asianpaints

Integrated Report 2021-22

Bringing joy to people's lives®

Enriching. Partnering. Elevating.

asianpaints

Bringing joy to people's lives®

Enriching. Partnering. Elevating.

For close to eight decades, we have been reinventing ourselves constantly to help people transform their lives, create a brighter and more beautiful world for themselves, and thus bring them unbridled joy. In the process, we believe, we are also contributing to shared progress because we are committed to promoting long-term business growth that creates value for our stakeholders, while driving positive change in the lives of our customers, the communities we operate in, our people and the environment through our emphasis on sustainability.

While sustaining our position as a leading paint company in the country, we are moving laterally from a 'share of surface' to 'share of space' as we transform ourselves into a premier décor consultant and service provider. We inspire and influence the customer during the entire life cycle of home renovation and we are thus deepening our foray into the kitchen, bath, wallpapers, furnishing, fabric, and now into decorative lighting and uPVC doors and windows. By bringing our distinctive products and services that suit individual personalities and style under one roof, we believe, we are creating new joys.

The year saw us introduce premium products like Royale Glitz, that marries luxury with the finish of Teflon™, and SmartCare Hydroloc, the ready-to-use pre-putty coating that can be applied directly at the plaster level. And, of course, we bring to our customers the irresistible pull of a Sabyasachi design through our Nilaya brand of furnishings.

We used internet platforms to engage our customers, expanded our digital presence to make our products more accessible, and used fashion influencers heavily to promote our Taana Baana collection that gives customers the option to bring the charm of rural India to their walls.

Intensive focus on ESG priorities also saw us establish targets to mitigate climate change and enhance our product stewardship. We expanded our green range and accelerated adoption of technologies that help us reduce our carbon footprint. At the same time, the year saw us deepen our community engagement through our CSR initiatives and sustained efforts to transform the lives of people across our value chain.

By transforming spaces and transforming lives, we are creating new opportunities for people to savour life and partake of all the happiness it has to offer.

The cooperation between Asian Paints and the St+art India Foundation is going strong, with the goal of altering urban landscapes and making art more accessible to everyone. They all come together to offer sound to a city's heartbeat, from the walls of public offices to schools to residential buildings.

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The Integrated Annual Report with related Annexures can be downloaded from below weblink:
www.asianpaints.com

FY 2021-22 performance snapshot

A portrait of sustained growth

(Standalone)

Financial

₹ 25,002.1 Crores

Revenue from Sale of products and services

(36.8% - Y-o-Y growth)

₹ 5,039.7 Crores

Earning before Interest Taxes Depreciation and Amortisation (EBITDA)

(3.7% - Y-o-Y growth)

₹ 3,134.7 Crores

Profit after tax

(2.7% - Y-o-Y growth)

58.6%

Dividend pay-out ratio

(56.1% in FY 2020-21)

Operational

1,730,000 KL/annum

Installed decorative paint capacity

600,000+ KL

Produced and purchased from outsourced processing centres

29

New products launched

17

Patents granted

Environment

61.1%

Share of renewable energy in total energy consumption

282%

Water replenishment

63.7%

Reduction in specific hazardous waste disposal

Social

₹ 70.8 Crores

CSR expenditure

270,000+

Beneficiaries impacted through health initiatives

375,000+

Participants attended training sessions at the Asian Paints Colour Academy

Governance

50%

Board comprises of Independent Directors

- Independent Audit Committee
- Board led by an Independent Chairman

98%

Average attendance rate in Board meetings

30+ hours

Average time spent by the Board of Directors on matters of strategic importance

About the report

Approach to reporting

This report outlines our business performance during the financial year 2021-22, along with our performance on key Environment, Social and Governance (ESG) aspects. The report covers performance across six capitals of the Integrated Reporting <IR> framework.

Reporting period

The information pertains to the period from 1st April, 2021 to 31st March, 2022, however, the data on Occupational Health and Safety is reported as per the calendar year ended December, 2021. We have outlined the historical trends of the data wherever relevant.

Scope and boundary

This report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

All the information presented in this report pertains to standalone operations of Asian Paints Limited, unless otherwise specified. Further, the reporting boundary for Natural Capital which primarily includes energy, water, waste and emissions is limited to decorative paint business in India.

Materiality

Our material issues are those that have a significant impact on our ability to create value for our stakeholders. An issue is considered to be material if it has the potential to considerably impact our commercial viability, social relevance and the quality of relationships with our stakeholders. Our material issues are influenced by the economic, social and environmental context in which we operate.

Our capitals

Our ability to create long-term value is interrelated and dependent on the extent and form of inputs, how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

NAVIGATION ICONS

Financial Capital

Manufactured Capital

Human Capital

Intellectual Capital

Social & Relationship Capital

Natural Capital

This report is aligned to

- International Integrated Reporting Council's Integrated reporting framework (<IR> Framework)
- Global Reporting Initiative (GRI) Standards in accordance with the core option
- National Guidelines on Responsible Business Conduct (NGRBC)
- Companies Act, 2013 (and the rules made thereunder)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Indian Accounting Standards
- Secretarial Standards issued by the Institute of Company Secretaries of India
- United Nations Sustainable Development Goals (UN SDGs)

Target readers

This report is primarily intended to address the information requirements of long-term investors (our equity shareholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our consumers, employees, business partners, regulators and society.

Forward-looking statements

Certain statements in the report regarding our business are forward-looking statements. These include all statements, other than those of performance highlights and historical facts, including those regarding the market and financial position, business strategy, and objectives for future operations. Forward-looking statements shall be identified by words such as anticipates, expects, intends, may, will, believes, estimates, outlook and other words of similar meaning in connection with a discussion of future operational, environmental, social and financial performance. Forward-looking statements are necessarily dependent on projection and trends and constitute our current expectations based on reasonable assumptions. Actual results could differ from the projected in any forward-looking statements due to risks and uncertainties, and other external factors.

Assurance

Limited assurance on certain environmental and social indicators in this Report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The assurance report attached at the end of this Report contains details of the subject matter, criteria, procedures performed and limited assurance conclusion.

Feedback

Feedback from the stakeholders is sought to help address their queries and provide clarifications on material topics that encapsulate their key concerns. Any feedback or suggestions or any stakeholder concerns can be communicated at our email address: investor.relations@asianpaints.com or send to us at Asian Paints Limited, 6A, Shantinagar, Santacruz (East), Mumbai-400 055, India.

Transforming the ordinary

Having started our journey in a garage at Foras Road, Bombay (now known as Mumbai), we have never stopped believing in the joy and power of transformation. For the past 80 years, we have given our all to help people find beauty in the ordinary and transform their world with colours.

In the process, we too have transformed ourselves. Driven by our strong customer-focus and innovative zeal, we have emerged as the preferred brand for paints since 1967.

We continue to manufacture a wide range of coatings for decorative and industrial use and offer wall coverings, adhesives and services under our portfolio. We are also present in the Home Décor segment including Kitchen and Bath fittings.

Apart from sanitizers and surface disinfectants, we have expanded into the décor segment, wherein we offer a range of lightings, furnishings and furniture.

Through our partnerships with top brands and market leaders, we are diversifying our business of interior decoration and moving into the manufacture of uPVC windows and door systems as well.

Highest standards of ethics, professionalism, stakeholder transparency and a deep desire to excel in whatever we do have fuelled our growth and helped us build an iconic brand recall. We are committed to deliver growth along the triple bottom line of people, planet and profit.

Stature

#1
Paint company in India

3rd
Largest paint company in Asia

9th
Largest paint company globally

80
Years of delivering joy

Scale

60+
Markets served

26
Paint manufacturing facilities worldwide

₹ 28,923.5 Crores
Consolidated Revenue from Sale of products and services

Reach

29
Beautiful Homes stores in India

450+
Colour Ideas stores in India

145,000+
Retail Touch Points in India

People

12,000+
Global workforce

200+
Scientists driving innovation

Purpose

We exist to beautify, preserve, transform all spaces and objects, bringing happiness to the world

Our Offerings

Products

- Paints
- Wall Coverings
- Textures Painting Aid
- Waterproofing
- Wall Stickers
- Mechanised Tools
- Adhesives
- Modular Kitchens and Wardrobes
- Bath Fittings and Sanitaryware
- Sanitizers and Surface Disinfectants
- Furniture, Furnishings and Lightings

Services

- Safe Painting Services
- Interior Design Services
- Experience Retail Stores
- Colour Consultancy
- Projects
- San Assure Services
- Waterproofing Solutions
- Wood Solutions

Chairman's letter

Taking a brilliant innings forward

Dear Shareholders,

This is my first communication with all of you as the Chairman of the Board of Directors at Asian Paints, a baton that I took over from my illustrious predecessor, Mr. Ashwin Dani. On behalf of all of you, I take this opportunity to express my appreciation and gratitude for the stellar guidance and direction, especially in the area of paint technology, that Mr. Dani has provided to the organisation. He has been an integral part of the Board over the decades and has been a strong force in propelling your company into a league of its own.

Asian Paints has always stood out as a brand that has been steadfast in upholding its 'Customer first' focus, always striving to better its own industry-beating benchmarks and thereby continuously bringing joy to its customers. This relentless pursuit has helped us deliver yet another year of robust performance despite the many challenges in the environment.

Relentlessly forging ahead

The year gone by continued to be impacted by the pandemic - its multiple waves delaying the return to a sense of normalcy for economies the world over. At the same time, the strain on the global supply chain networks led to runaway inflation and the situation has only worsened with the on-going geo-political conflict further fracturing the supply chain stability. Through this uncertainty, what has stood out is the resilience of mankind, to look for opportunities in adversities, to innovate and address the challenges. Your Company has shown the same resilience to overcome all the challenges and continues to forge ahead in its journey to be the customer's 'partner of choice', helping her realise her dream home.

Throughout its leadership journey, your Company has relentlessly looked at innovation to provide newer and better value propositions for customers, to cater to their said and unsaid needs and thus increase our relevance to them. This year was no different, with multiple new product launches, some of them with unique, first-to-the-world value features that are bound to expand the possibilities around Home Décor for our customers. Today the customer is also expecting us to handhold her through her entire Home Décor journey and this has led to multiple innovations around services from our side. We now have a repertoire of Home Décor services being run at scale and delivering to exacting standards. Many of these innovations have also been woven into our global business operations, enabling your Company to be seen as trendsetters in these markets.

Our consistent ESG focus

In today's world, an industry leader also has the onus of taking initiatives to build sustainable business models that unlock greater value for all stakeholders. While 'ESG' is today's fad word, we have always looked at intertwining the sustainability agenda into your Company's business objectives and considered sustainability focus a key driver of long-term value creation. Some of the key elements that we continue to work on in this area are around providing customers with environmentally sustainable products, driving water neutrality, energy conservation and taking initiatives around enhancing community livelihood. While each of these elements helps the organisation drive its sustainability efforts, collectively they create a deep moat for our business, enabling us to generate value for years to come. You will find greater details of the various elements that your company is pursuing as part of its ESG agenda in the later sections of this integrated report. I would urge you to read it.

> "While 'ESG' is today's fad word, we have always looked at intertwining the sustainability agenda into your Company's business objectives and considered sustainability focus a key driver of long-term value creation

Board leadership

A key hallmark of our leadership has also been the high standards of corporate governance that we have set for ourselves. This has been reinforced with the quality of Board leadership we have maintained throughout our journey. I am delighted to welcome Mr. Milind Sarwate, Independent Director, on the Board and as the Chairman of the Audit Committee. Your Company will draw immense learning from his rich and diverse industry experience. Mr. M. K. Sharma, Independent Director, Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee, has retired with effect from 31st March 2022. His contribution has been immensely valuable and has strengthened the governance standards and I thank him wholeheartedly. I also thank Dr. S. Sivaram, Independent Director, who retired from the Board with effect from 30th September 2021. Your Company has benefitted greatly from his guidance especially in the areas of technology, governance and risk management.

During the year, Mr. Abhay Vakil, Non – Executive Promoter Director, departed for his heavenly abode. He had contributed immensely to the growing stature of the business in various capacities over his long association with the company and his sad demise is an irreparable loss for your Company. Mr. Amar Vakil, an erstwhile Non – Executive Promoter Director on the Board, also passed away during the year. I place on record our profound appreciation for their valuable contribution to the Board.

I also take this opportunity to welcome Ms. Nehal Vakil, Non-Executive Promoter Director, on the Board and look forward to her contribution towards taking your Company ahead.

Looking ahead with self-belief

For the immediate future, the environment has turned uncertain with the economic recovery under challenge from multiple fronts. Inflation is at a multi-decade high across geographies, partly induced by the global supply chain disruptions and partly by the ultra-accommodative policies pursued by governments and monetary authorities to pump-prime the pandemic affected economies. The geopolitical situation is threatening to further worsen inflation across key commodities. As a result, monetary authorities are tightening the money supply, hoping to squeeze out the inflationary pressures. This could hurt the demand conditions across industries.

Amidst this upheaval, organisations that stay true to their core vision and fundamental character would continue to prosper, looking at every hurdle as a possibility to reinvent themselves into a partner much more relevant to their customers. The zeal with which each and every member of Team Asian Paints took on the challenges to, not just surmount the odds but also create new benchmarks in their quest of delivering joy to customers, gives me the confidence that your Company will continue to thrive and keep delivering sustainable value to all its stakeholders. I thank you all for your continued commitment and support.

Warm regards,

Deepak Satwalekar
Chairman

MD & CEO's message

A year of audacious actions and intent to deliver joy

Dear Shareholders,

When the pandemic started in the early parts of 2020, many thought it to be a transient phase and that it was a passing phase. However, more than 2 years later, we as a society are still in transition, constantly evolving and adapting our responses to deal with the multiple mutations of the virus, with the sole objective of making our lives better. Businesses likewise, have been constantly evolving too, adapting their models, their go-to approach to deal with the changing operating environment with the express objective of taking the business purpose forward. We, at Asian Paints are immensely proud that over this period, we have emerged as an organisation which is audacious in its intent and actions to bring joy to people's life. This has been a consequence of the customer passion and creative zeal with which each one of us in the organisation has responded to the unprecedented challenges of recent years, standing true to our AP Charter which we collectively created at Asian Paints in 2020.

The results delivered for the year bears testimony to this phenomenal work done by Team Asian Paints. Let me give you a brief insight into some of the key highlights of our performance this year.

The Environment

FY 2021-22 was another tumultuous year with covid uncertainty on demand conditions still playing out to differing extent across markets and across businesses. Given the discretionary nature of our business we got more affected with every wave of Covid, since customers looked at deferring their purchase. While the demand conditions turned for the better post the second wave impact, all the businesses had to deal with the runaway inflation and supply shortages, adding its own complexity in an already difficult business environment. Infact, the inflation experienced in FY 2021-22 was unprecedented and we have not seen such a steep inflation in the last four decades and the whole Supply Chain was more stretched than ever. Amidst this challenging environment, the entire team at Asian Paints has rallied in a strong collaborative manner, standing true to the AP charter promises and pushing forward the strategic intent being pursued for each of our businesses.

Decorative business, India

It was another year of stellar performance in the Decorative business in India making further inroads in the organised as well as the unorganised part of the paint industry. We delivered an industry beating revenue growth to further reinforce our leadership position. This gain was on the back of a focused drive to upgrade the 'bottom-of-the-pyramid' demand to the superior 'value-for-money' products from our stable and an equally sharp focus to grow the premium and luxury bucket bringing out unique and innovative value propositions in this segment.

Our Smartcare waterproofing business is one of the largest and the best solution offered to the customers for their dream homes and continued to grow in leaps and bounds. It is also commendable that we had a phenomenal volume growth as well indicative of the trend of the market leader expanding the market.

We have been able to expand our retail presence across the emerging cities and the ever growing smaller towns in a big leap this year using allied delivery channels and upgrading the retailing formats to meet the evolving demands of our customers.

Our zeal to provide quality experience to our customers during the painting process has resulted in a rapid expansion of the Safe Painting Service which is now available in over large number of towns across the country. This is an unparalleled world class service proposition offering customers top-end delivery through professional service providers using mechanised painting implements. The Projects business segment catering to B2B customers, continued to scale higher trajectory, expanding presence across all categories of institutional customers. We have now established ourselves as a 'waterproofing expert' of choice, giving us unique leverage to associate with large institutional customers from an early stage of the project and thereby capture a larger part of the project journey.

Our zeal to provide quality experience to our customers during the painting process has resulted in a rapid expansion of the Safe Painting Service which is now available in over large number of towns across the country

Home Décor Business

Over the last few years we have made clear our intent to evolve from 'share of surface' to 'share of space' and our endeavours in the Home Décor space are testament of this resolve. We have adopted a comprehensive omnichannel approach to help us realise this vision of being the preferred partner in the space of Home Décor, empowering the customer to dream and partnering the customer in making her dream home. The idea is to become one of the best Home Décor providers in India, offering digital, physical visualisation and execution for our customers. We have now one of the most inspiring and cutting edge décor engine 'www.beautifulhomes.com' where customers come in large numbers and find their inspiration to their dream Homes. In order to ensure that customers get the best in Home Décor we have been able to expand 'Beautiful Home Stores' to various cities. We have now 29 stores and expanding these stores quite rapidly. These one stop state-of-the-art Décor stores offer almost everything related to Home Décor with a world class phygital experience and an unparalleled inspiring consumer journey. We also have a world class Home Décor execution platform offering end to end personalised Home Décor. The 'Beautiful Homes Service' as it is called, offers customised design and professional execution service handholding the customer through her entire homemaking journey, and has gained significant traction since we launched it last year. It is now available in top 11 cities and we intend to expand it beyond, magnifying our ability to partner with multitude of our customers.

Our foray in the Bath and Kitchen space, has gained good momentum in the last two years registering exceptional revenue growth. We have looked at expanding this business significantly with innovations at the premium luxury end in a strong manner. More importantly to give credence to our Home Décor business, we have been successful in delivering positive operating margins over the last couple of quarters in both these segments. Kitchen and bath categories remain as a key focus in the Home Décor category given the huge potential of housing in India supported by the Government as well.

Taking forward our ambitions in the wider Home Décor space, we have recently entered into partnerships with 'White Teak' and 'Weatherseal', two established names in the Decorative & designer lighting and uPVC windows & door systems space, respectively. We had last year aligned with a fabric and furnishing Brand 'Pure' which has now given us presence across the country in the furnishing and Décor stores. These partnerships tremendously enhance our ability to cater more comprehensively to the Home Décor needs of our customers and we are excited to leverage this potential further and make Home Décor a strong part of our strategy complementing our coatings business.

Industrial business

The Industrial business, too delivered robust performance, despite many challenges in the environment. It is good to see that the business has been able to grow exponentially in the last 2 years with good profitability despite the steep inflationary trends. The automotive industrial coatings business delivered good growth tackling the dual challenges of uncertain automotive sector demand in a commendable manner. At the same time, the non-automotive industry coatings business delivered record growth with a spate of new customer acquisitions and new product enhancements, continuously striving to deliver higher value to its customers.

International business

The year has been extremely challenging for our International business with multiple hurdles emerging during the year. At an overall level we have been able to still report double digit value growths led by price increases at an overall level. While multiple Covid waves meant that the demand conditions remained under stress in the initial part of the year, specific challenges in key markets of Ethiopia, Egypt, Sri Lanka further derailed the recovery. Despite these challenges, International business has launched a slew of initiatives which are giving us the competitive edge. The Safe Painting service has enabled us to create a strong differentiator in the market place vis-à-vis the established competition. Similarly, in most of our international markets, the Waterproofing range introduction has seen a huge success and has provided a strong impetus to the units to look for a rapid growth trajectory as we move ahead. However, the inflationary pressures coupled with significant currency devaluations across some key markets have significantly dented the profitability of the International business operations and this will clearly be a key area to improve in the coming year.

Looking Beyond

The eventful last two years have bolstered our confidence in our ability to treat each and every challenge as an opportunity to evolve stronger in our journey to fulfil the aspirations of our customers. Our customer-first approach and innovation in products and services, is the source of this confidence and provides us the energy to continuously push the boundaries to deliver value that our customers cherish. As we look forward to this new financial year, the customer confidence appears strong despite the challenging inflation and geopolitical uncertainties. We foresee a strong consumer demand and with normal monsoons predicted we look forward to a good festival season ahead. We at Asian Paints continue to be committed to our stakeholders, igniting unlimited possibilities to take the Asian Paints journey beyond – Beyond the current realms and into a trajectory never seen before!

Warm regards,

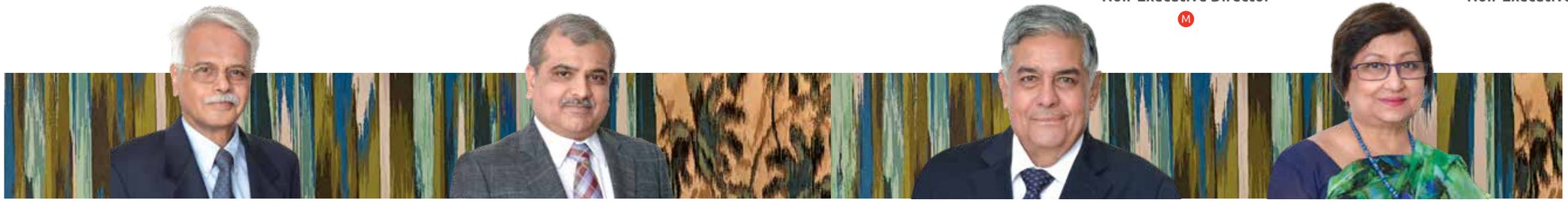
Amit Syngle
Managing Director & CEO

Board of Directors

Leading the journey for long-term success

Jigish Choksi
Non-Executive Director
M

Nehal Vakil@
Non-Executive Director



Deepak Satwalekar
Chairman/ Independent Director
M M

Manish Choksi
Vice-Chairman/ Non-Executive Director
M M M

M K Sharma*
Independent Director
C M

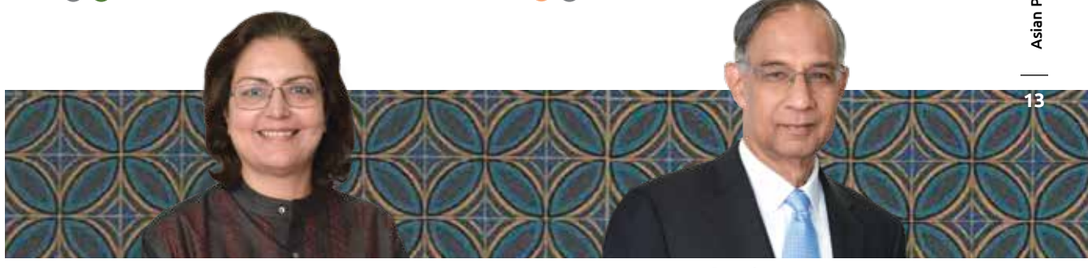
Pallavi Shroff
Independent Director
M M

Amit Syngle
Managing Director & CEO
M M M M M

Ashwin Dani
Non-Executive Director
M

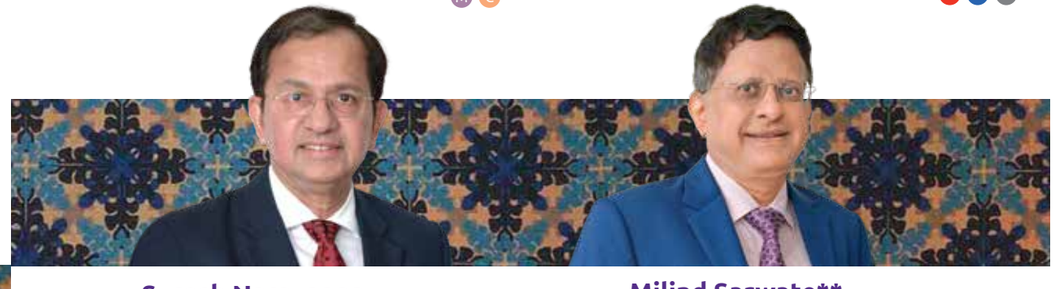
Malav Dani
Non-Executive Director
C M

Amrita Vakil
Non-Executive Director
M M



Vibha Paul Rishi
Independent Director
M C

R Seshasayee
Independent Director
C C M



Suresh Narayanan
Independent Director
C M

Milind Sarwate**
Independent Director
M

- Audit Committee
- Nomination and Remuneration Committee
- Shareholders Committee^
- Stakeholders Relationship Committee
- Risk Management Committee
- **C** Chairperson
- Corporate Social Responsibility Committee
- Investment Committee
- **M** Member

*Retired as an Independent Director of the Company w.e.f. closure of business hours on 31st March, 2022, upon completion of his tenure.

