain excellence for mutual growth.

Digital as a medium to interact with consumers continues to see a lot of changes and traction with consumers. We have a strong digital presence and are taking steps to be ahead of the curve for the consumer.

Safety: Our manufacturing operations require constant interaction between machines and people. In addition, we handle certain chemicals which are hazardous in nature. We continue to be guided by our EHS policy in our efforts to minimise the risk of injury to human beings. The manufacturing operations follow a stringent safety regime with strict adherence to standards, processes, work practices and periodic internal and external audits. Employees are encouraged to identify any unsafe act and report the same for timely action. Adequate awareness sessions are done throughout the year to ensure the safety of people. Investments are continuously made to reduce the interface of man and machines so as to eliminate the risk of injury to people. We are also working on reducing unsafe acts across all our locations and not just at the manufacturing locations.

Information security: With increasing leverage of Information Technology (IT) solutions in all aspects of the operations, securing confidential information of Asian Paints, protecting devices from external attacks, ensuring uptime of all critical IT assets, including automation systems operating at the plants, are critical for the smooth operation of the plant.

Human Capital: Investment in Human capital is critical for the sustained growth of the Company. For talent, our competition is not necessarily with other organisations in the same industry. Hence it is essential to provide an atmosphere where talent is nurtured with enough opportunities for our employees to grow professionally. Maintaining employee relations, contemporary and employee-friendly practices and policies, meeting aspirational needs of employees continue to be major focus areas for us. Employee engagement and fostering a spirit of competitive collaboration are some of the areas where we undertook steps during the year. A well-knit individual development plan is necessary to ensure that functional and technical competencies are co-created with the individual and acted upon right through the year. The We continue to monitor the developments with respect to the new labour codes.

Compliance: The speed and extent of changes in the regulatory landscape is expected to continue even in the future. Interpretations and clarifications are expected to evolve based on circulars and judicial scrutiny. We are committed to adhering to all laws and regulations in letter and spirit. We migrated to a new portal to monitor compliance on a real time basis. New legislations and amendments to existing laws are regularly studied, people are trained in the Company and changes are made to underlying IT systems to ensure timely compliance.



Employee engagement and fostering a spirit of competitive collaboration are some of the areas where we undertook steps during the year.

With new laws where interpretations are still evolving, differences in interpretation could lead to litigation.

Fraud and ethical behaviour: Risk of fraud is inherent in any organisation. We consider the risk of fraud while designing processes and controls. Steps are taken to leverage automation to reduce the chances of frauds. We have a robust policy framework to deal with frauds, starting with the Code of Conduct, the Whistle-blower Policy and policy on fraud prevention. Awareness sessions are periodically held and people are encouraged to report suspected frauds through the whistle-blower mechanism.

Sustainability: Our manufacturing operations consume water and water is also an ingredient in the paint manufactured. Water security, therefore, becomes a critical risk. We have been taking steps to reduce our water footprint by investments in rainwater harvesting, water conservation, recycling water, reducing fresh water consumption, exploring options of consuming water from sewage treatment plants, and other steps. We have leveraged solar and wind energy to reduce the environmental impact of our operations. Steps are taken to reduce the specific energy consumed while manufacturing products. Efforts to reduce the generation of hazardous waste are taken up every year. Sustainability is also looked at from the point of view of green and safe products for the end consumer. Our efforts with respect to Corporate Social Responsibility addresses the social aspect of sustainability.

The current pandemic continues to throw up challenges with respect to safety, supply chain disruptions, stress on working capital and uncertainty in the overall economic environment. However, given the steps taken by global leaders in tackling the same, the experience in the previous year and the steps taken to mitigate some of the risks, we are confident of being able to deal with the situation. It will continue to monitor the developments and act in the best possible manner to balance the interest of all its stakeholders. In the current dynamic environment, we evaluate, monitors and assesses multiple uncertainties that potentially impact its strategic objectives. In this exercise it is guided by the Board through its Risk Management Committee.

Performance review

During FY 2020-21, revenue from operations on standalone basis increased by 7.7% to ₹ 18,516.9 Crores from ₹ 17,194.1 Crores. Net profit increased by 15.0% to ₹ 3,052.5 Crores as compared to ₹ 2,654.0 Crores in the previous corresponding period. On a consolidated basis, revenue from operations has increased by 7.4 % to ₹ 21,712.8 Crores from ₹ 20,211.3 Crores. Net profit after non-controlling interest (from continuing operations) increased by 15.8 % to ₹ 3,139.3 Crores as compared to ₹ 2,710.1 Crores in the previous corresponding period