** Appointed w.e.f. 21st October, 2021.

@Appointed w.e.f. 1st March, 2022.

^ Dissolved w.e.f. 1st April, 2022.

Our offerings

Providing complete home solutions

We began our strategic move beyond the walls and into the Home Décor space some years ago to provide our customers end-to-end solutions for their homes. From providing services for a safe, clean and organised execution of the painting job to colour and décor services, we have been expanding our scope of offerings and services to make the customer's dream home become a reality.

Beautiful Homes Service

'Beautiful Homes Service' is an exclusive end-to-end solution that provides consumers a personalised interior design service with professional execution to create their dream homes.

Home Décor

Range of furniture, furnishings and lighting products providing a wide spectrum of offerings in the 'Home Décor' category.

San Assure and Safe Painting Service

We offer 'San Assure', a sanitization service, and 'Safe Painting' service for our customers.

New products launched

Apex Ultima Allura Clara

Smartcare Hydroloc

Apcolite All Protek (Fire Retardant Paint)

Woodtech Ingenio PU

Trugrip Suprema PVC

Royale Glitz

Woodtech Aquadur PU

Business segments

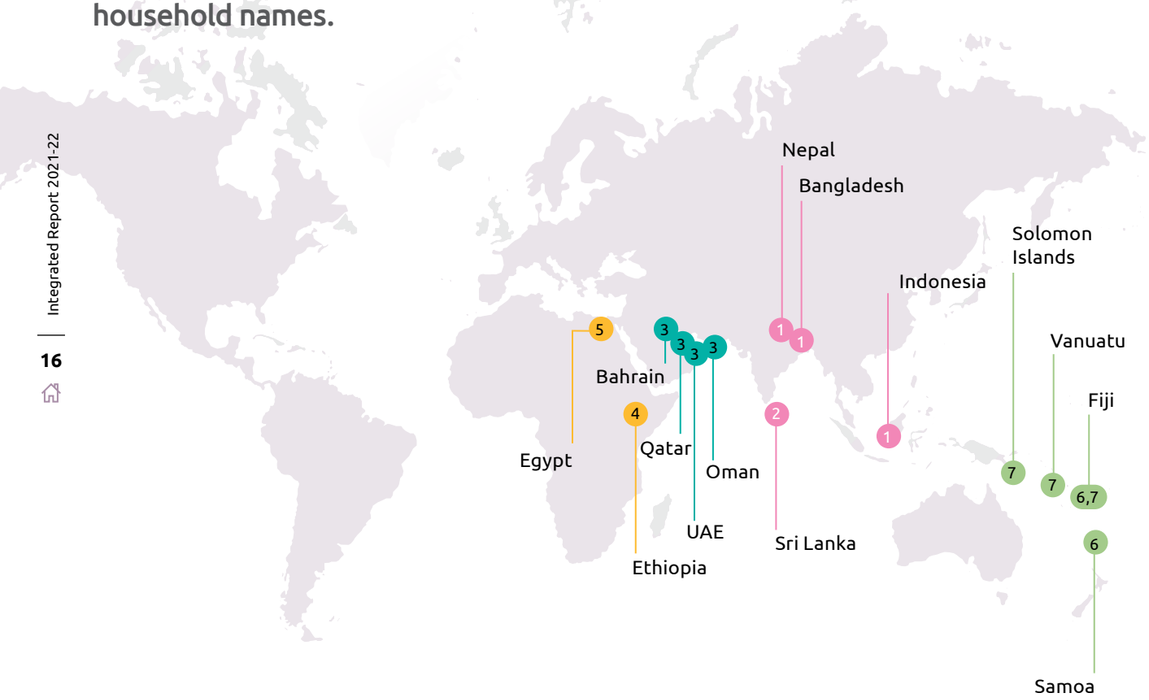
	DECORATIVE BUSINESS	INTERNATIONAL BUSINESS	INDUSTRIAL BUSINESS	KITCHEN AND BATH BUSINESS
Products and Services	Our products cater to varied consumer preferences, consisting primarily of coatings for interior and exterior walls, wood and metal finishes, waterproofing, tools, adhesives, and wall coverings. We have strengthened our brand value proposition by introducing newer segments like lightings, furnishing and furniture. We also offer services such as safe painting, beautiful homes solutions and colour consultancy among others.	We operate in four regions across Asia, the Middle East, South Pacific and Africa through seven corporate brands viz. Asian Paints, Apco Coatings, Asian Paints Berger, Asian Paints Causeway, SCIB Paints, Taubmans and Kadisco Asian Paints	We cater to the Indian industrial coatings market through two 50:50 joint ventures with PPG Inc., USA, a global leader in coatings. The first joint venture 'PPG Asian Paints Pvt. Ltd.' services the automotive, marine and packaging coating markets. The second joint venture 'Asian Paints PPG Pvt. Ltd.' services the industrial protective coatings, powder coatings, floor coatings and road marking markets in India.	• **Sleek** – We offer modular kitchen and wardrobe solutions that can be customised to the customers' needs through our subsidiary Sleek International Pvt. Ltd. • **Ess Ess** – We are present in the Bath Fittings and Sanitaryware business providing customised offerings to the customers
Group revenue share	**84.9%**	**10.0%**	**2.5%**	**2.6%**
Revenue from operations	**₹ 24,721.4 Crores**	**₹ 2,894.9 Crores**	**₹ 723.3 Crores***	**₹ 761.7 Crores**

*PPG Asian Paints Pvt Ltd. (PPG-AP) revenues are not included

Global footprint

Making the world our home

We operate across four regions – Asia, the Middle East, South Pacific and Africa – through our seven corporate brands which have become household names.



Brands

1 asianpaints
2 asianpaints CAUSEWAY
3 asianpaints BERGER
4 KADISCO by asianpaints
5 scib Paints
6 TAUBMANS
7 apco

Region-wise revenue from international operations (%)

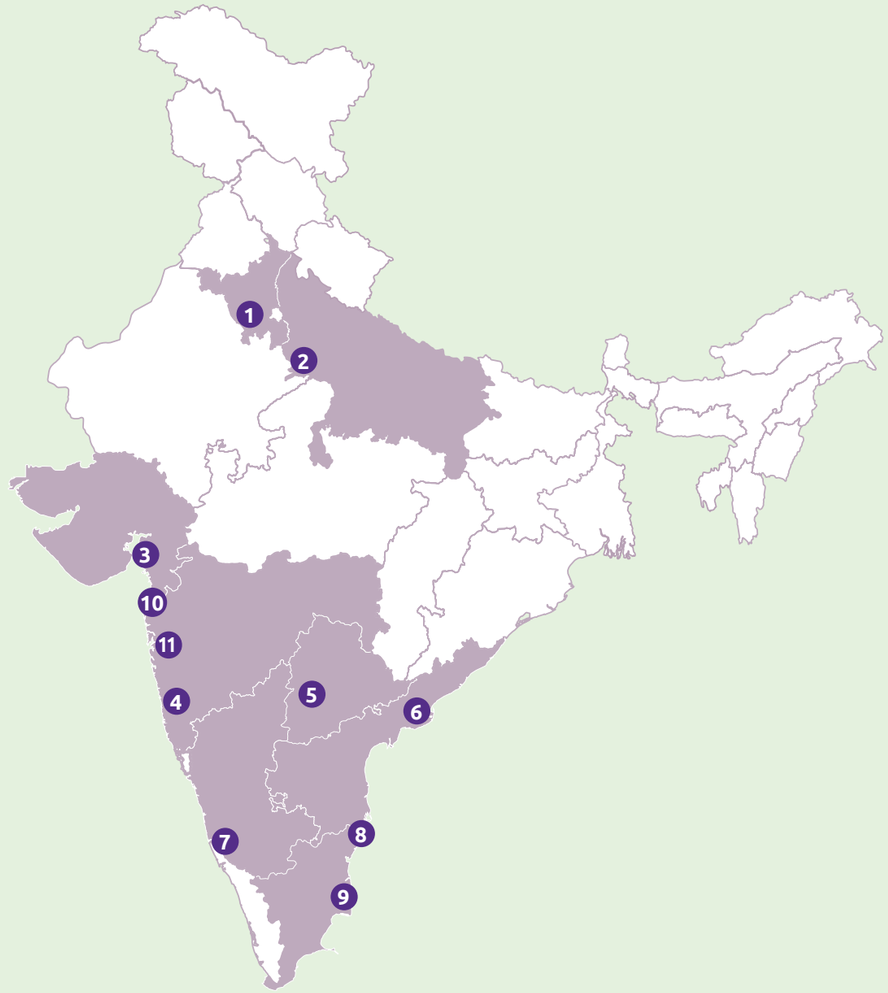
26
Middle East
Oman, Bahrain, UAE and Qatar

19
Africa
Egypt and Ethiopia

4
South Pacific
Fiji, Solomon Islands, Samoa and Vanuatu

51
Asia
Bangladesh, Nepal, Sri Lanka and Indonesia

Note: Map not to scale



Paint manufacturing locations in India
(Installed capacity/annum)

Decorative coatings

1 Rohtak, Haryana
4,00,000 KL

2 Kasna, Uttar Pradesh
80,000 KL

3 Ankleshwar, Gujarat
1,30,000 KL

4 Khandala, Maharashtra
3,00,000 KL

5 Patancheru, Telangana
80,000 KL

6 Visakhapatnam, Andhra Pradesh
3,00,000 KL

7 Mysuru, Karnataka
3,00,000 KL

8 Sriperumbudur, Tamil Nadu
1,40,000 KL

Chemical

9 Cuddalore, Tamil Nadu
8,760 MT

Industrial coatings

10 Sarigam, Gujarat (Facility of Subsidiary company)
7,200 MT

11 Taloja, Maharashtra
14,000 KL

Over and above, the Company procures from Outsourced Processing Centres.

Note: Map not to scale

Management discussion and analysis

Macro-economic Landscape

The year 2021 saw consumer demand recover as the global economy rebounded after the pandemic shock of 2020. Strong vaccination drive across all major economies and the progressive revival of global supply chains led to synchronised global recovery at a significant pace. After contracting by 3.3% in 2020, global GDP growth is expected to have grown by 5.8% in 2021. The strong economic growth led by resurgence in goods consumption across categories, especially in the developed markets, coupled with the supply chain bottlenecks, has led to significant spike in inflation. While the initial pick-up in inflation was led by demand recovery on the previous year's low base, persistent disruptions in the global supply chain network have caused inflationary pressures to be more broad-based and persistent, running at multi-decade highs in almost all the major economies. Almost all the central banks are now taking policy measures to taper down the extraordinary liquidity that was pumped in to support the economy during the pandemic and tightening the monetary policy to rein in their runaway inflation.

In tandem with the global recovery, the Indian economy too recovered from the pandemic-induced shocks of 2020 and witnessed sequential improvement as 2021 progressed. The second advance estimates of the Ministry of Statistics and Program Implementation has put the GDP growth for FY 2021-22 at 8.9% compared to the 7.3% contraction in FY 2020-21. A rapid roll-out of the vaccination drive and supportive fiscal and monetary policies backed this economic recovery. Export-focused sectors have gained from the strong improvement in global trade as well as government initiatives that have pitched India as an attractive investment destination to global corporations who have been looking to de-risk their supply chains as part of their China Plus One strategy. However, an upswing in inflation across commodities and products has resulted in rising import bills and a depreciating rupee, which have compromised many of the import-dependent sectors.

The second advance estimates of the Ministry of Statistics and Program Implementation have put the GDP growth for FY 2021-22 at 8.9% compared to the 7.3% contraction in FY 2020-21.

Outlook

Over the last two years, economies have become more adept at dealing with the pandemic and its fall-out and have put much-needed attention to improving the health infrastructure. The roll-out of vaccination across the length and breadth of India, and reduced hospitalisation and fatality, have enabled the administration to focus on the reopening of the economy, creating employment and supporting livelihoods. However, as seen during the resurgence of COVID cases in early 2022, with the emergence of the Omicron variant, risks to the growth momentum remain pronounced. In addition, recent geopolitical events have added further fuel to the already steep inflationary trends. Policymakers in India, as in the rest of the world, will have to do a tough balancing act in trying to manage the downside risks to the economy, which is still recovering, while dealing with the inflationary pressures by moving away from the accommodative monetary stance of the last couple of years. Businesses too will need to play this balancing act, addressing supply chain disruptions and inflationary concerns through innovative approaches and at the same time, entrenching the demand recovery.

Management discussion and analysis (continued)

BUSINESS SEGMENT REVIEW

DECORATIVE BUSINESS IN INDIA

FY 2021-22 started with the onset of the second wave of the pandemic, which derailed the sequential recovery of the previous quarters when demand across urban and rural markets seemed to be returning from the COVID lows. Drawing from the learnings of the previous year, we focused on servicing the network as much as possible, following all safety protocols and prioritising the safety of our employees and supply chain network partners. Business made quick recovery following the second wave on the back of our constant efforts to raise the customer value proposition across product categories and price points. Overall, we delivered an exceptional performance, registering a volume growth of 31% and an equally strong value growth of 36%, further reinforcing our market leadership.

Asian Paints Safe Painting service

Strategic gains

The strategic pillars of growth were led by upgradation strategies and deeper penetration into smaller cities, setting up mechanisms to reach alternate channels and increasing the depth in the distribution through targeted openings. These strategies were strongly complemented by leveraging the brand strength and looking at product innovation to grow the premium and luxury product mix, specially across T1 and T2 cities. Smartcare Waterproofing was a strong solution-oriented strategy which helped galvanise the overall growth of the business.

Our efforts to continue innovating and providing newer offerings to consumers paid rich dividends. With the high-intensity launch of Royale Glitz in the ultra-luxury space during the year, we took our luxury segment offerings to newer heights. Royale Glitz is a high-end interior emulsion paint that provides unrivalled sheen and has exceptional stain removal and anti-burnishing properties. In the exterior product segment, we introduced the all-new Ultima Allura range of premium exterior textured finishes that are much sought after by architects and interior designers. Innovation in the complex category of waterproofing led to the launch of the revolutionary Smartcare Hydroloc, an unmatched offering in this space. This is a one-component, ready-to-use, penetrative-cum-film-forming interior waterproofing solution that provides best-in-class solutions to problems like dampness and efflorescence.

We saw traction building up in the e-commerce marketplace, with a significantly higher number of consumers reaching out for our Do it Yourself (DIY) range of products.

The waterproofing and adhesives product categories, two of our recent category expansions, continued to grow significantly ahead of the overall portfolio growth. Our emphasis on product innovation and solution-focused approach to meet varied customer requirements through an evolving product plus service combination, has allowed us to make significant inroads in these large categories.

Initiatives undertaken last year in the digital and e-commerce space to address the challenges posed by the pandemic, were further bolstered by a series of enhancements to ensure that our stakeholders can engage with us much more easily. These digital initiatives have ensured that our dealers, contractors, influencers as well as consumers are able to access our products and services in a seamless manner.

We saw traction building up in the e-commerce marketplace, with a significantly higher number of consumers reaching out for our Do It Yourself (DIY) range of products.

Consumer services

During the year, we continued to work diligently on promoting our décor propositions through a comprehensive omnichannel approach and a gamut of initiatives to emerge as the most preferred partner in the Home Décor space. Our 'Beautiful Homes with Asian Paints' digital magazine is now India's largest digital design content platform with a 1.5+ million strong community of followers and subscribers. The magazine is a veritable library of information and inspiration ideas for creating that perfect home, drawing on visits to real homes across the country and interviews with some of the country's best design talent.

Realising that the most difficult part of creating a home is still the making of it, we had launched the Beautiful Homes Service some time back. The interior design and makeover service in India is still a largely unorganised space, with only a few organised companies entering the space in recent years. These players, however, deliver customers run-of-the-mill designs and similar looking homes, and that's where our Beautiful Homes Service comes in. The key proposition of this service is personalised design and professional execution. We ensure that we respect customers' individuality and make designs that suit their needs. We work with a team of experienced interior designers and dedicated project managers. Apart from design, we have a strong technology backbone behind the service which ensures that projects are managed smoothly, and customers are kept informed at each stage of the project.

Our Beautiful Homes Service is now available in 11 cities across India, handholding customers through the entire homemaking journey – right from consultation, personalised designs to professional execution, making their dream homes a reality.

70,000+

Customers across 600+ towns used the Safe Painting Service in FY 2021-22

29

Beautiful Homes stores across India

Our Safe Painting Service continues to be the ultimate benchmark for a professional painting experience and provides consumers peace of mind by following safety protocols at each step of the painting process. The service is now well spread across T1, T2, T3 cities, reaching a multitude of customers. We see consumer expectations rapidly evolving in this space, with more and more consumers looking at a complete painting solution, from consultation to final delivery of finish, through professional service providers. Keeping this in mind, we launched a range of additional services during FY 2021-22 to address the demands of different consumers:

- Wood Solutions Service: End-to-end solution for all wood coatings
- Quick Make-over Service: Service to deliver quick make-over to homes
- Designer Wall Service: Offering to revamp living spaces with designer collections
- Safe Painting Service Pro: Service for architects and interior designer professionals
- Trusted Contractor Service: Providing reliable, trained, and trusted applicators

Our Beautiful Homes Service is now available in 11 cities across India, handholding customers through the entire homemaking journey – right from consultation, personalised designs to professional execution, making their dream homes a reality.

Supply chain

FY 2021-22 posed newer challenges on the already fractured value chains from the pandemic, with the freight markets across the globe disrupted and manufacturing activity impacted due to shortage of materials and manpower. Unlike the first wave in 2020, economic activity across the world continued, with localised and limited lockdowns during the second and third waves. However, in the connected world with extended supply chains cutting across geographies, this led to increased uncertainty, information asymmetry and additional strain on the value chains with intermittent start-stops impacting reliability of operations.

Management discussion and analysis (continued)

At Asian Paints, we leveraged our highly integrated and digitised supply chain network of multiple manufacturing sites, vast and well spread-out supply points and work culture of collaborative working with business partners (dealers, contractors, suppliers and other service providers) to capitalise on the significant paint demand hike post the first wave. On the one hand, the supplier and Asian Paints ecosystems merged together, collaborating to overcome value chain disruptions through tripartite contracts, proactive and transparent information exchange. On the other hand, the Asian Paints Supply Chain team and the Sales & Marketing team came together as ONE team to dynamically optimise available resources to service the paint demand in the context of disrupted material supply, manpower constraints due to COVID infections, and local authorities restrictions preventing operations. Scenario-based planning, inventory optimisation and staging across the chain, deployment of differentiated distribution strategies, new models for demand estimation along with frequent reviews and dynamic procurement strategies not only ensured we serviced the paint demand, but also achieved highest ever Order Fill Rates.

Unflinching focus on product quality, safety and health of employees and customers, dynamically changing availability of materials, a never-seen-before inflationary scenario and many other challenging requirements were commendably handled by the R&T, Supply Chain and Marketing teams – working in collaboration, displaying agility in de-risking and enabling alternate sourcing to keep the value chain well-oiled for meeting customer demand. Several initiatives utilising artificial intelligence, machine learning and other cutting-edge technologies in the realm of planning systems and manufacturing, ensured cost optimisation, competitive advantage and flexibility in servicing customer demand, furthering the supply chain resilience.

An ahead-of-the-industry growth, especially over the last two years, has meant that we have been able to enhance our capacity utilisation levels across our manufacturing plants, including at Mysuru and Visakhapatnam, which were the latest to be commissioned with an installed capacity of 300,000 KL per annum, each. During the year, we initiated brownfield capacity expansion projects at our manufacturing plants in Ankleshwar, Kasna and Khandala. These capacity expansions are with an eye towards enhancing our ability to cater to the demand in the domestic market over the next few years.

INTERNATIONAL OPERATIONS

Outside India, Asian Paints has operations in 14 countries across four regions of the world – Asia (South Asia and Indonesia), the Middle East, Africa and South Pacific. 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 2021-22 continued to be impacted by uncertainties caused by the COVID-19 pandemic, impacting markets to a varied extent. Lockdowns in many markets continued to impact economic activity and consumer sentiment. At the same time, the constrained operating environment led to unique and innovative ways of doing business while ensuring strict adherence to safety protocols. Availability of vaccines, especially in the second half of the year, along with aggressive steps by governments to promote vaccination, helped mitigate the adverse impact of the pandemic. As the year went by, it led to reopening of more sections of the economies we operate in.

Ultima Protek Shyne launch in Bangladesh

In-store merchandising in Indonesia

Our international operations saw record inflationary pressure during the year, and coupled with the COVID-19 challenges, this dented both our top line as well as the bottom line. Supply chain disruptions, led by the lack of adequate shipping containers, added to the operating challenges. We went ahead with the implementation of a series of price increases across all markets despite not being in the leadership position in many of them. This was done to mitigate the impact of rising input prices. Across markets, our strategy was to push in favour of premium and luxury products to augment the top line and minimise the impact on margins. With cost optimisation initiatives and aggressive working capital management, we were able to minimise the impact of increasing costs and contain losses.

Sri Lanka saw consistent shortage of US dollars through the year, which severely limited the availability of key imported raw materials and impacted our business operations. The situation worsened, leading to an unprecedented depreciation of the Sri Lankan currency towards the end of FY 2021-22. Egypt's currency also got devalued in March 2022, creating a short-term panic among stakeholders, including the local banking industry. Ethiopia's currency has consistently depreciated every month due to the overall uncertainty in the political and economic environment and concerns over the availability of US dollars.

Business performance

Across the international markets, our concerted move to capture new network counters, enrol competition contractors and improve consumer mind share has been our biggest growth driver. Growth in premium-luxury products played a pivotal role and enabled deeper shop-shares in existing critical and competitive retailers.

During last year, we continued our focus on product value propositions and worked on launching/revamping products across markets, ensuring better quality and comprehensive offering to consumers.

The waterproofing category has provided a substantial impetus to our growth trajectory. Continuous new product launches and activations, and intensive contractor and retailer training, have enabled us to double our revenues from this category across most of the markets and ramp up our presence in a short duration. We are confident that the growth trajectory will continue, given the technological and marketing strengths we have developed in the past two years, drawing synergies from our well-established India market portfolio.

The Safe Painting Service, rolled out in FY 2020-21 across most of the geographies, gained major traction in FY 2021-22, which saw a close to 3x increase over the previous year. Décor and painting solutions offered under this umbrella have been well appreciated and have helped us create a strong differentiator vis-à-vis competition. Onboarding of retailers and contractors was done swiftly, helping us create an unprecedented service revolution in the international markets.

Asia (South Asia and Indonesia): Nepal, one of our larger international units, had a good year despite being affected by COVID lockdowns. This was on the back of some extremely good work on the premium & luxury emulsions and waterproofing & construction chemical fronts, led by new products and initiatives. In addition, Nepal took large strides in the CP fittings and Sanitaryware business by further growing the Asian Paints Bathsense brand and gaining share from long-established players. Bangladesh too did well on the topline front, scaling up the Safe Painting Service brand by working with large and medium-sized painting contractors.

Trials for water-based and solvent-based paint production were completed in Bangladesh at the new factory that is being set up with an initial capacity of 25,000 KL per annum.

Sri Lanka is facing one of its most challenging economic crises, with the country battling an extreme forex crunch, which has led to large-scale shortages of even the most essential products. This has put severe pressure on our business in the country, forcing us to take some unprecedented price increases to counter the impact of runaway inflation. Despite the challenges, our unit in

Trials for water-based and solvent-based paint production were completed in Bangladesh at the new factory that is being set up with an initial capacity of 25,000 KL per annum.