Key ratios

Ratios	Standalone		Consolidated	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Debtors turnover ratio	12.7	14.6	9.9	10.9
Inventory turnover ratio (on cost of goods sold)	3.4	3.5	3.4	3.5
Interest coverage ratio*	58.1	45.0	47.7	36.0
Current ratio	2.2	1.8	2.0	1.7
Debt equity ratio^	0.002	0.003	0.028	0.036
Operating margin ratio (%)	26.2	24.5	23.8	22.1
Net profit margin (%)	16.5	15.4	14.8	13.8
Return on networth (%) (RONW)**	28.3	29.0	27.4	27.6

* Interest coverage ratio increased in FY 2020-21 due to lower finance cost resulting mainly from lower borrowings and bill discounting.
^ Higher networth in FY 2020-21 resulted in improved Debt Equity ratio.
**RONW for standalone: As compared to FY 2019-20, RONW for FY 2020-21 is lower by 2.32% mainly due to higher retained earnings.
**RONW for consolidated: As compared to FY 2019-20, RONW for FY 2020-21 is lower by 0.83% mainly due to higher retained earnings.

Ten Year Review (Consolidated)

RESULTS FOR THE FINANCIAL YEAR		2020-21**	2019-20**	2018-19**	2017-18**	2016-2017**	2015-2016**	2014-2015	2013-2014	2012-2013	2011-2012
INCOME STATEMENT											
Net Revenue from Operations		21,712.8	20,211.3	19,248.5	16,843.8	15,168.2	14,263.2	14,182.8	12,714.8	10,938.6	9,632.2
Growth Rates (%)		7.4	5.0	14.3	11.0	6.3	0.6	11.5	16.2	13.6	24.7
Materials Cost		12,097.2	11,383.5	11,272.9	9,710.4	8,435.1	8,041.3	7,971.5	7,340.7	6,413.0	5,795.3
% to Net Revenue from Operations		55.7	56.3	58.6	57.6	55.6	56.4	56.2	57.7	58.6	60.2
Overheads		4,760.0	4,666.0	4,210.0	3,935.8	3,746.7	3,452.7	3,975.9	3,376.2	2,793.6	2,328.2
% to Net Revenue from Operations		21.9	23.1	21.9	23.4	24.7	24.2	28.0	26.6	25.5	24.2
Operating Profit (EBITDA)		5,158.7	4,466.1	3,998.6	3,418.2	3,248.9	2,982.5	2,405.1	2,132.1	1,846.5	1,616.2
Finance Costs		91.6	102.3	105.3	35.1	30.0	40.7	34.8	42.2	36.7	41.0
Depreciation and Amortisation Expense		791.3	780.5	622.1	360.5	334.8	275.6	265.9	245.7	154.6	121.1
Profit Before Tax and Exceptional items (including share of profit of associate)		4,304.4	3,634.0	3,311.9	3,068.5	2,933.7	2,699.7	2,104.4	1,844.2	1,655.2	1,454.1
% to Revenue from Operations		19.8	18.0	17.2	18.2	19.3	18.9	14.8	14.5	15.1	15.1
Growth Rates (%)		18.4	9.7	7.9	4.6	8.7	28.3	14.1	11.4	13.8	15.4
Exceptional items			-	-	-	-	(52.5)	(27.6)	(9.9)	-	-
Profit Before Tax and after Exceptional items		4,304.4	3,634.0	3,311.9	3,068.5	2,933.7	2,647.3	2,076.9	1,834.3	1,655.2	1,454.1
% to Net Revenue from Operations		19.8	18.0	17.2	18.2	19.3	18.6	14.6	14.4	15.1	15.1
Profit for the year (after Tax and Minority interest)^^^		3,139.3	2,705.2	2,155.9	2,038.9	1,939.4	1,745.2	1,395.2	1,218.8	1,113.9	988.7
Return on average capital employed (ROCE) (%)		35.4	34.4	34.1	34.8	37.6	40.5	45.3	47.6	50.3	54.3
Return on average net worth (RONW) (%)		27.4	27.6	24.1	25.5	27.5	28.9	31.8	32.8	36.3	40.1
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		12,710.4	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
Deferred Tax Liability (Net)		415.6	443.8	543.3	417.1	359.2	296.8	179.9	187.8	154.4	92.8
Borrowings		353.8	361.6	629.2	533.4	560.3	323.3	418.2	249.2	251.0	341.1
Tangible Fixed Assets and Intangible Assets		6,041.5	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
Investments		4,736.8	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
Debt-Equity Ratio		0.03 : 1	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
PER SHARE DATA											
Earnings Per Share (EPS) (₹) #*		32.7	28.2	22.5	21.3	20.2	18.2	14.5	12.7	11.6	10.3
Book Value (₹)		133.5	105.6	98.7	87.7	79.3	68.0	49.4	42.1	35.3	28.7

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.

^^ Includes 'Profit for the period from discontinued operations'. Refer note 32 of Consolidated Financials 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)