Management discussion and analysis (continued)

Sri Lanka continued to work on its strategic focus areas, pushing its reach in the premium & luxury emulsions and the waterproofing & construction chemicals space and driving integration at the merged entity, Asian Paints Causeway.

The Indonesia paint market improved in the latter half of FY 2021-22, after recovering from the Delta variant-induced wave. Inflation was rampant throughout the year and the unit had to resort to multiple price increases to mitigate its impact. We have been able to effectively scale up business operations, gaining good presence in the 'Value for Money' market segment. We remain optimistic of the long-term potential of this huge, though fragmented market, and will continue to invest in further expanding our scale of operations, targeting a much wider consumer reach through deeper forays in the distribution network.

Africa: In Egypt, the overall top-line growth and profitability have been a challenge due to intense competitive pressures and the prevailing inflationary conditions. However, we have been able to expand our Safe Painting Service offering significantly in the Cairo region, providing good opportunity for delivering more innovative products to customers and enhancing the brand image. The institutional segment has been an area of focused effort and we have been able to take our engagement with major institutional customers to a higher level across paint, waterproofing & construction chemicals range. In Ethiopia, demand conditions continued to be under strain in the first half of the year due to the civil unrest. However, the situation improved towards to the latter part and the market has since shown signs of returning to normalcy. This was reflected in our unit's progress as well. Foreign exchange unavailability, which has been a persistent challenge for the last few years, continues to put pressure on the operations. The currency also went through several rounds of devaluation during the year.

Middle East: The inflationary environment affected the overall business conditions and profitability adversely, especially in the institutional segment. Cashflow issues affected many of the institutional customers and created challenges in managing the working capital effectively. Business in waterproofing & construction chemicals saw good expansion, with a large number of products being launched in both retail as well and institutional segments. Further, investments have been made in engaging with contractors and consultants to create a long-term partnership.

'Royale' Launch at Scib Paints, Egypt

South Pacific: The South Pacific operations were affected by a number of challenges during the year, beginning with COVID-induced lockdowns. Despite the challenges, our unit still managed to deliver growth for the year, boosted by government efforts to support the economy as well as the fledgling recovery in the key tourism sector.

HOME DÉCOR BUSINESS IN INDIA

Asian Paints is committed to inspiring and exciting Décor and partnering the customer in her making of her dream home. Beautiful Homes.com is the engine driving décor aspirations for our customers. On the retailing and décor product category front, Beautiful Homes stores provide 'Décor under one roof', offering one-of-its-kind immersive consumer experience and have received an excellent response. The footprint of this multi-category décor stores has now expanded to 29 stores across the country and would see further expansion in the coming years.

At the core of the Beautiful Homes stores is a strong phygital (physical + digital) model, with cutting-edge technology and physical experience woven together to provide a unique consumer experience. All the stores use advanced digital technology to provide expert guidance and world-class visualisation to consumers. In addition to paints, these stores offer our range of décor products across segments like furniture, furnishings, decorative lightings, customised tiles, kitchens, wardrobes, bath, and sanitaryware, which help consumers create their dream home. Last year, we had aligned with a fabric and furnishing brand and we retail the same through our Beautiful Homes Stores and a network of 600 retailers.

In a major fillip to our ambition of being the most inspirational Home Décor brand, we have recently acquired stake in two companies in the large Home Décor space – White Teak, an established player in the designer and decorative lighting products space, and Weatherseal, a leading brand in the growing uPVC windows and doors space. These forays will further propel our transition from 'share of surface' to 'share of space' and enable us to play a larger part in the customer life cycle of home makeover.

We also operate in the Kitchen and Bath business and help our customers create kitchen and bathroom spaces of their choice.

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. Under the Kitchen Components segment, 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

During FY 2021-22, Sleek clocked revenue growth of 54.8% despite disruptions in many parts of the country due to COVID-induced business restrictions, especially in the first few months of the financial year. The growth was driven by strong performance across both the Kitchen Components and the Full Modular Solutions segments. We continued to expand our showroom network, on-boarding the right profile of concept-selling and service-oriented dealers. We now have more than 250 showrooms across the country offering the full modular kitchen design and installation services. This is an unparalleled network in this line of business in the country, and it offers us a unique positioning from where to disrupt the market with solutions that cater to varied customer requirements in the space. Integration with the Beautiful Homes stores network as well as the Beautiful Homes Service solution, has also enabled us to scale up the offering. We have also taken new product initiatives in the Kitchen Components segment – introducing new profiles and sliding fittings, which have opened new avenues for us in the Kitchen Hardware category. This has helped us establish ourselves as a formidable player in a segment traditionally dominated by European brands. The luxury collection of kitchens with premium finishes, launched last year, also saw high demand during the year. This is one of the most comprehensive collections of luxury kitchens by any company in India.

During the year, the Projects channel of the business, offering Full Modular Solutions to residential housing projects, expanded well as the real estate sector picked up momentum after years of sluggish performance. We have built up a strong presence in the key residential project markets of Mumbai, Pune and Delhi, strongly associating with some prominent realty brands in these places. During the year, we also expanded our presence in this channel in some cities in the Southern part of the country, thereby widening our reach.

A strong collaborative approach with the established Projects network of the Decorative Business segment of the Company, helped us tap synergies and convert many large key project sites with a comprehensive solutions approach.

However, despite the scale up in market presence and operations, the steep rise in commodity prices remained a drag on profit objectives. Thus, while the business garnered efficiencies of scale, material inflation resulted in overall losses for the operations, although to a much-reduced extent compared to the previous year.

54.8%

Revenue growth for 'Sleek by Asian Paints' during FY 2021-22 despite disruptions caused by the pandemic

Management discussion and analysis (continued)

BATH FITTINGS AND SANITARYWARE

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, particularly the sanitaryware range to further leverage our network and presence in the Chrome-plated (CP) fittings market. We are committed to creating a new world of bath products and solutions, where the consumer can actively look at solutions and customised offerings to meet varied functional and décor needs.

Business performance

The business grew well during the year, leveraging the network and product expansion initiatives undertaken over the last couple of years. A range of new products including touch-free products in the CP fittings and sanitaryware space were launched during the year. Our agenda of premiumisation in the sanitaryware space was further pushed with introduction of high-end products and accessories. Concept products and fittings were launched under the CANVAS range – a unique range of products that provides the consumer the choice of coloured bath fittings and complements the sanitaryware of choice. Products under CANVAS come with one-of-its kind Lotus 25 hydrophobic technology that provides long-term warranty from scaling on the CP fittings.

The business also moved ahead with the launch of concept bathrooms under BESPOKE – which offers themes and designs for a full bathroom solution as a service to customers in select cities. The business continues to work on various product development initiatives for the future, further enhancing its capability to offer contemporary, innovative and differentiated solutions, catering to a wide spectrum of consumer preferences.

The business made a strong impact in the Projects segment during the year, leveraging the strengths of the Decorative Business Projects team. This has helped us make greater inroads in this category across a range of customers including prominent builders and construction companies while catering to government infrastructure orders at an enhanced scale.

The network expansion drive also continued right through the year, with increased representation in large cities as well as T2 and T3 towns. Continuing with the 'service excellence' theme, we ensured that technicians provided prompt and reliable post-sales support, strengthening our offering to consumers. We have placed significant focus on operational performance and thus concentrated on productivity enhancement through automation, mechanisation and training at our manufacturing plant in Baddi. This helped the business reduce costs significantly and, along with the efficiencies of scale, enabled the business to deliver profits for the year.

Work on setting up a second manufacturing facility for both the Kitchen and Bath businesses is ongoing and we expect to commission both these facilities in FY 2022-23. The facilities will provide strong support in enhancing the growth potential of both the businesses.

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

Operating environment

The automotive industry, the most significant driver of the automotive coatings industry, faced a challenging business environment given the high commodity inflation, supply disruptions and limited availability of semi-conductors. It still managed to register a 19% growth in terms of the automotive segment, coming back from the lows of the previous year. However, the two-wheeler industry, continued to reflect the adverse economic realities, and witnessed a de-growth of about 4%.

PPG-AP team with Mahindra XUV 700

Value Pro from PPG-AP

Business performance

PPG-AP registered double digit growth in sales driven by the growth in volumes in most segments. Further, it was able to successfully garner price increases with its key automotive customers, though with a considerable lag, which supported the topline growth to an extent. The delay in closure of price increases, which was required to offset the impact of inflation, hurt business profitability. However, innovation in formulation, sourcing efficiency and other cost optimisation efforts helped minimise this adverse impact on profitability.

The company's Dahej Resin facility is fully operational and almost all 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.

Non-auto industrial coatings

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, powder coatings, floor coatings and road markings segments, servicing customers in infrastructure, oil and gas, power and white goods sectors, among others.

Operating environment

The industrial coatings market was affected by disruptions caused by restrictions during the first quarter of FY 2021-22. However, the impact of subdued manufacturing and private investment activity on demand for industrial coatings was offset by strong government spending in infrastructure and supported by the emerging demand from export-focused sectors. The industry experienced an unprecedented raw material cost inflation throughout the year as well as uncertainty in the supply of input materials given the steep rise in ocean freight and shipping delays.

Project - South West Gas Fields Development Project, Sonatrach Algeria by Larsen & Toubro

Business performance

Despite such a challenging environment, AP-PPG delivered record revenues during the year. Growth in the Protective Coatings segment was driven by new customer wins, strong execution of key projects and expansion of channel network. Focus on new customer acquisitions and product portfolio enhancements contributed to the strong growth in the Powder Coatings and Road Markings segments. The Floor Coatings business gained significantly from the collaboration with the Decorative Business Projects team, leveraging its vast customer reach to solidify its position in the segment.

Swift implementation of price increases to offset the raw material cost inflation, product mix improvement and cost optimisation measures helped the business protect its margins. Overall, AP-PPG registered good growth in terms of revenue along with significant rise in profits amid challenging business conditions.

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

Some significant features of the internal control systems are:

- Documentation of major business processes and testing thereof including financial closing, automated controls and entity level controls. Compliance to these policies and procedures is an integral part of the management review process
- The Company uses robust ERP and allied IT tools as an integral part of the internal control system. The Company also uses data analytics tools to identify data exception and trends for 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 Company develops detailed business plans for each segment. Year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all functions
- The Company has a strong compliance management system which runs on an online monitoring system
- The Company has a well-defined delegation of power with authority limits for approving expenditure which is reviewed and suitably amended periodically
- The Company has well-defined principles and procedures for evaluation of new business proposals/capital expenditure
- The Company has an effective whistle-blowing mechanism and conducts training/awareness sessions on policies and Code of Conduct compliance
- The Company has an Enterprise Risk Management programme through which functions address risks through an institutionalised approach aligned to our objectives

Adequacy and effectiveness of the internal controls are routinely tested by Internal Auditors based on their risk-based audit plan. The audit plan covers key processes across the functions including plants, depots and other establishments. Suggestions to further strengthen the processes or to make them more effective are shared with the process owners and changes are made suitably.

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. This 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 blower policy and mechanisms. The Company stays committed to maintaining the highest standards of governance.

Enterprise Risk management

The Company's business is subject to risks and uncertainties that could have both short-term and long-term implications. In a rapidly changing business environment with dynamic customer requirements, business risks are constantly evolving. As a result, there are many emerging risks landscape across businesses. The Company constantly monitors external environment to identify potential emerging risks and their impact on its business.

For more details on Enterprise Risk Management, please refer to the Risk Management section on page 90.

Key ratios

Ratios	Standalone FY 2021-22	Standalone FY 2020-21	Consolidated FY 2021-22	Consolidated FY 2020-21
Debtors turnover ratio	10.6	12.5	9.0	9.9
Inventory turnover ratio (on cost of goods sold)	3.7	3.4	3.7	3.4
Interest coverage ratio	202.2	185.3	45.8	47.7
Current ratio	2.3	2.2	2.0	2.0
Debt equity ratio*^	0.001	0.002	0.056	0.028
Operating margin ratio (%)#	20.0%	26.2%	17.8%	23.8%
Net profit margin (%)#	12.4%	16.5%	10.6%	14.8%
Return on networth (%) (RONW)**	24.6%	28.3%	23.2%	27.4%

For Standalone:

*Increase in net worth has led to improved debt equity ratio.

**RONW has decreased in FY 2021-22 by 13% mainly on account of increase in retained earnings.

For Consolidated:

^Higher borrowings in Foreign Subsidiaries to manage working capital needs has led to higher Debt Equity Ratio.

#Operating and Net Profit Margins have decreased on account of inflation.

**RONW has decreased in FY 2021-22 by 15% mainly on account of increase in retained earnings.

Please refer to the narratives forming part of the six Capitals of Integrated Report for the material developments in respect of Human Resources and industrial relations.

Value creation model

Delivering joy to people's lives

External Environment

Inputs

Financial Capital

₹ 13,349.1 Crores
Shareholder's fund

₹ 19.6 Crores
Borrowings

Manufactured Capital

₹ 3,689.6 Crores
Property, plant and equipment

10
Own manufacturing facilities

28
Outsourced processing centres

1,730,000 KL
Installed decorative paint capacity per annum *

** Only own manufacturing facilities*

Intellectual Capital

₹ 92.5 Crores
Spent on Research and Development (R&D)

22
Number of patents filed

200+
Number of scientists at R&D centre

₹ 67.5 Crores
Investment in information technology

Human Capital

7,423
Permanent employees

18,600
Temporary/ contractual employees

₹ 21.3 Crores
Investment in learning and development

Social and Relationship Capital

145,000+
Retail touch points

180,000+
Business influencers

₹ 70.8 Crores
CSR expenditure

18,000+
Supplier base

Natural Capital

0.8 KL/KL
Specific water consumption

₹ 16.2 Crores
Integrated watershed development

Reporting Boundaries

Natural Capital *Decorative Paint Business in India*
Other Capitals *Asian Paints Limited (Standalone)*

Stakeholders

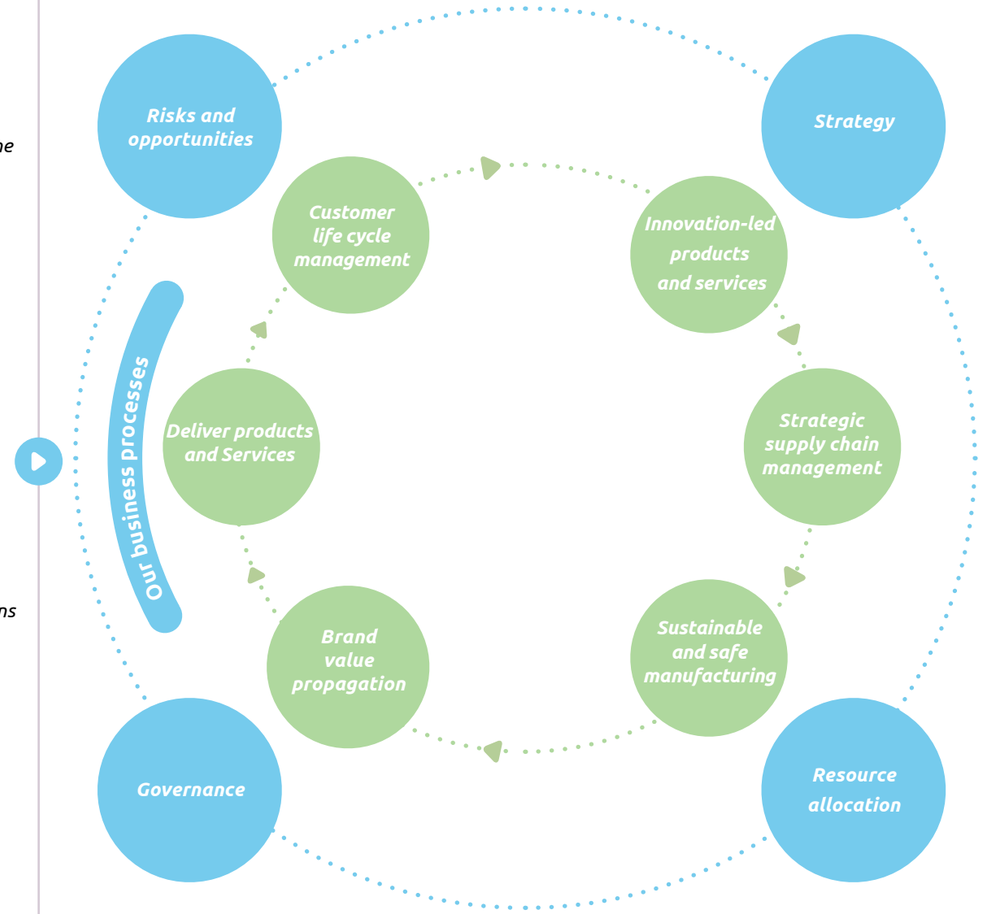
Customers | Influencers | Investors | Employees | Community | Government and Regulatory Bodies | Vendors

Our purpose

We exist to beautify, preserve, transform all spaces and objects, bringing happiness to the world.

Strategic focus

- *Customer celebrations*
- *High-performance team*
- *Innovative and co-created solutions*
- *Sustainability*
- *Cutting-edge technology*



Outputs

Product portfolio

Paints | *Waterproofing* | *Wall coverings*
Adhesives | *Décor* | *Tools*
Bath fittings and Sanitaryware

- Traded products
- Manufactured/ traded

Services

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

Outcomes

Financial Capital

₹ 25,002.1 Crores
Revenue from Sale of products and services

₹ 5,039.7 Crores
EBITDA

₹ 3,134.7 Crores
PAT

₹ 32.7
EPS

33.5%
ROCE

Intellectual Capital

17
Number of patents granted

29
New products launched

Human Capital

0.6
Lost Time Injury Frequency Rate (LTIFR)

12.1%
Attrition rate

60.3
Severity rate

100,000+
Training hours

Social and Relationship Capital

Impact of community initiatives:

270,000+
Lives touched through health Initiatives

375,000+
Beneficiaries through Colour Academy trainings

370,000+
Mandays of training through Colour Academy

Natural Capital

63.7%**
Reduction in specific hazardous waste disposal

282%
Water replenishment

62%**
Reduction on Specific Non-Process Water (SNPW)

36.9%**
Reduction in specific electricity consumption

77.4%**
Reduction in specific effluent generation

69%**
Emission reduction

61.1%
Renewable energy consumption out of total consumption

*** As compared to baseline year 2013-14*

Values

Standing for each other's success | *Creative zeal* | *Integrity* | *Audacity* | *Scientific rigour* | *Customer passion*

Financial Capital

Robust performance across key metrics

We always strive to ensure healthy returns for the providers of our financial capital. Our success in this regard is evident from our continued growth and wealth creation over the years. During the year, we continued our double-digit revenue growth trajectory despite the steep material inflation that compressed margins. Our cost efficiency, price increases and turnaround in the Décor business helped us withstand the temporary upsets. We have registered strong volume growth, led by our expanding business in the Tier I and II centres as well as the urban markets.

Strategic focus areas

Strong revenue growth, expanding from 'share of surface' to 'share of space'

Cost optimisation to deliver sustainable profits

Efficient asset utilisation and working capital management

Effective capital allocation for future growth and sustained return on investment

Key material issues

Financial performance

Organisational resilience

Business ethics and corporate governance

Anti-corruption

Anti-competitive behaviour

SDGs impacted

FY 2021-22 key highlights

36.8%
Growth in Revenue from Sale of products and services

3.7%
Growth in EBITDA

21.4%
Growth in Market Capitalisation

58.6%
Dividend pay-out ratio

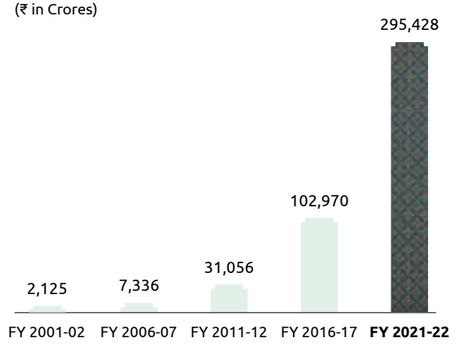
Interlinkages to other capital

- **Manufactured capital**
- **Human capital**
- **Intellectual capital**
- **Social and relationship capital**
- **Natural capital**

Our market capitalisation has grown at a robust CAGR of 28.0% since 1st April 2002 from ₹2,125 Crores to ₹295,428 Crores as on 31st March 2022. We are proud to have retained the consistent support and trust of our shareholders, who have committed their wealth and supported our growth story. In return, we have constantly strived to maintain a healthy dividend pay-out ratio. The average dividend pay-out of 55.7% of our earnings over the past five years reflects our commitment towards sharing the wealth generated with our shareholders.

Creating sustained value for investors

(Market Capitalisation as at 31st March)
(₹ in Crores)



*Source: www.nseindia.com

Both on the volume front as well as on the value front, we have continued to report healthy performance and have taken key decisions in the past two-three years that have helped us deliver value for our investors and shareholders despite the prevailing uncertainties caused by the pandemic. Our foray into the Home Décor business has enabled us to capitalise on the synergy between home renovation, new homes and home makeovers, thus allowing us to capture the customer lifecycle while retaining our core strength in the home painting category. The waterproofing and other admixtures sections have gained traction and we are seeing a strong uptick from new launches in the premium space. We have also been making deep inroads across the customer segments of builders, government, factories, and cooperative societies.

Economic value creation*

(₹ in Crores)

Particulars	FY 2021-22	FY 2020-21
Direct Economic Value Generated	**25,640.4**	**18,882.9**
Revenues	**25,188.5**	18,516.9
Other Income	**451.9**	366.0
Economic Value Distributed	**24,339.9**	**17,564.6**
Operating costs	**20,011.6**	13,601.5
Employee wages and benefits	**1,310.1**	1,128.7
Payments to providers of capital	**1,836.9**	1,712.2
Payments to Government^	**1,110.5**	1,059.2
Community investments	**70.8**	63.1
Economic Value Retained	**1,300.5**	**1,318.3**

^ It does not include amount paid by the Company towards Goods and Services Tax (₹ 1,366.4 Crores for FY 2021-22 & ₹ 1,702.4 Crores for FY 2020-21)

Strong revenue growth, expanding from 'share of surface' to 'share of space'

We continued to grow at a robust pace across all our business segments, well supported by the recovery in the overall economic activities, emerging out of the pandemic-impacted previous financial year as well as drawing from the multi-pronged initiatives to push higher customer value proposition across products and services. The underlying favourable factors of low per capita consumption relative to other economies — developed as well as emerging, significant middle class with rising aspirations provide significant tailwinds for continued growth for the entire paint industry. As a leading paint manufacturing company, we focus on tapping into this significant potential, continuously looking at avenues to upgrade our customers towards superior quality and superior value products as well as leveraging our established customer and network connect to expand into allied product categories, such as the waterproofing and adhesives space to offer comprehensive solutions to our customers. We also look at leveraging the strengths from our leadership presence in the domestic markets, taking our key learnings and adapting them to the local requirements to service the global markets that we operate in.

During the year, we continued to scale up the Industrial Coatings business despite multiple challenges faced by key consumer segments like the automotive industry due to the global supply chain issues. This was driven by continued focus on expanding our customer base with competitive offerings, network expansion and new product introductions to meet specific customer requirements. The government's intent in establishing a strong manufacturing sector in the economy, servicing not just the domestic demand but also catering to the overseas demand, augurs well for the overall industrial coatings business in the years to come.

We continue to look at charting a higher trajectory for our Bath and Kitchen business. We are exploring newer markets in Tier II and Tier III cities and further expanding our product portfolio with some innovative product offerings.

In addition to expansion and growth in our product portfolio, we continue to push our service brand – 'Beautiful Homes Service', to cater to the evolving needs of customers who are looking at a trusted brand offering unique, bespoke Home Décor inspirations to realise that dream home. This service, a comprehensive end-to-end interior design to execution service, has been expanding month-on-month catering to an ever larger number of homes and customers since the time we launched it in the second half of the previous financial year. This is enabling us to realise our intent of shifting from 'share of surface' to a 'share of space' player, partnering strongly with our customers in their Home Décor journey. Keeping up with this focus, we are expanding our product offerings in the Home Décor space. Our Furnishings range, in tie up with Pure Concept, is gaining significant traction with its unique, quality offerings. More recently, we have acquired interest in White Teak and Weatherseal Fenestration, which are established brands in the designer & decorative lightings and uPVC windows & door systems space, respectively. This will help us further our Home Décor aspirations.

Cost optimisation to deliver sustained profits

The steep and unprecedented inflationary trend in raw material prices witnessed throughout the year meant that we had to step up our R&D efforts so as to find alternative and cost-effective material sourcing avenues. It also meant optimisation of product formulations and manufacturing processes to reduce our costs, so that we could generate higher savings to cushion the impact of the inflation. At the same time, given the continued pressure of rising raw material prices, we had to look at judiciously raising the prices of finished goods to protect the operating margins, taking utmost care not to adversely impact consumer demand in a significant manner. We resorted to some smaller price increases in the first half of the financial year as the economy was emerging out of the impact of the second COVID wave. Significant price increases were taken in Q3 to mitigate the continued inflation impact, which enabled us to improve the operating margins on a sequential basis.

Efficient asset utilisation and working capital management

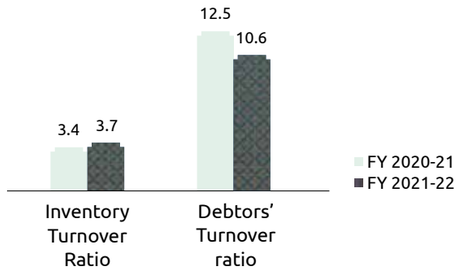
Our focus is always to better our manufacturing asset utilisation across all facilities through continuous process improvement initiatives. During the year, we continued to drive higher utilisation at our recently commissioned large-scale manufacturing set-ups at Visakhapatnam and Mysuru, which offer us the benefit of lower operating cost per tonne of manufactured output.

Efficient working capital management while adapting the parameters to the uncertain external environment is a key imperative. Our organisation has looked at continuously optimising the deployment of working capital in a manner that supports our business growth and profit objectives.

Through the year, we maintained a higher raw material inventory than normal to address raw material supply uncertainties on account of global supply chain disruptions as well as to contain the impact of rising inflation across key raw materials. We also leveraged our forecasting capabilities to secure timely placement of raw material requirements and collaborated with vendors to ensure their timely delivery for processing.

To ensure no loss of sales amidst the uncertain customer demand, we increased the finished goods inventory levels across our depots. This resulted in the overall inventory levels increasing by 1.7x of that of last year, but this enabled us to deliver industry beating revenue growth in a highly uncertain environment and minimise the impact of rising inflation.

On the trade receivable front, taking cognizance of the impact of the pandemic on the unorganised sector of the economy, we have introduced new credit terms for our dealer network, leading to an increase in the average receivable days. At the same time, we had a continuous drive for recovery of overdue receivable from our dealers. Dedicated efforts were taken by the Company in that direction, resulting into considerable recovery from the debtors.



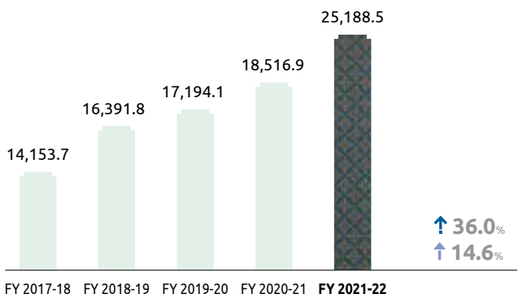
Effective capital allocation for future growth and sustained return on investment

The improved scale of operations, supported by significant revenue growth despite the challenges posed by the pandemic, warrants continuous evaluation for investments in capacity expansion to support future growth needs. At the same time, our focus on innovation to bring out new product and service propositions and continuously enhance our customer engagement, requires sustained investments towards technology improvement in manufacturing, research & development, information technology, sustainability and so on. We look at capital allocation towards all these requirements with a sharp focus on ensuring that these investments not only push the business growth objectives forward but also result in delivery of sustained return on investments for shareholders. During the year, we initiated capacity expansion projects at our existing plants at Ankleshwar, Khandala and Kasna. We are also investing in manufacturing facilities for the Kitchen and Bath business at Wada, in Maharashtra. Further, capacity expansion has been planned at Mysuru to meet long-term demand. In the International operations, one of the major investments undertaken during the year was towards setting up a second manufacturing facility in Bangladesh to support the growth in operations.

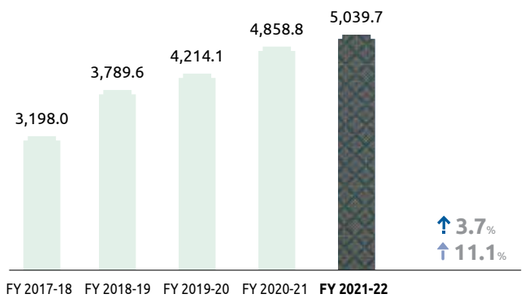
* GRI 201-1 Direct economic value generated and distributed

Profit and loss indicators (Standalone)

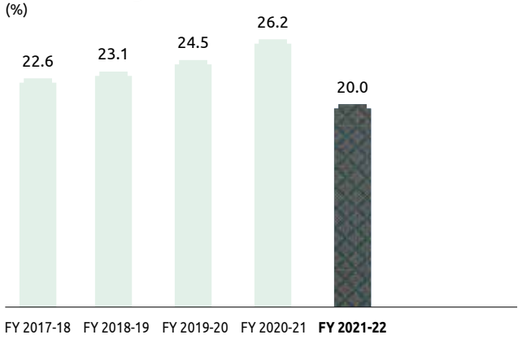
Revenue from operations
(₹ in Crores)



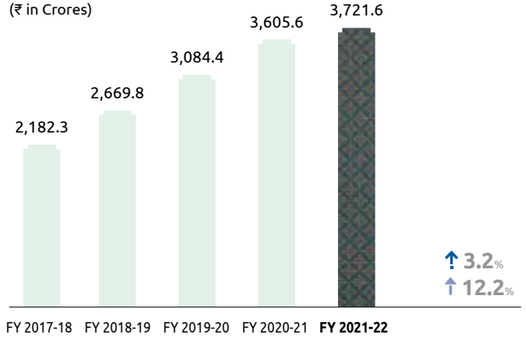
EBITDA
(₹ in Crores)



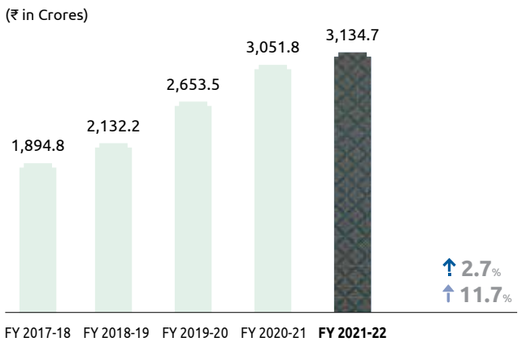
EBITDA margin
(%)



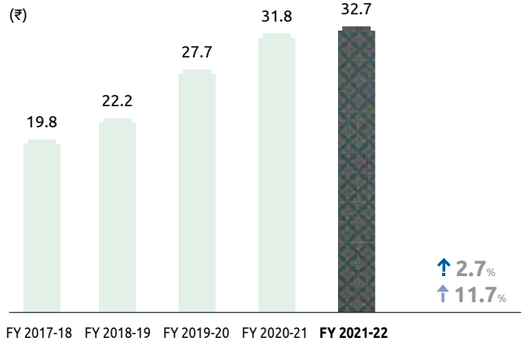
Cash profit
(₹ in Crores)



Profit after tax (PAT)
(₹ in Crores)



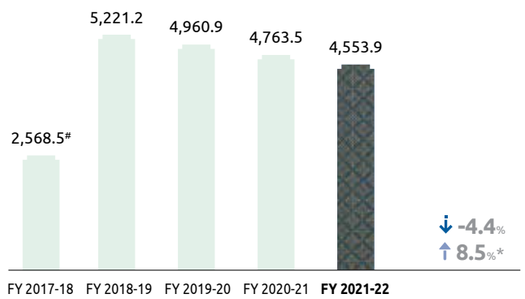
Earnings per share (EPS)
(₹)



Note: The figures for FY 2019-20 and FY 2020-21 have been restated (wherever necessary) on account of amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company with the appointed date of 1st April, 2019.

Balance sheet indicators (Standalone)

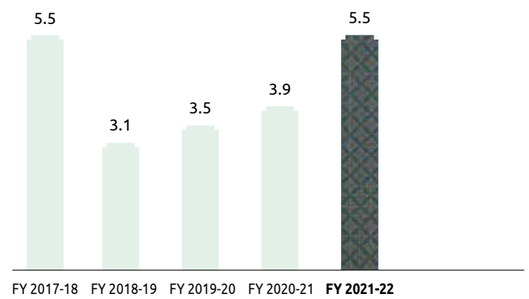
Net fixed assets
(₹ in Crores)



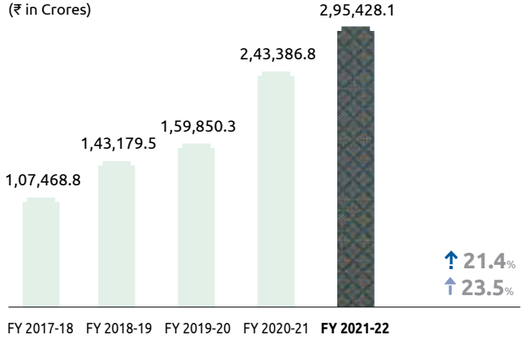
#Does not include impact of Ind AS 116 - Leases and addition of new plants in Mysuru and Visakhapatnam

* Excludes impact of Ind AS 116 - Leases

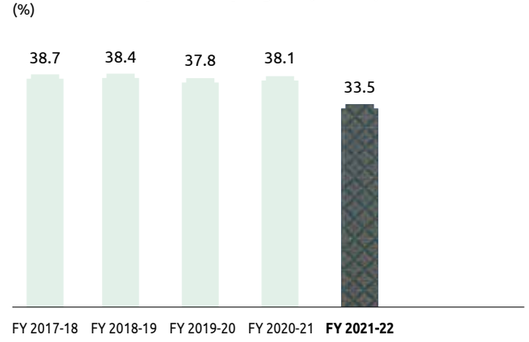
Asset turnover ratio
(x times)



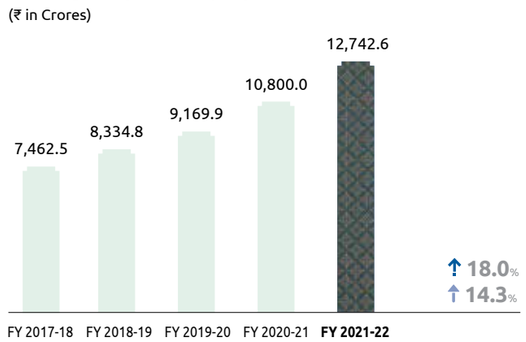
Market capitalisation
(₹ in Crores)



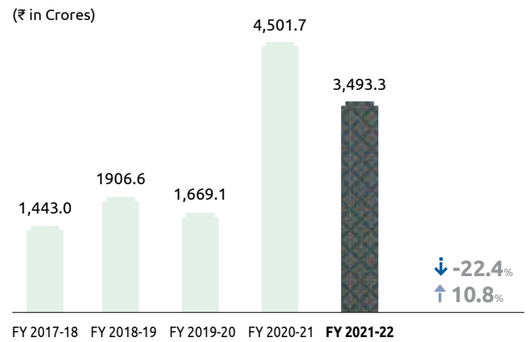
Return on capital employed (ROCE)
(%)



Average capital employed
(₹ in Crores)



Surplus Cash on books
(₹ in Crores)



Y-o-Y growth

5-year CAGR

Ramping up responsibly

At Asian Paints, our focus has been on prudently managing our capital investments to create a portfolio of assets that help create maximum value for our customers. The year saw us implement a host of measures that ensured continued operations at our plants despite the challenges created by the pandemic. At the same time, we continued to deliver on our commitment to responsible manufacturing by minimising resource and energy use and adopting the latest technology, safe and sustainable manufacturing practices while always upholding environmental compliance.

Strategic focus areas

Manufacturing excellence

Workforce development and training

Flexibility to incorporate diverse product portfolio

Occupational health and safety

Sustainable supply chain management

Enhancing productivity and operational efficiency

Key material issues

Climate change

Occupational health, safety and wellbeing

End of life management of product and packaging

Responsible supply change

Product stewardship

SDGs impacted

Interlinkages to other capital

Financial capital

Intellectual capital

Human capital

Social and relationship capital

Natural capital

FY 2021-22 key highlights

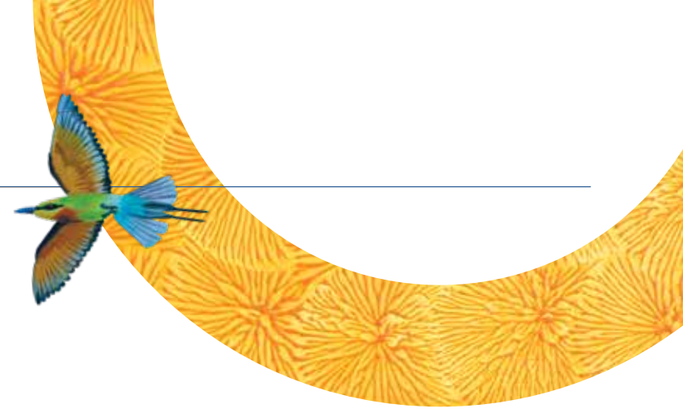
112
Improvement projects across manufacturing facilities

4,800+
Kaizens/improvement suggestions submitted by employees from different cadres across all manufacturing sites

6
Manufacturing units got 5-star rating in safety audit by the British Safety Council in last cycle

29
Products launched

27
Awards to our manufacturing sites across various categories



Two attributes that often describe the most successful supply chains are adaptive and resilient. An adaptive supply chain is one that responds quickly to changes and disruption and the ensuing changes to demand. A resilient supply chain is able to recover quickly from these disruptions. These terms perfectly describe the Asian Paints supply chain.

We aim to continuously improve the complexities of our supply chain by integrating sustainable practices to meet increased demands in a timely and organised way. To achieve this, we implement cutting-edge technologies, optimise processes, increase automation and maintain the emphasis on sustainable development.

Uninterrupted business

The COVID-19 pandemic has disrupted supply chains around the globe. The Asian Paints supply chain was able to remain adaptive and resilient, turning the pandemic into new opportunities for expanded services and new products. Despite the supply chain variabilities due to the second wave of COVID-19, we worked with our supply chain partners to ensure seamless supply of inputs and finished goods to the consumers. Measures undertaken by us to ensure uninterrupted business and adherence to the restriction imposed to curb the spread of virus included:

- Optimised finished goods inventory at the national level to ensure uniform servicing across the country
- Worked on derisking of manufacturing for critical product streams by evaluating alternate manufacturing locations, especially to avoid site dependencies
- Ensured safe restart protocols at all manufacturing locations for process equipment and people
- Evaluated alternate geographies and additional suppliers to ensure seamless delivery
- Developed alternate materials/formulations to address supply concerns while also optimising costs
- Maintained higher raw material inventories with optimised mix

Handling the pandemic second wave

The second wave of the COVID-19 pandemic posed extreme challenges in terms of handling the operations and the workforce given the severity of infections. The protocols set up in FY 2020-21 to manage the pandemic were further strengthened and operations streamlined with a high focus on personnel well-being and strict adherence to COVID appropriate behaviour.

Over the last year, all our plants and other manufacturing locations were operated keeping in mind the health mandates put forth by the government to ensure social distancing and proper sanitization.

Site-level programmes, customised to the needs of individual employees, were set up at all our manufacturing facilities. Adequacy and effectiveness of the safety measures prompted employees to say that they “felt the safest at the workplace”. Our priority was to vaccinate our employees with agility and to ensure this, multiple vaccination drives for both the doses were held across all our manufacturing locations. For the employees who could not attend the vaccination camps, vaccine reimbursement policy for employees and their families was introduced to encourage faster vaccination.

Even with the controls imposed by local authorities, raw-material shortage due to global supply chain disruptions, we not only managed to continue our operations, but we also surpassed the previous production volumes, setting newer records.

Manufacturing excellence

We continuously work towards improving the flow and operation of our complex supply chain by incorporating sustainable practices that will allow us to meet our demands in a timely and organised manner. We are thus constantly leveraging advanced technology to develop newer products and methods of meeting customer demand.

During the year, we launched a programme to enhance our manufacturing excellence. This is a digital integrative improvement solution that helps us achieve sustainable results through the adoption of best practices and work process improvements by involving plant operations teams across all our manufacturing units. Through this initiative, we aim to actively work on improving manufacturing asset utilisation, while simultaneously reducing fixed overhead costs, working capital, energy and water usage. We are committed to ensuring legal and environmental compliance and sustainable practices for all our operations. The key areas for improvement are:

- Material cost reduction
- Operational cost reduction
- Use of cutting-edge manufacturing technologies
- Data analytics

Highlights of the manufacturing excellence initiative

- Initiative aligned with our organisation Charter as an enabler for achieving strategic and other business outcomes and has been extended across all eight of our manufacturing facilities
- Kasna, Khandala and Patancheru achieved a 5-star rating in safety audit by the British Safety Council with Kasna being awarded excellent rating (highest rating achieved by Asian Paints)
- Investment in enhancing manufacturing capability, technology and capacity
- Continuous improvement to sustain a cost competitive manufacturing base
- Strong innovation in product portfolio leading to enhanced value proposition for our customers

Use of cutting-edge manufacturing technologies

At Asian Paints, business and IT have always been as close as two coats of paint. The strength of our existing platforms enables us to chase growth as well as appreciate the need for it. The focus on automation to improve the accuracy of our production processes has enabled us to deliver consistently and reduce waste.

We are looking to continuously adopt the latest state-of-the-art technologies which enable us to drive greater efficiency in the supply chain while delivering cost savings. The latest technologies employed at our manufacturing facilities provide us feedback on the accuracy of material additions, adherence to recipe parameters, etc., which help us optimise our manufacturing practices to best suit our cost reduction objectives. Use of such technologies has resulted in tangible business impact such as machine cycle time reduction, energy cost savings, and material cost savings by improving the accuracy of additions. During FY 2021-22, we also implemented technologies which enable visualisation of the bottlenecks, challenges faced in the manufacturing operations and so on, thus enabling quicker resolutions of problems.

Our technology and innovation strength is one of the biggest value propositions that we bring to the customer. We are constantly looking to implement the latest technologies to garner insights into customer behaviour and leverage such insights to fulfil the expectations of the customers.

GAINS from the use of data analytics

- Facilitated stream-wise review of products with high cycle time and deep dive into problems, thus enabling their effective resolution
- Helped us evaluate alternative geographies and additional suppliers to ensure seamless delivery
- Enabled optimum inventory management

Cutting edge technologies in warehouse operations

With more than 140 company warehouses, we have a vast distribution network which helps in ensuring uninterrupted supply of our products to meet the needs of our customers. Our decorative plants warehousing facilities are laced with the latest state-of-the-art technologies and work on the principle of robotic warehousing which has been integrated with the ERP to solve the problems of a bloated inventory, high operational expenditure and factory-level losses.

94

New suppliers onboarded using environmental criteria

Supplier assessment**

Suppliers of raw and packing materials and other traded goods are key to meeting our business objectives as well as social, environmental commitments and overall business sustainability. Hence choosing the right partners in this journey is very critical step.

To enable the right choice of material and business partner, we deploy a well-defined stage-gate process which assesses and addresses all techno-commercial aspects as well as enables commercialisation. The four stages are:

- Initial technical and commercial assessment of the supplier basis information shared by the supplier and requirements set out by Asian Paints, including site audits
- Assessment of the material against the technical requirement
- Performance evaluation of the material in the R&T lab, against the product requirements
- Pilot scale assessment at the factory shopfloor for performance and handling requirements

Aspects related to social, legal and environmental compliance are assessed across the by supply chain by R&T and Corporate Quality and Safety teams. Post onboarding, the suppliers are routinely assessed, ranked and business is awarded basis their performance with respect to quality, delivery, price competitiveness and collaborative working on various initiatives ranging from new material innovations and logistics.

External manufacturing network

To meet the ever-increasing demand, we also use facilities of Outsourced Processing Centres (OPCs) for flexible production support. During FY 2021-22, we engaged with 28 OPCs to manufacture products sufficient to meet our needs and to produce quality products at acceptable manufacturing yields. It was ensured that such products were delivered to us on a timely basis and at reasonable prices. Strict adherence to quality standards was ensured through quality assurance by our personnel.

We require our suppliers and OPCs to adhere to all statutory requirements related to manufacturing and handling and selling of material*. We also expect our suppliers and OPCs to treat their employees and interact with communities in ways that respect human rights^. During the FY 2021-22, 94 new suppliers were onboarded using the above criteria.

Striving for continuous improvement

Our focus is to develop a more efficient, cost-effective, and reliable model for our manufacturing processes while meeting customer needs in a successful manner.

We are strengthening our manufacturing capabilities with regard to capacity, flexibility, scalability, safety and sustainability aspects. With the introduction of manufacturing excellence initiatives, we are focusing on improving both our processes and practices. For example, through the implementation of TRACC at all Asian Paints' plants, we are aiming for substantial work process improvements through the involvement of plant operations teams. As a part of TRACC, the teams actively work on practices including Focused Improvement, Asset Care, 5S, Set Up Time reduction etc.

During FY 2021-22, we were able to complete path breaking work on sourcing and formulation. The importance of this cannot be overemphasised at a time of spiralling raw material price inflation. Despite the availability constraints across commodities like monomers, Titanium Dioxides and speciality additives, we were able to fulfil paint demand.

*GRI 308-1 New suppliers that were screened using environmental criteria
**GRI 102-9 Supply Chain
^ GRI 414-1 New suppliers that were screened using social criteria

Investing in the future

Given our increasing market penetration and growing consumer demand, we have been able to enhance our capacity utilisation across our manufacturing plants, including at Mysuru and Visakhapatnam which have an installed capacity of 300,000 KL per annum each. The Visakhapatnam factory has Indian Green Building Council's platinum certification.

We have initiated brownfield capacity expansion in our manufacturing plants at Ankleshwar, Kasna and Khandala. We signed an MoU with the Gujarat government during the year to begin expansion of our paint manufacturing capacity at Ankleshwar from 130,000 KL per annum to 250,000 KL per annum, and resins and emulsions from 32,000 MT per annum to 85,000 MT per annum. Apart from enhancing our capacity to meet current and future requirements, we continue to invest in upgradation and upkeep in order to be compliant with relevant laws and regulations for manufacturing processes.

Make in India

We are India's largest and Asia's third largest paint company, with operations spread across 15 countries. Our 26 paint manufacturing facilities across the world are serviced by a well-integrated supply chain and equipped with cutting edge technology. They are backed by regional distribution centres, outsourced processing centres and branches across India and several regions of the world. Our superior R&D has made it possible for us to manufacture products which were earlier imported from other nations. Through our manufacturing excellence initiatives, we are committed to support the India government's mission of 'Make in India', which aims to transform India into a manufacturing hub. During FY 2021-22, Asian Paints has procured approximately 67% of its total requirement from local suppliers. Out of total purchase of ₹ 15,603 Crores, an amount of ₹ 10,418 Crores was spent on procurements from the local suppliers.*

Bath fittings and sanitaryware

In the Bath fittings and Sanitaryware segment, we are focusing on creating a new world of bath products and solutions. During FY 2021-22, we made a strong impact in the Projects and Builder segment by utilising the strengths of the Paints Projects Teams. This has helped in making stronger inroads into 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 right through the year, with representation in large cities as well as Tier II and III towns. The Company has placed significant focus on operational performance and in line with the focus, productivity enhancement through automation, mechanisation and training were taken up at its manufacturing plant located in Baddi. This has helped the business reduce costs significantly and improve on overall profitability.

Safety and employee engagement

At Asian Paints, our focus is not just to maintain product excellence but also on whether we are manufacturing efficiently and responsibly. We continuously strive to adopt world-class practices at our plants to improve safety levels, enhance quality and deliver superior products in a timely manner.

In line with this, all our plants are subject to British Safety certification on a regular basis. All our plants participate in the Behaviour Based Safety (BBS) initiative, which aims to foster a zero-accident culture both at the plant and at home by addressing individual behaviour. We conduct periodic trainings and awareness sessions to build a mindset focused on safety. Through our BBS initiative, we have made significant progress to enhance the safety culture at Asian Paints through:

- Extensive usage of hazard identification and risk prevention (HARP) across levels to strengthen the belief that 'All injuries are preventable'
- Gamification of road safety rules to create awareness and enhance sensitivity among all employees
- SUSA (Safe and Unsafe Acts) conversations across levels at manufacturing sites

Sustainable offerings

As a leading paint manufacturing company, we are committed to managing our operations including deployment of resources using principles of sustainable development to minimise impact on the environment and communities. We are committed to develop greener and safer products and reduce the environmental impact.

We firmly believe that to provide sustainable and green solutions to consumers, all stakeholders must be onboarded to this philosophy. Hence, Asian Paints is at the forefront to educate our partners, viz. Contractors and Dealers, about the best practices followed by the company and train them to adopt the same methods to provide a sustainable and better service to their customers. A detailed analysis on the same has been captured in the natural capital section.

* GRI 204-1 Proportion of spending on local suppliers

Awards and accolades

Our efforts at creating a safe workplace, reducing the impact on the environment, promoting optimal use of resources, leveraging Artificial Intelligence, data analytics and other digital initiatives to reduce delivered cost and enhance product quality were appreciated across industry forums. We received 27 awards in FY 2021-22, which is a testament to the pioneering work done at our manufacturing sites.

Way forward – holistic improvement

We are committed to embracing new technologies and institutionalising data analytics in all aspects right from product development to manufacturing and supply chain. We will continue to lay focus on process improvement and implementing the latest technologies while ensuring to deliver quality to our customers.

Intellectual capital

Innovation and technology to spur greater breakthrough

We have been at the forefront in terms of leveraging technology for product innovation, creating new efficiencies and driving business growth sustainably. This year, too, we continued to invest in digital technologies, security systems and advanced analytics to create immersive customer experiences, add to our operational excellence and facilitate decision-making.

Strategic focus areas

Automation and digital interventions

Product diversity and environment friendly products and processes

Key material issues

Technology, innovation and digitalisation

SDGs impacted

FY 2021-22 key highlights

29
New products launched

22
Patents filed

₹ 92.5 Crores
Spent on Research and Development

₹ 67.5 Crores
Investment in Information Technology

Interlinkages to other capital

- Financial capital
- Human capital
- Manufactured capital
- Social and relationship capital
- Natural capital

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. 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.

Over the years, we have built a strong framework and processes around it to ensure that the new decorative products developed are in compliance with constituents notified in the Rotterdam and Stockholm convention. We have also adopted the Globally Harmonised System of Classification and Labelling of Chemicals for generating safety data sheets of products manufactured by us. These are being done with advanced and well-established IT enabled platforms. All the new products developed this year went through these stringent impact assessment processes, ensuring that the impact on human health and environment are minimal.

Innovation Journey

We have a Technology Council comprising eminent external experts with diverse backgrounds which advises our Research & Technology function on long-term capability development and the creation of futuristic platforms. During the year, we associated with two eminent scientists in the Technology Council. The focus has been to develop differentiated products which are new to the industry in India / world to maintain our innovation quotient and technological edge in the market. While developing new products, R&T considers the ESG framework adopted by the Company.

This year, R&T undertook 16 innovative projects across various product lines by adopting the breakthrough project methodology, which enables us to work backwards, first visualising and finalising the expected outcome at the end of a definite period. This is followed by defining the intermittent milestones required to achieve the same. This has led to reduction in lead time required from ideation to launch new products in the market. In FY 2021-22, we continued the initiatives by taking up new projects under 'Dhoomketu', whereby we developed six products under various product categories viz. water proofing, textured coating, exterior coating, premium interior finish and floor coating. We continue to focus on reducing our carbon footprint through design optimisation and process efficiency with no compromise on performance properties. We have also initiated a new project, termed 'Srijan', consisting of six breakthrough products.

16
Innovative projects undertaken by R&T function

200+
Scientists driving innovation

New Products

During the current year, a major focus on developing new products was to meet evolving customer needs, reduce environmental impact and create differentiated products through enhancing durability and aesthetics. 29 new products were developed for architectural paints, construction chemicals and adhesives business during FY 2021-22.

We continue to focus on reducing our carbon footprint through design optimisation and process efficiency with no compromise on performance properties.

Intellectual Property

With a focus on Intellectual property (IP), we continue to look at opportunities to create patents on critical technologies, many of them exploited for commercial benefit. As many as 96 patents were filed out of which 39 patents have been granted. Three of them were granted in foreign jurisdictions, namely the US and Europe. In FY 2021-22, 22 patents were filed and 17 patents were granted.

We are expanding our innovation footprint by participating in national and international technology competitions. During the year, three papers were published in international journals and four papers were published in National Journals.

17
Patents granted during the year

7
Papers published

Product Certifications

We launched three new products under the 'Green Assure' voluntary green standard viz. AP Ultratex, AP Flextex and Royale Glitz. With these additions, the 'Green Assure' promise now includes 30 products, three of which are certified by US Green Seal.

We have also taken the initiative to get Greenpro certification, the national green standard developed by CII encompassing multiple environmental indicators, for the majority of the architectural paints. Certification process has been completed for 187 decorative paints as at 31st March 2022.

The National Accreditation Board for Testing and Calibration Laboratories continue to accredit the R&T Centre.

Asian Paints R&T Centre at Turbhe, near Mumbai, Maharashtra (India)

Product Safety

The R&T Team and Corporate Quality and Safety (CQS) Team are constantly in touch with regulatory bodies such as European Chemicals Agency (ECHA), US Environmental Protection Agency (EPA), Ministry of Environment and Forests (MoEF), Bureau of Indian Standards (BIS) and Building Performance Database (BPD) to get a first-hand information on upcoming regulations and restrictions on usage of chemicals or change in classification of chemical substances. Following the reclassification of styrene, we have taken steps to control the free styrene content in emulsion polymers that are produced in-house. According to internal guidelines, there is a restriction on the usage of any material classified as Class 1A or 1B carcinogen, mutagen or reprotoxin or composition containing the above with >/= 0.1%. Styrene, which was not in this category for many years, has recently been classified as Carcinogen 1B. As a risk mitigation measure, we are ensuring that free styrene in our in-house polymer is < 0.1%. For all purchased styrene-based emulsion polymer, free styrene content is made part of the specification with an upper limit of 0.1%. Appropriate controls to keep this under check has also been put in place while purchasing emulsion polymers from other sources. Each new and alternate raw material introduced is thoroughly screened for its impact on employee and consumer safety and well-being, as well as its impact on the environment.

Information Technology

We have always been on the forefront in terms of leveraging technology for the business. This year too, we 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 better decision making.

Improving IT Resilience

With ever increasing technological requirements, we constantly are in the process of modernising our infrastructure, and refresh the hardware at our DC & DR setup. One of the key steps undertaken is on enhancing our information security processes through installation of intrusion detection system, segregation of manufacturing plant firewalls, enhancing data security through data leakage protection among others. We have modernised our DevSecOps practices by adopting CI/CD framework for application development. This also includes streamlined application change management and version management process through proprietary tools. The SD-WAN (Software Defined Wide-Area Network), which is used for managing networks across locations, is now cloud managed for increased resilience at the network infrastructure level. External benchmarking has been done on our cyber program maturity, and we are at par as per relevant industry standards. We also plan to improve further on areas based on benchmarking exercises.

Digital Interventions enabling Business

We have continued to develop our creative edge in a highly competitive industry by investing in cutting-edge technology in accordance with global trends. We employ design thinking to connect with our consumers' evolving tastes.

At Asian Paints, customer is kept at the heart of everything that is being done. All innovations are conceptualised and implemented with the end goal in mind: a superlative customer experience. With the focus on Décor, we have enabled digital journey for our customers at our new Beautiful Home Stores. We have also enabled Beautiful Home Service (end-to-end Interior Design services) using technologies for digital lead management and 3 D visualisation for interior design consultants and a digital execution platform to enable execution service as well.

One of the projects, TATPAR, undertaken during the year included the launch of an application which modernises customer support, optimises field service operations, and offers seamless customer experiences. Focused projects were undertaken on customer facing areas which included real time visibility on inventory status, enabling front end personnel in lead generation, best-in-class B2B commerce experience for fabric channel partners and so on.

₹ 67.5 Crores
Spend on Information Technology

Case Study

Automation to maximise resource utilisation

We automated the fabrics demand and production planning process. One of the key initiatives that formed part of this drive was the simulation of available production capacities in order to debottleneck machines and thus speed up the planning process. Allocation of the best dyeing jets was also automated, which helped in maximising utilisation, thus ensuring demand coverage.

Case Study

Admixture

Construction chemical solutions are determined for each project site after multiple iterative experimentation by the technologist, which lengthens the recommendation process and thus impacts consumer delight. After a series of consultations, we leveraged the AI / ML technology basis the database available of the past years to identify the appropriate solution for the composition of recommended chemicals. This has significantly reduced the iterations performed by the technologist and reduced the time taken for recommendation, adding to the delight of the customer.

Case Study

Automation at Shared Services Centre

To ensure business continuity during the COVID-19 pandemic, digital was embraced in a big way. Taking a step ahead in this journey, we increased digital processing of invoice from 74% to 89% in FY 2021-22 thus reducing paper usage.

Standing true to our Charter promise of vendor payments on time, 64% of invoices are now processed in a touchless manner through system-driven logics and controls. This has led to the dual benefit of vendor delight and upgrading the profile of the workforce from mundane processing to advanced data-based analytics. Further, AI based on the intelligence has been developed to ensure compliances with laws and regulations.

Strengthening Supply Chain IT infrastructure

We have been on the path of becoming an insight driven organisation through data intelligence and have undertaken efforts to skill the workforce in this area. Initiatives taken include launching of a supply chain control tower-like capability to make the supply chain agile and responsive for various teams in Manufacturing, Planning & Distribution. At the manufacturing plant locations, the workbench has been reorganised to ensure that the plant's planners have a single view of the production process, thus enabling them to plan and react on time. Also, capabilities have been enhanced, such as incremental planning, deployed at the central supply chain planning processes through the use of a cloud-based new age incremental planning platform. This helps distribution, as we now have the capability of scenario planning, the capacity to anticipate demand fluctuations and better our service levels accordingly. Other benefits include cost saving due to better planning, service improvements, productivity improvement through NVA reduction and manpower optimisation, quicker response time, and system-driven processes and workflows.

Human Capital

Helping each other grow

At Asian Paints, we nurture the skills and competencies of our employees to drive shared organisational objectives. Our people development practices help strengthen the capabilities of our human capital that contribute to our growth. We have a truly diverse team that brings with it varied expertise, experiences and perspectives, enriching the organisation.

Strategic focus areas

- Leadership development
- Capability and organisational development
- Employee wellness
- Occupational health and safety
- Future-ready and diverse talent pool

Key material issues

- Diversity and Inclusion
- Occupational health, safety and well-being
- Talent management and employee engagement
- Human Rights
- Industrial workforce management

FY 2021-22 key highlights

26,023
Employee strength inclusive of permanent and temporary employees

7.88%
Increase in number of women employees

1,007
Permanent employees hired

₹ 21.33 Crores
Investment in learning and development

Interlinkages to other capital

- Financial capital
- Intellectual capital
- Manufactured capital
- Social and relationship capital
- Natural capital

SDGs impacted

Creating an environment where colleagues are welcomed and contribute while being themselves is a priority for us. We believe our employees must have a sense of belonging and connection with the workplace in order to perform to their full potential. We encourage diversity of thought, experience and background at every level and are committed to hiring, developing and retaining diverse talent.

Our employees acquire best-in-class competencies and are systematically groomed to take on responsibilities through on-the-job mentoring, learning and development interventions, and exposure to diverse role opportunities. Diverse role experience helps fast-track career growth, together with fair compensation and benefits have helped us retain our finest employees. We place a high value on our employees and make it a point to support them and stand by them through thick and thin. Our just and fair policies and practices have earned us the abiding trust of our employees.

Leadership development

At Asian Paints, we aim to create leaders for life, and to that end we create structured and immersive learning journeys for building and enhancing leadership capabilities. Through this journey, our colleagues are prepared to develop a sound understanding of the overall business as well as build competencies to lead high-performance teams.

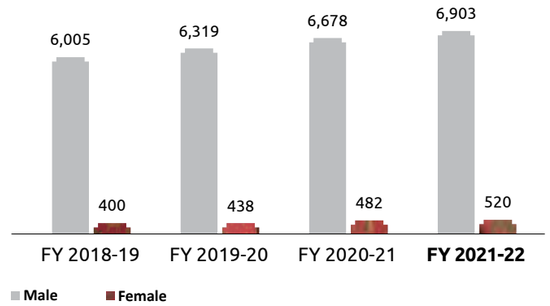
'One Link', a team comprising General Managers, Associate Vice Presidents, Senior Vice Presidents, Vice Presidents and President of the Company, is led by the Managing Director and CEO as a forum for developing the succession plan at the Company level. One Link engages with management teams to work on futuristic, breakthrough projects in order to involve, galvanise and develop leadership abilities. The rigour of completing breakthrough projects requires individuals to perform at their highest calibre and hold each other accountable while striving to achieve the desired result. This provides an excellent opportunity for individual development while delivering game-changing results.

One Link team members offer expertise and assistance to each other and are supported by an external Coach during One Link sessions. The team also actively pursues the goal of nurturing and building a versatile managerial talent pool.

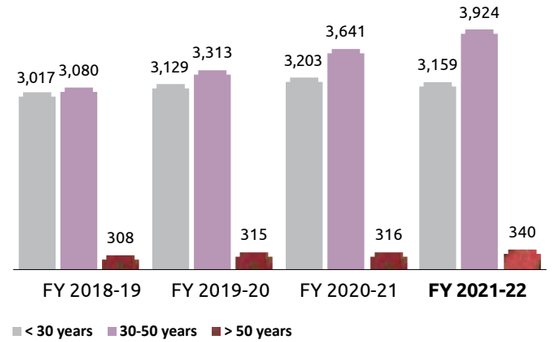
For developing employees in the middle management cadre, strategic leadership journeys are curated to highlight expectations from them, including the know-how and leadership acumen required to handle associated complexities. The core curriculum is built on extensive research and is supported by experienced internal subject matter experts and renowned academics from prestigious management institutions.

The 'emerging leaders' programme has been developed for employees in the managerial cadre, and aim at enhancing their organisational and functional understanding with basic training in managing team and work. We are making efforts to create an environment where a diverse workforce can be retained, and more women leaders can emerge. The following graphs showcase future-ready and diverse workforce in our organisation with respect to our operations in India.*

Total number of employees by gender

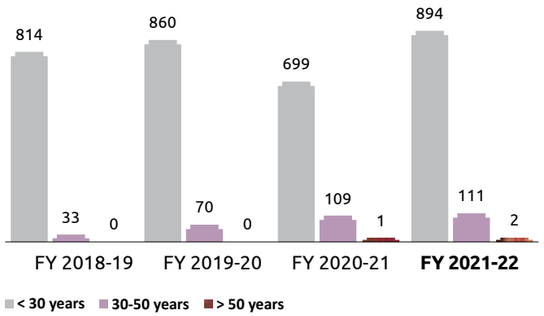


Total number of employees by age group

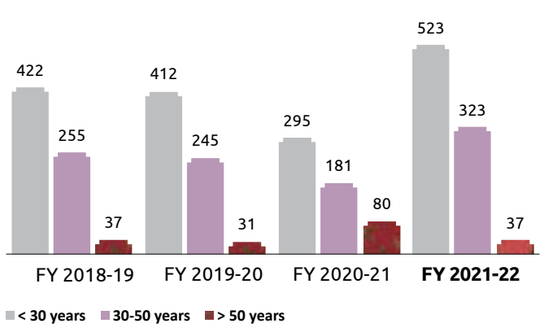


*GRI 102-8 Information on employees and other workers
GRI 401-1 New employee hires and employee turnover
GRI 405-1 Diversity of governance bodies and employees

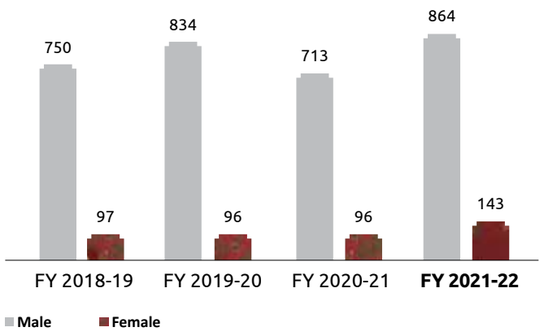
Employee hired by age group



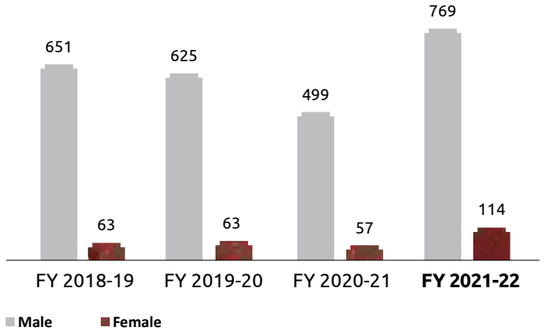
Employee separated by age group



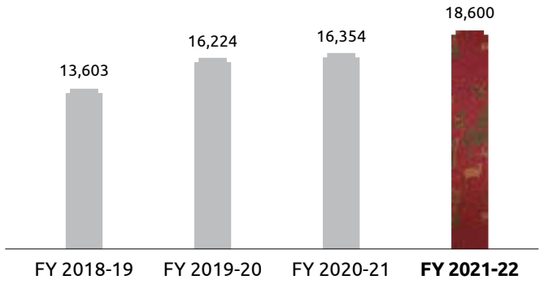
Employee hired by gender



Employee separated by gender



Total temporary and contractual employees



Total number of employees per category by gender

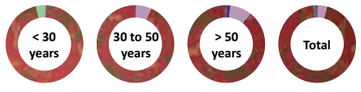
Senior Management	13	1	14
Middle Management	269	18	287
Junior Management	6,547	473	7,014
Trainees	80	28	108

Employees per category by age group and gender

(%)

	Age Group		
	< 30 years	30 to 50 years	> 50 years
Senior Management (Male 92.9%; Female 7.1%)	0.0%	57.1%	42.9%
Middle Management (Male 93.7%; Female 6.3%)	1.7%	87.8%	10.5%
Junior Management (Male 93.3%; Female 6.7%)	43.4%	52.2%	4.3%
Trainees (Male 74.1%; Female 25.9%)	100.0%	0.0%	0.0%

Total number of employees per category by age group



Senior Management	0	8	6	14
Middle Management	5	252	30	287
Junior Management	3,046	3,664	304	7,014
Trainees	108	0	0	108

Learning and development

At Asian Paints, our endeavour is to create Leaders for Life by facilitating holistic development that enables personal and organisational growth. We constantly encourage employees to work in collaboration with different teams and business segments to enhance their overall exposure. The intent of creating and organising learning journeys for individuals and teams is to improve their capability and help them fulfil their potential.

Framework and initiatives for holistic development of employees

We have built a robust framework focused around developing employees to have the right mindset, skillset and toolset to excel in their work and keep on learning continuously. We conduct programmes on Company values intended towards changing the mindset and helping employees personally relate to the values. We have updated our online platform, 3i Socials, which helps employees to choose relevant course to suit their developmental requirements. We believe in blended learning and our offerings are a mix of the traditional Information and Learning Technology and tech-enabled modules (e-learning, simulations, social learning). A mix of internal and external facilitators design and deliver the interventions basis relevant expertise. Our employees have access to both e-learning courses and professional coaches for individual development.

At Asian Paints, all employees have the opportunity to nominate themselves for any of the learning journeys which interests them or helps in creating value in any way. In order to complement business outcomes, the Talent Management and Development team, in partnership with the Business HR works, closely with the functions and designs various 'Organisation Development' journeys. Some of the journeys undertaken in the last couple of years include Customer Passion and Negotiation Journey for Sales, Structured Communication Skills for Sales & Marketing, Design Thinking, Manufacturing Excellence, Collaboration Journey for R&T and Project Life Cycle Journey for Systems.

5,529

Employees attended at least one training programme

3,351

Employees have accessed at least one e-learning content through 3i socials portal

GRI 404-2 Programs for upgrading employee skills and transition assistance programs

^ GRI 404-1 Average hours of training per year per employee

* GRI 404-3 Employees receiving regular performance and career development reviews

Some of the key training programmes that our employees have undergone so far are:

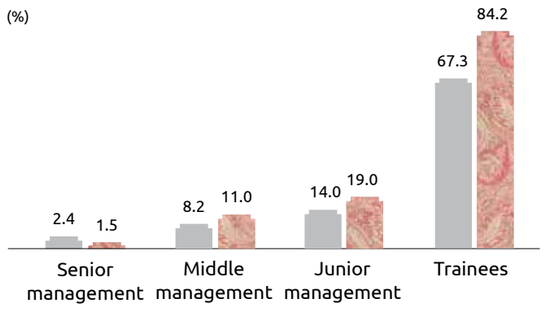
- Values-based Capability Building Programmes where the focus is to enable the employees to build the right mindset and skillset to effectively demonstrate the right values at the workplace
- Transition programmes for Managers and Assistant Managers on elevation to the next level to build the leadership capabilities required to excel in the new role#
- Business Management Programme in collaboration with IIM Bangalore for Managers and Assistant Managers to provide them exposure to general management, business perspective and specialisation related to either Sales & Marketing or supply chain
- Impact Programme for the Assistant Managerial cadre across different functions covering concepts of business management, problem solving etc.
- Mindfulness sessions, financial wellness and parenting sessions for women along with Prevention of Sexual Harassment (POSH) training sessions
- Regular coaching and mentoring support to leaders at all levels to help them fulfil their potential

Further, we have a 360˚ collective feedback in place to help employees plan their overall development. All our employees receive regular performance feedback and we have a People Review Process which identifies development opportunities for our managerial cadre.* This feedback is leveraged to create individual and functional development journeys, which, in turn, helps us grow as an organisation.

In order to foster collaboration at the workspace, we also run an Annual Collaboration Index survey. This helps us understand and act on key priorities to enhance collaboration in pursuance of our core value, 'Standing for each other's success'.

Learning and development dashboard

Average hours of training per year per employee^



Case Study

Socialising our Values

Since close to two years of the introduction of the Charter and the Values-based Behaviours framework, we have tried to keep the buzz around it going through various programmes, newsletters, sharing of success stories, reward and recognition, among other avenues. This year we tried to take a step forward and inspire our managers/assistant managers across the organisation to live by the Charter values so that they could personally relate to them as well.

We began with several rounds of conversations with leaders and managers to better understand how they currently related to the values. Their perspectives helped us design modules centred around these conversations and stories. The final touch was given by a cross-section of the organisation's leaders.

We then brought on board leaders from our plants and sales offices to help carry on the conversation at their respective locations. Enablement sessions helped them prepare for these sessions. When the facilitators were ready, they held the sessions for all Assistant Managers and above in multiple plant and sales locations.

This year, we covered 170 participants through these sessions. Each session started with the facilitator setting the context and sharing his/her story. Participants were asked to share their own story and make sense of what was being communicated to them. This was followed by a discussion around the values and how they could be cascaded through the respective teams.

We have collected prominent stories from different functions which displayed various Charter values and recognised the relevant teams/employees by publishing such stories through the Hall of Fame, our intranet platform.

Diversity and Inclusion (D&I)

Our people practices reflect our promise to be an inclusive business. We are an equal-opportunity employer when it comes to attracting, retaining and developing fresh talent. These all help create an open, stimulating, supportive workplace for our colleagues, helping them, in turn, to better serve our clients and engage with our communities.

We do not discriminate in matters of remuneration and conditions of employment on grounds of gender, race, religion, caste, creed and so on.#

Case Study

Connect programme

During the year, we conducted the Connect programme for the managerial cadre across plant locations. Using empathy and appreciation, participants were encouraged to embark on a journey that would help them overcome their unconscious biases and build relationships within their teams that go beyond the transactional.

We have conducted an accessibility assessment at some of our plants and sales locations to identify gaps in the infrastructure to enable an inclusive environment.

Occupational health and safety

Health and Safety is a core focus area for us, and we are continuously investing in technologies and processes to avoid and minimise manual interfaces with machines. We use a combination of frameworks, protocols, training and awareness programmes that make safe practices and behaviours the norm.* Our approach is based on prevention, intervention and collaboration. Sharing lessons learned across our businesses has helped us build a solid track record in safety.

Our Health and Safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. Our management system is also designed to stand up to muster by the 5-Star Integrated Audit run by the British Safety Council, which is a leading global recognition in the field of Occupational Health and Safety (OHS) systems.** The management system covers eight decorative business manufacturing plants in India, Industrial paint plants at Taloja at Navi Mumbai, Penta Plant at Cuddalore and Research and Technology laboratory at Turbhe, Navi Mumbai. Our health and safety management system covers our workforce including contractor workmen, drivers, cleaners and visitors etc.***

Our framework incorporates systematic processes for identifying job-related hazards. We plan and deliver training on Hazard Identification and Risk Assessment (HIRA) identification and risk analysis on an annual basis.^

Our various activities aid the identification of fire hazards, the development of action plans for the control system and plans to mitigate or eliminate hazards. Various risk assessment processes assess the risks for activities, buildings, equipment, chemicals, and fires.

Case Study

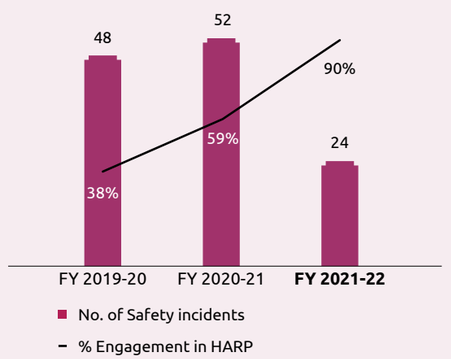
Prevent injuries by doing personal risk assessment anywhere, anytime using HARP

As part of our goal of Zero injuries, we launched the Hazard, Accident, Risk, and Prevention (HARP) tool under the theme of 'Behaviour Based Journey'. The assessment with HARP has to be performed by operators/technicians/ managers prior to beginning any activity. The individual employee is expected to think and write about what his or her assessment of the hazard in the activity, what kind of accident could occur, the severity of the accident, and what could be taken. All employees are required to fill the HARP format for each activity and submit it to the shift supervisor (2 per week), who would then share it with the Safety Department at the end of the month.

Salient points

- Training provided to all employees to use HARP
- Use TBT platform to increase awareness on HARP
- Creative ideas to increase awareness and improve engagement through gamification, quiz competition
- Reward and recognition scheme launched
- HARP engagement points included in monthly safety rolling trophy

Engagement in HARP Vs Safety incidents



The operators at our plants participate in Safety Committee meetings, suggestion schemes, selection of safety equipment, promotional activities, etc.* To ensure worker safety and participation, three Safety Committees have been formed at different levels such as Department/ Section Safety Committee, Apex Safety Committee and Safety Council. Our committees promote workers' and management participation to ensure safety at work.

Promoting safe operations**

- Our paint manufacturing process are automated/semi-automated and controlled through Distributed Control System (DCS) and Manufacturing Execution System (MES). There are safety alarms and interlocks for the control of various operating parameters within a safe working range
- All our new plants are highly automated with conveyors and robotics palletisation to reduce manual material handling
- Fire protection equipment such as hydrant system, water monitors, foam monitors, fire extinguishers, fire detection and sprinkler system are provided as per relevant Indian Safety Standards
- Periodic safety inspections are carried out against a well-defined check list and actions taken in a time-bound manner
- All operators are trained in safety aspects. Specific safety trainings are also carried out on first aid, firefighting, onsite emergency plan, work permit system, hazard identification and risk assessment***
- Pre-employment and annual medical examinations are carried out for employees and contractor workmen on various parameters$

Our recent survey showed us that we are achieving a proactive safety culture - our people are doing the right thing because they want to and believe in it; not simply because they have to follow the rules. Safety is an integral part of everyday life at Asian Paints, with people taking personal responsibility for safety.

As a part of our safety assessment, customised agendas have been undertaken by each plant as a part of the behaviour-based safety programme for our employees and contractors. Moreover, our occupational, health and safety parameters are maintained and recorded on calendar year basis. During FY 2021-22, we witnessed 43 recordable workrelated injuries and 13 Lost Time Injuries (LTI). This resulted in Lost Time Injuries Frequency Rate (LTIFR) of 0.59 and severity rate of 60.33 and Recordable work related ill health is Nil.^

GRI 405-2 Ratio of basic salary and remuneration of women to men
*GRI 403-5 Worker training on occupational health and safety
**GRI 403-1 Occupational health and safety management system
***403-8 Workers covered by an occupational health and safety management system
^403-2 Hazard identification, risk assessment, and incident investigation

*403-4 Worker participation, consultation, and communication on occupational health and safety
**403-3 Occupational health services
***GRI 403-5 Worker training on occupational health and safety
$ GRI 403-6 Promotion of worker health
^ GRI 403-10 Work-related ill health

Work-related injuries at plants^

(Calendar year)

Parameter	2018	2019	2020	2021
Recordable work injuries	77	43	44	**53**
Fatalities	0	2	1	**0**
LTI	10	12	13	**16**
LTIFR	0.58	0.61	0.72	**0.73**
Severity rate	42.22	628.91	355.08	**61.80**
Frequency severity Index	0.005	0.020	0.016	**0.007**
Total manhours worked	1,71,00,199	1,97,69,178	1,80,01,675	**2,20,14,090**

We are taking various preventive and mitigation measures to reduce occupational health and safety impacts such as quantitative risk assessment for manufacturing operations.* External audits are also conducted once in three years for each plant by British Safety Council. In addition, we implemented behaviour-based safety in all our plants by partnering with a consultant.

Audits & Inspections

- ISO 45001 transition audit was conducted at Penta plant by M/s DNV, which recommended for ISO 45001 certification
- British Safety Council (BSC) 5-Star rating audit was conducted by British Safety Council at Patancheru, Kasna and Khandala in FY 2021-22. All of them got BSC 5-Star rating

Over the years we have been able to receive recognition in the form of awards and achievements related to safety of our manufacturing plants.

Honour & Awards to Plants

- Visakhapatnam plant acquired Gold level recognition at the 4th CII IQ National Safety Competition 2021 for Robotic Loading in Truck with safe securing of materials and operations and Extended Operator Workplace (EOW) under the process category
- Patancheru plant won Silver from CII on Best Safety Practice (HARP & Safety Park)
- Khandala plant won the Greentech Effective Safety Culture Award competition
- Rohtak plant won CII National Award in Electrical Safety, Power Quality & Reliability Circle Competition

Further, we have developed a process for the 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees, who can report or remove themselves from situations they believe could cause injury.

Case Study

Contract workmen safety

...because every life matters

Contract workmen safety is a global challenge for all industries due to the lack of competent workmen and frequent change in the workforce. Our manufacturing plants are also facing this challenge. We are thus pursuing a journey termed 'Contractor Safety Excellence through TRFR/TSR'.

Having a contractor safety management system in place helps employers maintain competent workmen who are conscious of safety practices, and therefore, less vulnerable to accidents, helping ensuring health and safety compliance at the workplace.

Enterprise Risk Management and benchmarking of best practices are among the five best practices to accelerate contractor safety.

Even though we have an efficient risk management system and follow industry best practices, we have been unable to eliminate workplace injuries entirely. Over the last five years, there were total of 60 incidents across eight plants involving contract workmen.

There are high-risk jobs which form part of our daily routine and need attention too in order to achieve contractor safety excellence. To resolve the matter, a Critical Maintenance Team was formed comprising Engineering function representatives from across eight different plants, Safety representatives from Corporate Quality and Safety (CQS) Team and others to focus on the low-risk activities where the extent of injury was serious. The team operated for three months to fulfil the project with a weekly review system. After analysing more than 200 activities across plants and benchmarking best practices and tools in the newly commissioned fully automated Mysuru and Visakhapatnam plants, a total of 15 solutions were proposed to the CQS Team for various infrastructure projects across the plants.

These projects will be implemented across plants to achieve contractor safety excellence, enabling Asian Paints to reach the best figures of TRFR/TSR under Charter promise of 'Vyanasamadanam'.

^GRI 403-9 Work-related injuries

* GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Human rights

Respect for human rights, ethically and environmentally sound business practices, fair and safe working conditions and employees' well-being are fundamental to our culture and identity. We explicitly identify human rights as a part of our policies, procedures, and ethics training to help us keep the subject top-of-mind and make sure that it does not become an issue of concern in the future.

Our human rights policy and framework also focuses on good governance, our commitment to following all laws, paying employee salaries on time, and providing equal opportunities without exception. We encourage our employees to use our well-established grievance procedure to register complaints. We also make certain that our supply chain partners' rights are protected.

Our zero-tolerance policy protects against child labour, forced labour, sexual harassment, discrimination and harassment, among other things.^ We also ensure that the outsourced processing centres with which we work comply with all legal requirements, including child labour laws, by maintaining a minimum age of 18 years across all our operations. We have developed an effective mechanism for dealing with sexual harassment cases.

Freedom of association and collective bargaining

Our employees are entitled to join associations or to involve themselves in civic or public affairs as per the law of the land. We encourage active, open communication and dialogue with our employees and/or their representatives. We understand how important collective bargaining can be in avoiding industrial disputes and maintaining peace, and we recognise trade unions at all our locations.^^

We have a well established process of collective bargaining in place wherein we enter into productivity and wage settlements with employee unions at defined intervals, which is usually three years. For any change in the conditions of service applicable to any unionised employee, or to protect the rights of the employees and trade unions, a notice of 21 days is given to them.*

^GRI 408-1 Operations and suppliers at significant risk for incidents of child labor

^^ 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

*402-1 Minimum notice periods regarding operational changes

**401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

People engagement and wellness

We have embarked on a wellness and well-being journey for our employees, with the goal of sensitising and engaging them on various aspects of their own and their families' health. We hold theme-based events and functions for our employees and their families on a regular basis. We ensure that the employee voice is heard by conducting feedback surveys, focused group discussions, one-on-one meetings, open house meetings, and so on. We are actively working on the outcome of the engagement survey conducted in FY 2019-20 and several initiatives have been taken up across the organisation to mitigate the identified gaps. Our management philosophy is people-centric, and this is reflected in how the organisation rallies around its employees during times of crisis.

We provide financial assistance to our employees for programmes which help them upgrade their knowledge and skills through distance learning courses, online certifications, part time courses, etc. We conduct mentorship programmes and women wellness campaigns which aim at enhancing the physical, mental and social well-being of women employees. Various health and wellness sessions were held for employees during the year on topics such as nutrition, financial wellness, fitness etc.

Some of the benefits that accrue to our employees:**

Other than regular leaves, we have special leaves such as parental leaves, adoption and surrogacy leave or childcare leave. In addition, we provide employees the opportunity of taking a sabbatical leave from work to pursue higher education, any personal goal or manage a critical life priority.

We provide adequate insurance to all employees and their dependants under group mediclaim, term insurance and personal accident policies.

During the COVID-19 pandemic, we provided financial assistance in the form of interest-free medical advances which were extended to employees in cases where they needed help for treatment of family members or self over and above the mediclaim. Also, to support families of deceased employees, ex gratia financial assistance was provided, over and above the life insurance cover.

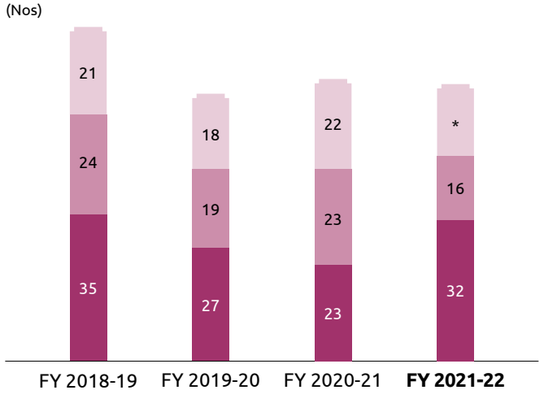
Multiple vaccination drives for both doses were held across the country for our employees, including for off roll employees via camps or tie up with hospitals/clinics. We have introduced a vaccination reimbursement policy for our employees and their family members to encourage faster vaccination.

Case Study

Training the mind for peak performance with Paddy Upton

Paddy Upton is a renowned mental conditioning and Performance Coach with multiple achievements under his belt. He has worked with Indian and South African men's national cricket teams as well as T20 franchise teams across the world. He spoke to our employees about the art of self-management under pressure. He elaborated on the importance of developing small micro regular habits which lead to discipline in all walks of life. Our employees greatly benefited from his engaging and interactive talk as he covered different topics through examples from the field of cricket as well as anecdotes from his personal life.

Number of women employees who availed maternity leave and resumed work^



- Number of females who availed maternity leave
- Number of females who returned to work till 31st March, 2022 after maternity leave ended
- Number of females who returned to work after maternity leave ended who were still employed 12 months after their return

*Will be assessed in FY 2022-23

Notes:

1. All employees are entitled to avail parental leave.
2. During FY 2021-22, 411 males took paternity leave, out of which 402 males returned to work till 31st Mar, 2022 after their leave ended. Out of these, the number of males who were still employed with the Company, 12 months after their return, would be assessed in FY 2022-23.
3. The Return to work rate for both males and females is 100% during the FY 2021-22.

Turnover rate, Hiring rate and Retention rate would be disclosed from FY 2022-23 onwards.

^ GRI 401-3 Parental leave

Talent Management

We have always believed in building leadership strength for the organisation by providing autonomy and empowerment to our managers right from the formative stages of their careers. Through on-the-job mentoring by seniors, multiple learning & development interventions and exposure to multiple opportunities, our employees develop best-in-class capability and deliver great performance consistently, thus growing into future leaders of the organisation. Such work opportunities combined with competitive pay and benefits have helped us in retaining our best talent. Our policies and practices are just and fair due to which employees place their trust in us when it comes to their careers.

Employee Stock Option Plan ('2021 Plan')

During the year, we introduced the Employee Stock Option Plan 2021 ('2021 Plan') for eligible employees in lieu of deferred incentive scheme (fixed cash payout). The 2021 Plan was introduced to incentivise, retain and attract key talent through a performance based stock option grant program, enhance shareholder value, create a sense of ownership among the employees and provide a tool for wealth creation to align their medium and long-term compensation with the Company's performance.

Considering that the 2021 Plan has replaced deferred incentive scheme (fixed cash payout), equivalent value of stock options have been granted with exercise price at 50% of the Reference Share Price of the shares of the Company. Instead of fixed cash payout under deferred incentive scheme, 2021 Plan provides variable return enabling employees to be part of the Company's long-term performance.

Social and Relationship Capital

Fostering relationships of trust

As a responsible, customer centric organisation, we believe in giving back to society and bringing about transformation in the lives of communities in the plant vicinity and people in the unorganised sector. We run dedicated training and upskilling courses for painters, carpenters, plumbers, and other partners in the value chain. We also contribute to inclusive development through our initiatives in health & hygiene, water conservation, skill development and disaster management. All our CSR initiatives are strategically designed and monitored to make a tangible difference to the communities and the environment in which we operate. The outcome of these activities when measured stands testimony to the Company being a responsible and caring organisation.

Strategic focus areas

Community well-being

Supply chain management

Customer relationships

Collaboration with stakeholders

Interlinkages to other capital

Financial capital

Human capital

Manufactured capital

Intellectual capital

Natural capital

Key material issues

Consumer Delight

Business Ethics and Corporate Governance

Water Management

Influencer Management

Supplier Sustainability

Responsible Supply Chain

Local Communities

Consumer Health and Safety

Anti- Competitive behaviour

Human Rights

Anti- Corruption

Policy Influence

FY 2021-22 key highlights

₹ 70.8 Crores
Expenditure on CSR

18,000+
Supplier base

145,000+
Retail Touch Points

180,000+
Business Influencers

SDGs impacted

Corporate Social Responsibility

Acting responsibly and giving back to society are integral to the way we conduct our business. We recognise that we must be an active contributor to enhancing the lives of our communities. It is also our ongoing commitment to share value where it has been created.

We have been including our communities in our growth journey through a wide range of social interventions. As a responsible corporate citizen, we are actively initiating projects and / or participating in projects that together make us the local lighthouse for the region which significantly improves the lives of the people where we operate and are present. It is our constant endeavour to address critical social, environmental and economic needs of the communities in the vicinity of our plants.

Health and hygiene

We are committed to providing reliable and specialised healthcare facilities including primary healthcare support through diagnosis and treatment for our communities, promotion of preventive healthcare through nutrition based programmes, building awareness about hygiene, sanitation, maternal and child healthcare, setting up medical infrastructure, instrumenting clean drinking water habits, etc, for communities to enable them to lead a confident, healthy life. In alignment with the national development agenda of making primary healthcare accessible and affordable for the people, we have undertaken several programmes to promote health and hygiene among our communities. Our health and hygiene programme aims at addressing the primary healthcare segment of the healthcare continuum, wherein we focus on senior citizens, women and children. It starts with need assessment for elderly community members near the plant locations, followed by the implementation of the programme by providing door-to-door primary healthcare service. This also includes mobile healthcare units for quick response in case of any health related emergency.

Along with our partner organisations, we work with local on-ground health workers in analysing the available healthcare data, which facilitates gap identification and planning for community reach. This is to ensure that we reach primary healthcare facilities to the maximum and relevant set of beneficiaries in an effective manner.

Static clinics*

We have established five static clinics near our manufacturing locations (Mysuru, Patancheru, Kasna, Khandala and Visakhapatnam), and one clinic at Cuddalore, Tamil Nadu. These clinics provide diagnosis and treatment for various non-communicable diseases (majorly hypertension and diabetics), Reproductive, Maternal, Neo-natal, Child Health and Adolescence (RMNCH+A), eye care and general OPD ailments.

Mobile Medical Units*

We have been running eight mobile medical units (MMUs) across villages spread over eight states. Our MMUs provide free consultations, medicines, basic diagnostics, and referral to government hospitals, among other healthcare services. These units also conduct awareness and quiz sessions on health in the community.

Safar*

Safar, one of our healthcare initiatives, is directed towards improving health awareness and correcting lifestyle habits of truckers.

* GRI 413 -1 Operations with local community engagement, impact assessment and development programmes

Case Study

MMUs provide ready help

The Niroj project, a CSR collaboration between Asian Paints and Piramal Swasthya, focuses on providing primary healthcare services through static clinics and MMUs, the latter focusing mainly on pregnant women, children under-5 and school-going children and the elderly. Since 2019, MMUs have been operating across 24 villages in and around our factory at Visakhapatnam. The MMUs, which provide medical consultation for common ailments, screening for multiple diseases and free medicines among other services, follow a monthly schedule to cover all the locations, making it easier for community members to get their primary health check-ups done once a month.

Rani* is among the many beneficiaries of the project. Diagnosed with diabetes for the last four years, she had already spent around ₹ 20,000. The rising medical bills meant she would have to stop the medicines. That was when her son, an industrial worker, brought her to the MMU. Her blood pressure read an above-normal 192/90 on her first check-up. Rani was made conscious of her hypertension and immediately put on medicines. A community mobiliser also counselled her on nutrition and eating habits.

Within three months, Rani's blood pressure had gone back to normal as a result of her adherence to protocols, regular attendance at scheduled check-ups, timely medicines and nutritious diet. The clinic staff and community mobiliser also regularly followed up with her. Rani now visits the MMU camp every month to get herself checked and to collect her prescribed medicines.

Case Study

Life beyond pain killers

Having led the arduous life of a truck driver for the past 25 years, Kaliappan* had started experiencing severe back pain for the last 3-4 years. He got temporary relief from pain killers and rarely consulted doctors. Given that he was the sole bread earner for his family, he felt it necessary to reach out to fellow truckers for a solution that could help him.

A friend referred him to our Safar programme. At the Safar clinic, he shared his concern with the doctor, who suggested a few exercises and gave him a backrest support which he could use while driving. Kaliappan followed the doctor's instructions and started exercising regularly. He is now in much better shape and doesn't need to rely on pain killers anymore.

*Names changed to protect identity

Water conservation

As water is a scare resource for many communities in India, we are truly concerned about the water needs of our communities from a sustainability perspective. Thus, we have adopted a hands on approach to addressing the water management challenges faced by communities and the organisation, given that water is also a key ingredient for paint manufacturing. We have adopted a hands-on approach to addressing the water management challenges the Company and nearby communities face.

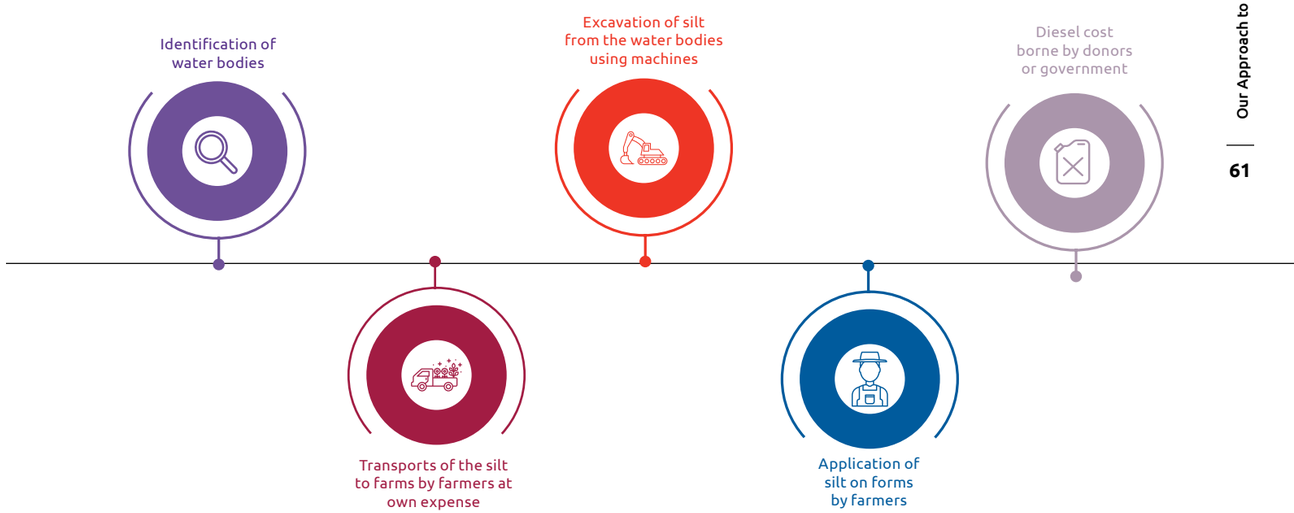
Project Jal Sashakt*

In April 2021, in the middle of the second wave of the COVID-19 pandemic, we began our collaboration with specialists, an NGO, and most importantly, the community, to develop a 300,000+ KL of water storage potential across seven villages and 15 sites of Khandala Taluka in Maharashtra, involving 153 farmers.

Jal Sashakt, our CSR project, has helped transform the lives of over 5,000 people in these seven drought-prone villages in Maharashtra by doubling their water supply and increasing their land's crop output by more than 20%. This is a fantastic example of technology, community, NGOs, and corporate teams coming together with a shared vision to achieve dramatic change in a couple of months.

Rejuvenation of Water Bodies (RWB)

Operating model of RWB



Impact assessment*

- Doubling available water supply by increasing the storage capacity of ponds by 126 Thousand Cubic Metre (TCM) in Phase 1 and 164 TCM in Phase 2, thereby saving the cost of hiring 12,600 water tankers in Phase 1 and 16,400 water tankers in Phase 2
- 20% increase in crop productivity for 132 farmers across two phases
- 60 acres of barren land converted to fertile fields, which farmers now use to cultivate groundnuts, soyabean and sorghum
- Initial feedback from farmers indicates Jowar yield has doubled from 7 to 15 quintals, which will be reflected in upward trend of at least 50% in income

In an area characterised by persistent drought and low agricultural produce, Project Jal Sashakt has given the community new hope. Above all, the project has demonstrated the benefits of true community collaboration and an indication that the model can be scaled up to benefit a wider number of people in the region.

* GRI 413 -1 Operations with local community engagement, impact assessment and development programmes

Skill development*

Asian Paints Colour Academy offers the best training facilities to both new and experienced paint applicators. Our fixed academies are spread across 19 major towns in the country while our mobile academies service over 700 towns across the length and breadth of the country. Digital trainings introduced in 2020 continue to be a game changer, making up 75% of the overall trainings. Specialised courses like Interior Textures, Metal Care, Wallpaper, Wood Finishes and Waterproofing continue to receive good response. In our financial management course, we have not only managed to impart personal finance education to participants but also facilitated their registration in social security schemes run by the government. This has given the participants greater confidence about their future and the profession. We also piloted carpenter and plumber training during the year with great success and these initiatives are planned to be further scaled up in the coming years.

Our Colour Academy imparts skill education and works towards enhancing productivity of the people in the paint application trade.

360,000

Digital trainings imparted during the year

Case Study

New beginnings

Saravanan came to India from Sri Lanka and settled in the Arani Sri Lankan refugee camp. With no specific skill set, he was forced to work as a daily labour painter and could earn a maximum of ₹ 500 per day to support his family. He got to know about the Asian Paints Colour Academy through one of the sessions conducted by the team from the Academy at the refugee camp. Subsequently, he got himself trained not only in basic painting, but also in specialised areas like textures and wood finishes. Subsequently, he got more confident in taking up independent projects and formed a small team of four members from the camp to take up more projects at sites. This enabled him to approach life with more confidence, having significantly enhanced his potential to earn.

Other initiatives*

- Facilitating agriculture and health related social security schemes in communities in the vicinity of plants
- Reaching out to 2,000 beneficiaries around plants from August 2021-March 2022
- Launching social security programme in Kasna, Khandala, Patancheru and Ankleshwar in August 2021 and Rohtak, Mysuru, Visakhapatnam and Sriperumbudur in October 2021

Employee volunteering

In view of the ongoing pandemic during the year, virtual interventions were introduced, especially in case of employee volunteering programmes and skill development initiatives.

In their time of need, we stood Beside our Communities:

1 Ambulance	**40** Concentrators	**690** Dry Ration Kits	**1,100** PPE Kits	**3,040** ICU & Emergency Kits
5 Ventilators	**79** Oxygen Cylinders	**785** Sanitation Kits	**1,849** COVID kits	

* GRI 413 -1 Operations with local community engagement, impact assessment and development programmes

Stakeholder management

Customers

We regard customer delight as the final testimony to our success in the market.

As we emerge from the COVID-19 crisis, economic challenges and rapid changes in social behaviour are affecting our customers like never before. We realise that we need to enable and empower them and hand hold them to earn their trust and loyalty in this time of intense flux.

We are investing significant time and efforts to understand changing customer needs, and focusing on delivering quality products backed by services and, no less importantly, staying engaged with the customer after the purchase. In today's world, customer engagement has moved from a point-in-time. To a continuous one over the life cycle of the customer to ensure his/her loyalty.

Asian Paints also works with the some of the best of retailing firms in the world which helps in providing a very strong journey to the customer. In this journey, the customer is provided with an experience which is phygital which means that it combines digital and the physical in terms of the way customer navigates through various areas.

We have our presence in over 400 cities with more than 450 'Colour Ideas' Stores' which are inspiration led stores and provide customised colour suggestions, help the customers in visualisation of how the colours would look on walls and deliver beyond expectations. With innovations like these, we are taking the customers on a digital journey and embarking on a journey that marries the digital channels with the physical world.

Approach towards customer complaints

We treat customer complaints with utmost importance and believe we need to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily.

We keep the customer in the loop throughout the entire process of complaint resolution. We focus on resolving retail customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. These timelines are relevant to our Décor category's customer/applicator/trade expectations. Furthermore, we ensure that we maintain multiple points of communication with the customer, that is through SMS/Email/WhatsApp, to keep the customer informed of all actions taken on the complaint.

Unique situations also give rise to unique solutions. During the pandemic, we accepted the challenge of managing an unprecedented set of circumstances and explored the possibility of managing customer complaints remotely. This was done via digital conversations through video. That the experience was satisfactory is evident from the feedback received from our customers.

We measure our customer satisfaction with the Net Promoter Score (NPS) and have taken up audacious targets for each of the businesses to achieve, in line with our customer first approach.#

Once the resolution is provided to a customer's complaint, all the data related to the complaint gets captured in the Customer Relationship Management system and is protected securely.

Case Study

Complaint resolution – test cases

A show of heart

During the first COVID-19 lockdown, a customer from Mangaluru lodged a complaint. Our representative went to the site to resolve the issue. The customer requested that a technical expert visit the site to fully understand the complaint. Despite the prevailing situation, the technical expert visited the site to answer the customer's queries while adhering to COVID protocols. The customer was pleased with the solution provided. However, rectification efforts at the site had to be stopped as the customer was concerned about his aged mother's health. This was done promptly and as promised, we began work as soon as the situation returned to normal, and the work was completed on time as well.

The party must go on

A customer from Calicut filed a complaint, expecting a quick resolution because he was hosting a housewarming party for his property the following week. Our team visited the site on the same day. We provided an immediate resolution after analysing the complaint. The customer and their family were overjoyed as they didn't have to postpone the housewarming of his dream home.

Going the extra mile

The manager of a Kannur-based bank filed a complaint about a problem seen at the bank's premises following the painting. After a visit the same day, we concluded that the issue was caused not by flawed painting but a leakage in the wall that was not repaired by the customer's contractor prior to painting. We conducted a thorough inspection and advised the customer on the best procedure and products to be used. Even though the complaint had nothing to do with product performance, the customer was impressed by our prompt and solution-oriented approach.

GRI 416-1 Assessment of the health and safety impacts of product and service categories

External Stakeholders*

We are a part of some industrial bodies such as Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), Indian Paint Association (IPA), The Advertising Standards Council of India (ASCI), Indian Society of Advertisers (ISA) etc. We play an active role in these bodies towards building consensus around the ease of doing business and other challenges and work with the relevant government departments towards addressing those. Asian Paints is represented in various national and sectoral committees in these organisations.

Our approach has been that of partnership, alignment and collaboration with government bodies, wherein we try and align our initiatives with international and national priorities to the extent possible.

We comply with all existing laws and regulations and have a robust mechanism to identify, assess and comply with any new regulatory requirement. As a leading paint manufacturing company, we are actively involved in discussions related to constitution of industry related standards and compliances. We generally participate in public policy making and advocacy activities via these industry associations.

*GRI 102-12 External Initiatives
GRI 102-13 Membership of associations

Natural Capital

Painting a greener future

As a responsible paint company, we are driven by the purpose of creating value through our unique, durable, and environment-friendly products and solutions. Given that natural capital is integral to our value creation model, we are focusing on minimising the negative environmental impact of our operations while maximising the positive environmental impact through environment-friendly products and weaving in circularity into our processes..

Strategic focus areas

- Product stewardship
- Natural resource conservation
- Energy and emission
- Waste management
- People and community

Key material issues

- Climate change
- Toxic emissions, waste and effluents
- Water management
- End of life management of product and packaging
- Product stewardship
- Biodiversity

FY 2021-22 key highlights

61.1%
Renewable Energy (RE) consumption against total consumption

282%
Water replenishment

62%
Reduction in specific non-process water consumption (as compared to FY 2013-14)

Interlinkages to other capital

- Financial capital
- Human capital
- Manufactured capital
- Intellectual capital
- Social and relationship capital

SDGs impacted

Our approach focuses on areas of product stewardship, natural resource conservation, energy and emissions, waste management (Project 'NEW'), and people and community. We undertake initiatives around product stewardship which help us reduce our environmental footprint at the formulation level whereas through Project NEW, we focus on resource efficiency at the manufacturing level.

We are proud to play a larger role towards making a tangible difference in the lives of our stakeholders through our People and community initiatives, which have been elaborated in our Social and relationship capital.

We consider compliance with statutory Environment Health and Safety (EHS) requirements as the minimum performance standard and are committed to going beyond and adopting stricter standards wherever appropriate.

Product stewardship

We constantly raise the bar in order to maintain our position as a market leader in product stewardship and invest in unprecedented innovation that provides consumers with unique value while improving product safety and sustainability. Product stewardship has evolved over time, and our ongoing efforts have enabled us to make positive environmental impact through our product innovation techniques. We have made the following efforts:

- **Sustainable products and services offerings**
- **Sustainable optimisation of products and services**
- **Elimination of harmful ingredients**
- **Enhancing product life**

Sustainable optimisation of products and services

Optimisation of rutile in the formulation

Rutile grade of titanium dioxide is a key contributor to the cradle-to-gate product carbon footprint. Over years, we have focused on improving the scattering efficiency of the rutile through multiple formulations and process innovations. There were continued efforts this year to enhance the spacing of rutile in paint film and use effective dispersion and stabilisation techniques. All these efforts helped us to avoid 17,700 metric tonnes of CO_2e in the financial year.

Cycle time reduction

Process efficiency is one of the key focus areas to achieving our overall sustainability agenda. In line with this, we have been putting our efforts into freeing up the capacity through cycle time reduction across intermediate and product streams. Cycle time reduction in the manufacturing of paints and intermediate translates to lower energy consumption. Several cross-functional initiatives were taken up this year to reduce cycle time in water-based and solvent-based paints, emulsion polymers, resins and colourants. These initiatives were largely around reaction engineering at lower temperature/heat, functional additives that reduce processing time, optimising the reaction conditions, use of alternate raw materials and optimising the testing time. Through these efforts, we were able to reduce the cycle time of paints, polymers and colourants by 3.1-7.7%.

82,700 MT

Cumulative reduction in greenhouse gas emissions from FY 2013-14 to FY 2021-22

Sustainable products and services offerings

As leaders in the paint industry, we have promised to offer best-in-class, truly green products. Efficient use of natural resources, quality raw materials, and the latest technology have helped us deliver our promise. Continuing our commitment to being truly 'green', we are assuring our customers eco-friendly paints through our 'Green Assure' certification. While we transform our customers' homes, we will also be transforming their lives through our products.

We are constantly changing and improving our paint formulations to offer low-VOC paints that ensure health and environmental benefits while providing higher performance levels. Our 'Green Seal' and 'Green Assure' products are low VOC products. VOC is an important criterion for certification standards.

We introduced three new products during the reporting year under 'Green Assure'. With these additions, there are 30 products under 'Green Assure', out of which three products are certified by US Green Seal. Further, this year we have been awarded GreenPro[1] certification by CII-IGBC for our 187 products. The product categories covered are distemper, primer, putty, enamel, interior and exterior water-based paint, wood finishes and waterproofing range.

Elimination of harmful ingredients

We have been concentrating on eliminating/minimising restricted raw materials from our products. The aim is not just to make the world more beautiful, but also safer through a systematic approach to paints and painting services.

We have a strong process to control the entry of hazardous material into products. We created a green roadmap in 2011, whereby we decided to eliminate all the raw materials that are classified as Group 1 carcinogens, mutagens and reproductive toxins. We also listed all the materials classified as highly hazardous materials and created a roadmap to eliminate them in two years. By 2013, we eliminated crystalline silica from the products and restricted Group 1 carcinogens, mutagens and reproductive toxins. Restriction on heavy metals was further strengthened by putting controls to know the presence of heavy metals as contaminants.

We created a strong system and screening protocols for raw material introduction and integrated them into an IT platform. Each raw material in system parlance is treated as a new project and various stage gates and accountabilities have been designed for any raw material development. The following flow chart indicates the new raw material development process including various screening stages:

Enhancing product life

We have been focusing on sustainability through the durability of products. This is illustrated through the following:

- Asian Paints SmartCare Range of waterproofing products offers assured solutions to all waterproofing problems and provides consumers with leakage-free homes. The SmartCare Damp Proof provides a warranty of 8 years while SmartCare Damp Proof Ultra and SmartCare Bathroom waterproofing membrane provide a warranty of 10 years

- In the paints category, Ultima Protek and Ultima Protek Duralife exterior paints come with a first-of-a-kind 10 years and 15 years performance warranty respectively. Further, we have a host of products with the durability of more than 5 years such as Apex Advanced Dust Proof, Apex Dust Proof, Apex Shyne Dust Proof, Aspira, SmartCare Damp Proof and SmartCare Damp Proof Advance

[1] Launched by CII, GreenPro is a mark of guarantee that the product which bears the GreenPro label is environment friendly throughout its life cycle.

Raw material development process

Gate 1 (Safety Clearance)	Gate 2 (Analytical test)	Gate 3 (Product Approval)	Gate 4 (Performance Trial Lot)
User creates project in IT platform	Analytical lab tests critical parameters	Product testing	Trial order released for the new material
Vendor submits documents (TDS, SDS, CoA, TC, SIL)	Additional tests are performed to ensure quality and safety	Failure mode analysis	Central safety team creates safety procedures for handling
Toxicity and safety assessment	Consistency check done	Formulation release to production	Product scaled up
Sample arrangement	Material assessment for Green Assure	Vendor agreement on test methods	

TDS - Technical Data Sheet
SDS - Safety Data Sheet
CoA - Certificate of Analysis
TC - Test Certificates for Heavy materials and Crystalline Silica
SIL - Specified Ingredients Letter

Natural resource conservation and resource efficiency

Material management

Resource efficiency forms an integral part of our environmental strategy. Through our continuous efforts, we strive to meet the needs of our customers. In doing so, we optimise our resource management approach to efficiently utilise raw materials and minimise material waste. To ensure the availability of raw materials required for our business operations, we make optimum use of our resources and adopt ways to reuse and reintroduce excess material in our production process without compromising the quality of our products and solutions.

- **Recycled plastic:** We increased the use of recycled plastic in a host of our product packaging. The total quantity of recycled plastic used in our packaging was 3,647 tonnes in FY 2021-22. This accounts for 5.4% of total plastic packaging.*
- **Wash water:** During water-based paint processing, a significant amount of wash water is produced while cleaning the processing vessels and liquid material transfer lines. We have optimised its generation by using high-pressure jet cleaning systems and upgraded our wastewater handling systems for re-using these in specific paint processing steps. In FY 2021-22, we utilised 28,763 MT of wash water in our products, resulting in avoidance of freshwater consumption and generation of waste sludge through the wash water.
- **Waste solvent reuse:** We are able to recover and reuse waste solvent in our products. To reduce the need for distillation and hence sludge generation, we started ensuring shade-wise segregation of waste solvent from product streams. This helped us ensure the utilisation of waste solvent in products after necessary quality checks in place of fresh solvents. In FY 2021-22, we were able to reuse 716 MT of solvent in products. In addition to this, we also use recovered solvent for cleaning purposes.
- **Economy grade paint:** In case of materials where source segregation or development of reuse scheme is not possible, we collect and use these materials in producing an economy grade paint. Such materials include those from strainer cleanings, retention samples, transfer pump seal or gland leakages and intermediaries generated at different sources etc. We have been able to segregate, reprocess and produce 1,282 MT of economy grade paint in FY 2021-22 compared to 929 MT the previous year.

3,647 tonnes

Recycled content in plastic packaging in FY 2021-22

* GRI 301-2 Recycled Input Material used

Water management*

Mounting water scarcity is perceived as a major climate-related risk. We understand that the intensity of water usage in our operations is limited, however, the overall consumption is still significant in the local context. Recognising this, we have been making efforts to address the challenge of water scarcity holistically. This is evident from improvements made in key metrics of specific water consumption, specific non-process water consumption and water neutrality.

We follow two-pronged efforts toward reducing our overall water footprint:

Water replenishment and conservation inside factory premises

- Our efforts at reducing the overall specific water consumption for non-process water have resulted in a reduction of 62% since FY 2013-14
- We reuse or recycle wastewater back within the factories so that all our decorative manufacturing sites are zero liquid discharge facilities

Water withdrawal**

During the year, we withdrew 767 megalitres of freshwater. While, total water consumption including rainwater was 939 megalitres. Our specific water consumption in the operation has shown a consistent decline for the last three years.***

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Rainwater collected and consumed within factory (megalitres)	65	148	154	**172**
Specific water consumption (KL)	0.68	0.82	0.80	**0.77**

282%

Water replenishment in FY 2021-22

On-site projects

Our on-site projects are focused on reducing freshwater consumption and increasing the share of recycled water in our processes. Our efforts have led us to undertake initiatives at various factories.

Visakhapatnam plant utilised more than 67,000 KL of rainwater in the process, which is 38% of total water consumption and 62% of freshwater consumption in the plant. Similarly, during the reporting period, the Mysuru plant utilised more than 58,000 KL of rainwater in the process, which is 34% of total water consumption and 51% of freshwater consumption. Cumulatively, similar utilisation of rainwater across the plants resulted in the avoidance of 172 megalitres of freshwater withdrawal.

Water replenishment and conservation outside factory premises

An abundant supply of water is the basic need for all communities, and we endeavour to improve its availability in the direct ecosystem near our plants by increasing the infrastructure to harvest rainwater. This is done through interventions such as:

- Roof-top rainwater harvesting and recharge systems
- Integrated watershed development in nearby villages
- Check dam and lake de-silting

We implement integrated watershed development in villages nearby our factories. We undertake initiatives like pond cleaning, desilting, irrigation channel lining, training farmers on micro-irrigation systems, and integrated pest and soil health management. Our projects begin with a need assessment to form a baseline and conclude with an impact analysis to measure the outcome.

Significant and sustained investment in the creation of the harvesting and recharging potential over the years coupled with better rains, helped us replenish 282% of the total water consumed in our manufacturing sites in FY2021-22.

Besides the interventions on the supply side, we also work towards improving the efficiency of water usage in our communities through demand-side interventions. Such interventions focus on awareness programs for farmers on soil and water conservation, livelihood support with wetland creation, agro-forestry, etc.

Off-site projects

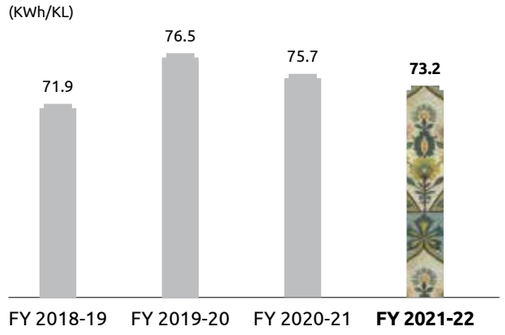
We introduced Integrated water resource management by rejuvenating 7 tanks (ponds) in Pichivakkam village watershed, Sriperumbudur block. Through this intervention, we have created a rainwater potential storage of around 30,060 KL.

Situated in Sahyadri Hills with an annual rainfall of 908 mm, the farming community around Khandala faces an acute shortage of water. The plant CSR team through its flagship project called Jal Sashakt, has positively impacted the life and livelihood of this community through various water conservation interventions such as the following:

- Removed silt which is rich in organic content and used for the reclamation of barren land
- Increased water holding capacity leading to increased water availability for groundwater recharge and usage for irrigation

The livelihood of the community has improved with farmers able to grow crops such as groundnuts, soyabean and Jawar in the now fertile land on account of the interventions. This has resulted in the creation of 5.5 Lakh KL of water storage capacity.

Specific electricity consumption^



Energy conservation initiatives%

Owing to our continuous focus, we implemented a host of tech-enabled energy-efficient measures across our factories. Through these interventions, we were able to reduce our energy consumption, which represents a total energy saving of 30,63,557 kWh/annum for FY 2021-22. Some of the key interventions deployed across facilities include replacement of FRP cooling tower fan blades with energy-efficient E-glass epoxy, improvement in Britex conveying rate, SPB chilling plate replacement with energy-efficient chiller, SBU and RH cold storages replacement with 5 star rated units, energy-efficient cooling fans, replacement of normal fans with BLDC, etc.

At our Rohtak plant, we have implemented an electronically commutated (EC) permanent magnet DC motor as an alternative to an AC induction motor. This eliminates induced current flow in the rotor, leading to near Zero loss in the Rotor cage and slip and thus higher efficiency through POC with 44% savings. This technology finds application in air handling units and centrifugal blowers. Implementing a heat pump at the Rohtak plant as an alternate technology to fuel for heating water is thus helping reduce fuel consumption.

Energy management

As part of our overall resource conservation efforts, energy management plays a vital role and is one of the key aspects of sustainable operations. Our primary focus is on two aspects of energy management:

- Energy efficiency
- Renewable energy usage

Our facilities operate with the aim to reduce our energy consumption in the processes which have a direct impact on carbon emissions.

Energy efficiency*

Our manufacturing operations fulfil energy requirements from a variety of sources like electricity from the grid, natural gas, diesel, LPG, wind power and solar power. In FY 2021-22, total energy consumption stood at 537,146 GJ, out of which 271,232 GJ is contributed to direct energy consumption and 265,914 GJ contributed to indirect energy consumption.

Our efforts to reduce specific and, in turn, absolute energy consumption focuses on optimising energy consumption, installing energy-efficient technologies, and transitioning to renewable energy. This is enabled by monitoring our performance and conducting energy audits for improvement.

Renewable energy

Increasing the share of renewable energy in our overall energy portfolio is a flagship initiative which demonstrated our commitment to sourcing clean energy and transitioning to a low-carbon operation. Since 2013-14, we have substantially augmented our investments in renewable energy to reduce dependence on fossil fuels. This is demonstrated by the fact that we achieved a RE footprint of 61.1% in FY 2021-22 compared to 0.1% in FY 2013-14 (against total electricity consumed).

61.1%

Renewable energy consumed in FY 2021-22 as part of the total electricity consumption

* GRI 303-1 Interactions with water as a shared resource
** GRI 303-3 Water withdrawal
*** GRI 303-5 Water Consumption

* GRI 302-1 Energy consumption within the organisation
% GRI 302-4 Reduction of Energy Consumption
^GRI 302-3 Energy Intensity

Emissions

Aligning our emissions management strategy with the global goals of minimising carbon footprint and mitigating climate change risks, we have streamlined our processes to move closer to this common goal.

Reducing GHG emissions is not only a business imperative for us at Asian Paints, but also forms a vital part of our environmental stewardship. With the use of RE sources, alternate fuel, and energy efficiency efforts, we have been able to reduce our emissions.

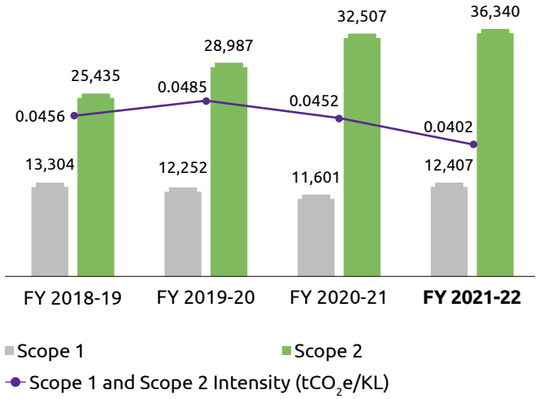
GHG emissions*

Our absolute Scope 1 emissions have been reduced by 51% whereas our Scope 2 emissions have witnessed a reduction of 31% as compared to FY 2013-14.

In FY 2021-22, our emission intensity has reduced by 11% from the previous year. This reduction in intensity is primarily due to energy efficiency initiatives as well as sustained investments in renewable energy.

GHG emissions

(tCO_2e)



69%

Decrease in emission intensity from 2013-14

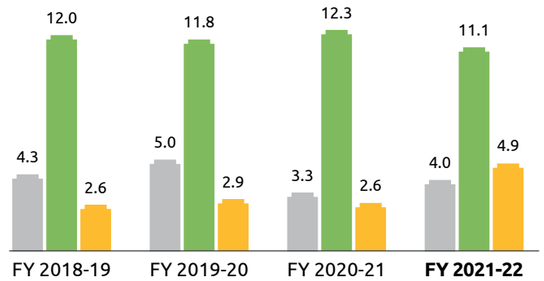
* GRI 305-1 Direct (Scope 1) GHG emissions
GRI 305-2 Energy Indirect (Scope 2) GHG emissions
GRI 305-4 GHG emissions intensity
GRI 305-5 Reduction of GHG emissions
GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Other emissions#

We have been monitoring and measuring other significant emissions through our stacks. We not only ensure to comply with the regulatory requirements but also strive to maintain these emissions at near-zero levels. During the year, the absolute PM, NOx and SOx emission was 4.8 MT, 13.5 MT and 6 MT respectively.

Other emissions

(g/KL)



*Increase in the values is due to amendment in consent conditions in one factory resulting in operation of the additional boiler

Case Study

In FY 2021-22, the Sriperumbudur plant installed the heat pump, which has brought about manifold benefits in the operation of the boiler. As a result, the boiler running hours have come down significantly. This has led to a fuel reduction of an average of 2.75 tonnes/month, which accounts for approximately 25% reduction in Scope 1 emission of the plant.

Waste management*

Minimising waste in our processes not only reduces costs but also reduces our use of materials, energy, water and land. We are focused on the goal to reduce all by-product materials, and waste generated by our production processes.

We follow the classical '3R' strategy: Reduce, Reuse and Recycle for waste management. Systems and procedures have been developed through which we repurpose used material and reintroduce excess material into the production process. We keenly monitor and manage material efficiency, to reduce resource consumption and avoid waste generation.

During the year, 1,272.64 MT of hazardous waste and 9,961.36 MT of non-hazardous waste was generated.

Hazardous waste reduction

Reduction at source: We are committed to reducing hazardous waste generation at the source. For this, several initiatives across sites are undertaken which is evident in the y-o-y reduction in specific hazardous waste disposal. We have a system and procedure in place to properly segregate hazardous waste generated at the source.

Safe handling and storage: Safe handling and storage of waste is a critical part when it comes to hazardous waste management. Our manufacturing units are equipped with waste storage facilities with a well-defined procedure that ensures waste is stored in a proper manner, thereby avoiding any threats posed to the health and well-being of our employees and our surrounding environment.

Safe disposal: We ensure full compliance with all applicable regulatory requirements pertaining to hazardous waste management. Moreover, all our hazardous waste generated is disposed of as per the defined methodology. Our methods of disposal include co-processing or pre-processing for usage in cement kilns, incineration, and disposal of leftover quantities in the landfill.

Our effort has always been towards waste diversion involving reusing, recycling or composting materials that would otherwise be buried in the landfill, followed by ensuring safe end of life disposal.

Case Study

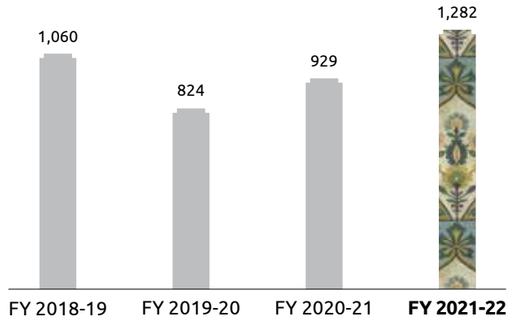
Effective engineering controls to reduce the generation of hazardous waste at the source

At our Mysuru factory, we mitigated the issue of pump seal leakage by piloting replacement with different type of pump. This, along with a host of other initiatives undertaken at the site, resulted in a reduction of 40 MT in hazardous waste generation from the production block. Similar initiatives were also undertaken at the Visakhapatnam plant.

Waste diverted from disposal#

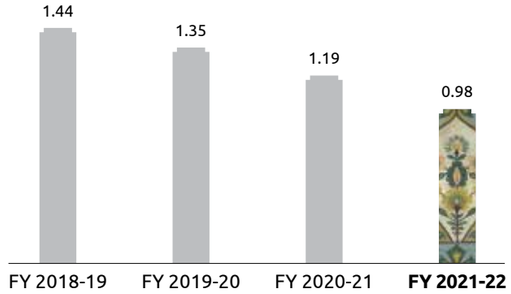
Total waste

(MT)



Specific hazardous waste disposal

(kg/kl)



Case Study

Self-cleaning filter machine

At Patancheru, a self-cleaning filter was introduced in place of the sparkler filter. With this, we were able to achieve an estimated reduction of hazardous waste by 160 kg/month at the trial stage.

* GRI 301-3 Reclaimed products and their packaging materials
GRI 306-1 Waste generation and significant waste-related impacts
GRI 306-2 Management of significant waste related impacts
GRI 306-3 Waste generated
GRI 306-4 Waste diverted from disposal

Non-hazardous waste reduction#

With effective waste management plans in place, we aim to move towards a circular economy replacing the linear economy of 'take, make, and dispose'. Across our value chain, we are in the process of achieving circularity through our efforts right from the initial stage of procuring raw materials and reducing the use of virgin resources.

Recycling and reusing our non-hazardous waste such as discarded wooden pallets, plastic waste, and packaging material have enabled us to minimise the quantity of waste that gets diverted to landfills. We have sold 9,961 MT of non-hazardous waste generated during FY 2021-22 to authorised recyclers as per applicable regulations.%

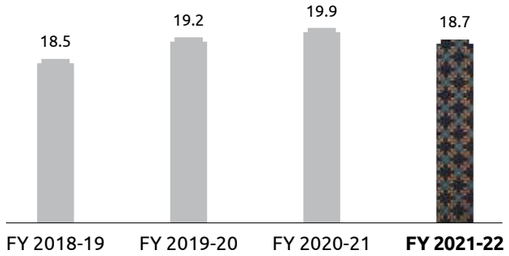
We have been ensuring the collection and safe disposal of our packaging waste through the Extended Producer Responsibility (EPR) approach since 2018. In FY 2021-22, we collected and recycle or safely dispose of over 3,400 tonnes and 8,800 tonnes of flexible plastic waste and rigid plastic waste respectively across 23 states.$

Wastewater Management**

Industrial effluent is generated during paint processing and afterwards during equipment and pipeline cleaning. Source reduction is our major area of focus, followed by reuse of wash water back in our process. Whatever effluent cannot be reused is recycled in our ETP and advanced treatment systems. This recycled water is then utilised to fulfil both process and non-process requirements. All our decorative manufacturing sites are zero liquid discharge facilities.^

Specific industrial effluent trend

(Lt/KL)



Case Study

At our Ankleshwar plant, there used to be a requirement for fresh barrels at the outsourced processing centre (OPC) for waste packing activity. We reduced the usage of fresh barrels by supplying used packing material barrels. This has helped in the reduction of 37.3 tonnes of non-hazardous waste disposal from the plant. Similar initiatives have been implemented in multiple plants.

Biodiversity*

Even though our manufacturing sites are in notified industrial areas, our operations have various impacts and dependencies on the local biodiversity. Hence, sustainable management of these linkages with biodiversity is important to mitigate the negative impact and reduce dependencies. We meet the regulatory requirement for green belt development. Further, to promote local biodiversity, we undertake plantation of native species of plants within our factories, avoid deforestation of existing land, and preserve wildlife. We have a robust biodiversity management plan in place to streamline our efforts. Our operational facilities are not located in any of the identified biodiversity protected areas.

Aligning ourselves with the UN Sustainable Development Goals (SDGs) of promoting, preserving, and protecting our biological ecosystems, we have undertaken several biodiversity initiatives at some of our facilities. Our initiatives at our Visakhapatnam and Mysuru facilities and a similar initiative at the Sriperumbudur factory resulted in a positive biodiversity impact at these locations. Similar initiatives are being undertaken in the industrial paint unit located at Taloja as well as our R&T centre in Turbhe in the last few years.

* GRI 304 -1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

GRI 304-2 Significant impacts of activities, products and services on biodiversity

GRI 306-1 Waste generation and significant waste-related impacts
GRI 306-2 Management of significant waste related impacts

% GRI 306-5 Waste directed to disposal

** GRI 303-2 Management of water discharge related impacts

$ GRI 301-3 Reclaimed products and their packaging materials

^ GRI 303-4 Water discharge

Case Study

Key actions

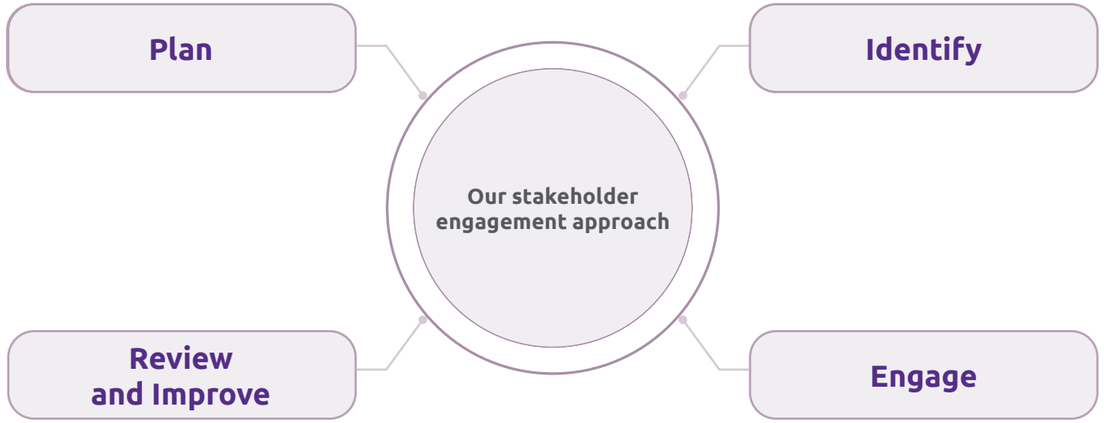
- As per the recommendations of CII and IBBI in Natural Capital Action Plan to achieve Net Zero carbon footprint and climate resilience, 1,000 native trees were planted inside the plant and in nearby villages. Around 700 trees were planted in FY 2021-22
- Two fully grown dense forests are available in the unit with more than 2,000 trees, shrubs and climbers, three bamboo gardens created with 200 bamboos trees
- Two vertical gardens are maintained in the unit
- Units focus on planting cyclone-resistant trees which help to sequestrate carbon and provide a cooling effect
- 600 native trees planted inside the plant premises as part of developing a third dense forest
- Biodiversity awareness sessions and visits organised for children and the people of Kandur village
- Tree saplings were provided to 500 people and more than 2,000 tree saplings were planted by villagers in the last two years

Sriperumbudur plant achieved 72% in the biodiversity assessment carried out by CII and we are one of the top two in India audited by CII.

Managing our relationships

We continuously engage with our stakeholders to identify and address issues that have a material impact on our long-term value-creation abilities. Stakeholder engagement plays a critical role in our innovation journey, in designing products, services and solutions with high growth potential.

We have identified our stakeholders as those persons, groups or organisations who impact us and are directly impacted by our activities, as well as those that we foresee to be reasonably impacted. A planned system of engagement ensures the timely exchange of accurate and relevant information to, and interaction with, each stakeholder group in a consistent manner.



Customers

Why they are important	Key concerns and expectations	Approach of engagement
Customer feedback, or as we call it, the Voice of Customer, is key to innovations, process improvements, quality enhancement, service performance and cost optimisation	• Delightful experience through the décor journey • Product safety and value for money • Innovative products • Anticipating requirements • Creating value • Convenience • Solutions and not just products • Better servicing	• Partnering with them in their journey from products to services • One–on–one interactions • Digital channels like mobile applications (Colour with Asian Paints), website and many more • Customer satisfaction survey • Feedback surveys and calls post redressal of complaints • Customer service helpline

Employees

Why they are important	Key concerns and expectations	Approach of engagement
Our employees are at the centre of all our operations. Their collaborative skill and expertise are essential for our growth	• Employee well-being • Learning and development • Occupational health and safety • Growth • Diversity	• Personalised learning and development programmes • Regular performance review and feedback • One-on-one engagement, townhall meetings • Employee engagement surveys • Digital engagement • Exit interviews • Programmes catered around overall well-being • Engaging with students in leading campuses • Intranet Portal

Investors

Why they are important	Key concerns and expectations	Approach of engagement
As providers of capital, they are key to our growth and expansion plans	• Consistent return on investments • Long-term viability and sustainable growth • Wealth creation • Timely disclosures and compliance • Good governance	• Annual general meetings • Quarterly investor conferences • One-on-one engagements • Digital engagement • Media updates • Annual report and sustainability report • Meetings • Disclosures

Stakeholder engagement

Communities

Why they are important	Key concerns and expectations	Approach of engagement
A harmonious relationship with the communities where we operate is key to our social licence to operate; they are our partners in progress	• Social concerns such as health and hygiene, skilling and water management • Sustainable way of carrying on the business	• Collaboration with non-governmental organisations (NGOs) • Field visits • CSR and sustainability initiatives • Skill development • One-on-one interactions

Vendors

Why they are important	Key concerns and expectations	Approach of engagement
Our operations are closely linked with the timely availability of services and materials that we source. These, in turn, have a material impact on the efficiency of our service delivery	• Long-term commitments with business partners • Value creation • Fairness in business dealings • Necessary knowledge and infrastructure support	• Supplier meets • One-on-one interactions • Digital channels such as supplier grievance/feedback portal • Forums and seminars • Collaboration with vendors

Government and Regulatory Bodies

Why they are important	Key concerns and expectations	Approach of engagement
Key for ensuring compliance, interpretation of regulations and uninterrupted operations, obtaining or granting permission	• Adherence to compliance in substance and spirit • Collaboration on national agenda • Inputs for ease of doing business • Inputs for regulatory changes • Make in India • Sustainability	• E-mails and letters • Conferences • Industry forums • Regulatory filings • Meetings with officials • Representations

Influencers

Why they are important	Key concerns and expectations	Approach of engagement
Key role in transforming dream to reality using our products	• Business collaboration • Value addition • Upgradation in products and offerings	• Meetings • Conferences • Digital platforms

Evaluating issues core to business sustainability

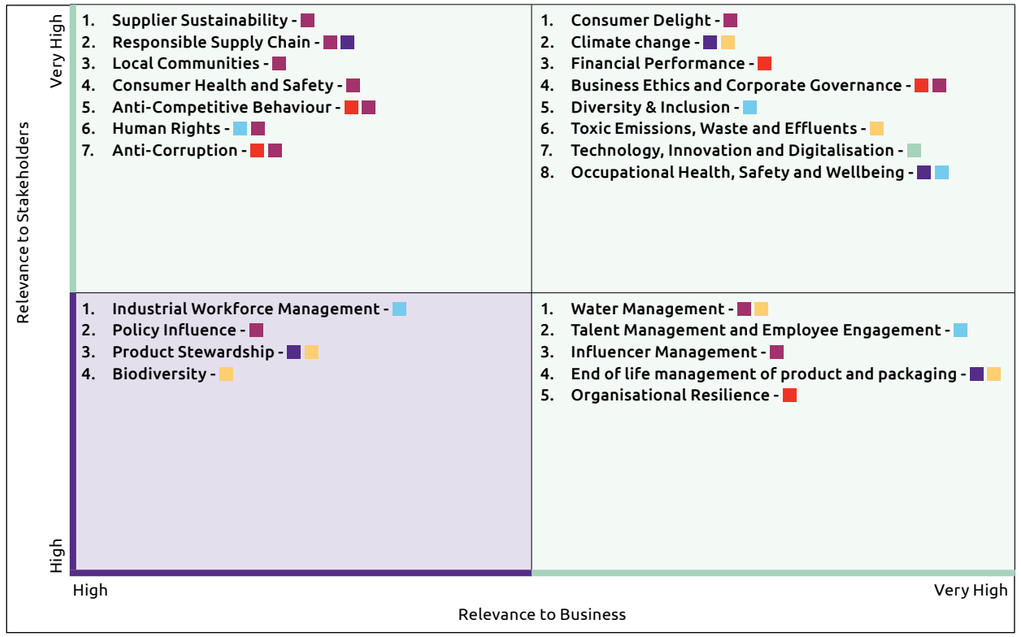
To determine which issues are material to our business, we assess the external environment, consider stakeholders' interests and concerns, evaluate key corporate risks and opportunities and draw up our business strategy accordingly.

During the year, we conducted materiality assessment exercise. Our materiality assessment exercise is a clearly defined, closed-loop interaction that involves taking feedback from external and internal stakeholders, and using the insight for identification of the material topics.

Deducing our material issues

Identify	While determining the material issues we consider a wide range of inputs such as peer benchmarking, stakeholder interviews and regulatory review
Prioritise	Depending on their impact on our business (low, medium and high), external environment and stakeholders, material issues are prioritised
Validate	The issues identified are validated by the top management
Disclose	The matters which have the highest impact on our business and stakeholders are mapped, disclosed and monitored

Materiality Matrix



Making responsible choices

Being a world class enterprise, we preserve nature, embrace integrity, provide impeccable confidence to stakeholders, energising employees, enriching livelihoods and bringing joy to people's lives.

We see our responsibility to take the lead in sustainable development not only as a duty to society but as an opportunity to do well by doing good. By embracing sustainable development and going beyond minimum information disclosure requirements and regulatory compliance, we aim to protect and deliver value to all our stakeholders. We are proud to enrich the lives we touch and bring joy to people's lives.

Guided by our core values, the ESG approach propels us to steer the business strategy to deliver our purpose of bringing joy to people's lives.

Asian Paints Core Purpose

Our Purpose is centered around the customer: Bringing Joy to People's lives

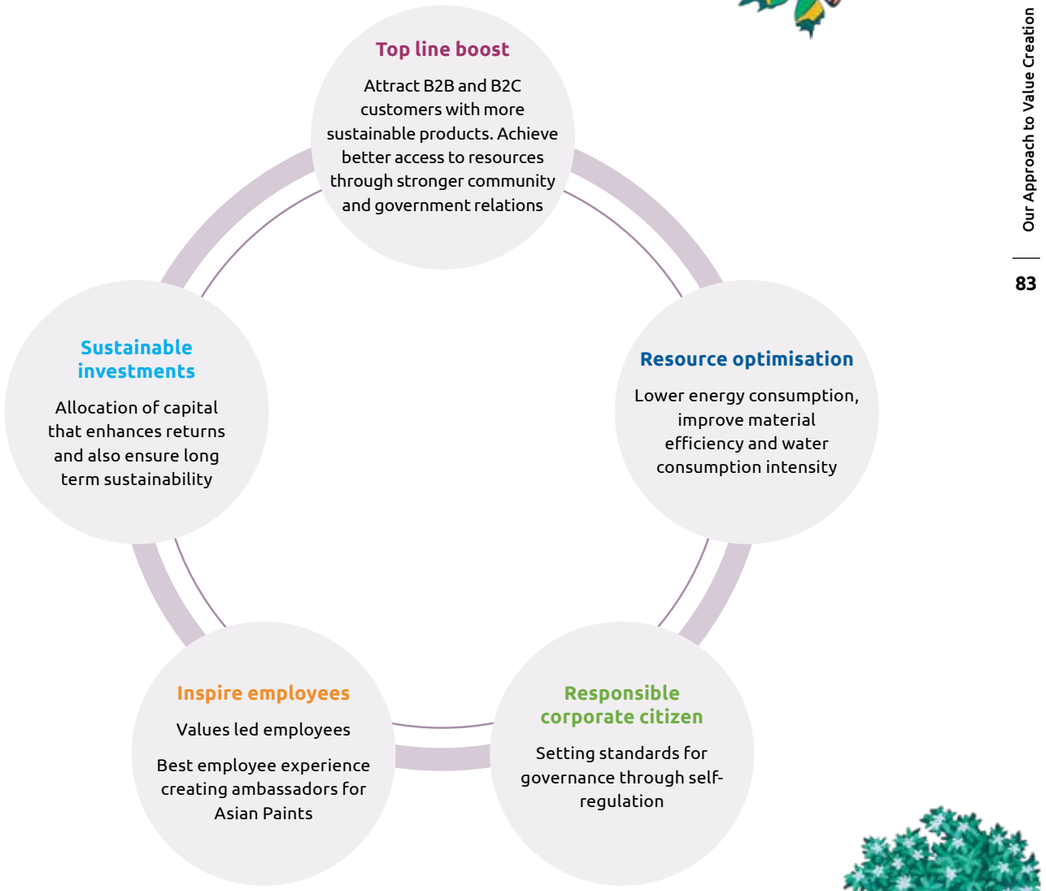
Business Strategy is based on maximising returns by propelling ESG Strategies

Values lead to work in the ESG framework

Core Values are the Pillars

Five elements of Value Creation through ESG

We are committed to maintain an optimal balance between People, Planet and Profits objectives.



Key focus areas

Environmental

Product Stewardship

Certified sustainable products and service offerings

Ensure all premium and luxury emulsions top-coats are Green Assure & Green Seal certified

Sustainable optimisation of products & services

- GHG optimisation
- Reduction in carbon emission equivalent (MT)
- Low VOC
- High organic content
- Recycled waste used in products

Enhancing product life

- Increasing durability of products leading to reduction in overall environmental footprint
- Increasing the shelf life so that product efficacy remains for a long time.

Minimising and eliminating CMR^ or other related raw materials

- Lead free paint
- No added heavy metal

Moving towards circular economy

Increasing the renewable content in product offerings

Nature Positive

Recyclability

- Reduction in proportion of plastic used in our packaging
- Near Zero disposal of packaging as garbage

Zero non-biodegradable plastic

Increased proportion of biodegradable plastic used in packaging (subject to availability of technology)

Emission Reduction

- Reduction in Scope 1 and Scope 2 emission
- Reduction and monitoring of SOx, NOx and other significant air emissions

Near Zero Waste

- Reduction in hazardous waste generated
- Non-hazardous waste sold to authorised recyclers
- Zero Liquid Discharge in manufacturing
- Reduction in specific Effluent Generation

Water Neutrality and Energy Conservation

Water Neutrality

- Reduction in non-process water consumption
- Rainwater collected and consumed within the factory

Renewable Energy

Move towards 100% share of renewable energy in total electricity consumed in factories

^CMR - Carcinogenic, Mutagenic or toxic for Reproduction

Social

Employees and Safety

Safe Working Environment

- Ensuring Zero Accidents
- Zero Occupational Illness
- Zero Incidents of Property Damage

Ensuring Safe Workplace

- Initiatives taken towards reduction of recordable work injuries and fatalities
- Reduction in Loss time injury (LTI)/ Severity Rate (TSR)
- Initiatives towards sensitization

Diversity in capability, qualifications and inclusive work environment

Flexible and inclusive working environment with equitable policies

Best in class employee experience

Best-in-class employee engagement score/collaboration score

Community and Consumers

Enhancing livelihood of people

- Painters trained at Colour Academies
- Empowering women teams in Painting & Décor
- Décor courses in Design Institutes

Community Wellbeing

- Beneficiaries of multi-specialist healthcare services for the community via MMUs
- Healthcare beneficiaries through static clinics for community

Water Stewardship

- Potential created through watershed management and community outreach programs
- Access to safe drinking water for the community

Consumers

Create celebratory experiences in every day lives of consumers across services and communities

Governance

Ethics, Transparency, Quality and Accountability

- Industry leading policies
- Climate change risk as a part of risk management
- Alignment with SDGs

Board capabilities and practices

- Board practices assessment
- Independent Board Committees

Enterprise Risk Management

100% of risk impacting business resilience: Annual assessment and score

Proactive engagement and response towards stakeholders

- Transparent, timely disclosures
- Qualitative assessment score from investor community

ESG targets fulfilment to be linked to senior management remuneration

Performance incentive to include weightage on ESG linked targets

ESG Beyond

Inclusion

As we evolve into the framework, we work towards making all our Supply Chain partners ESG compliant

Return to Shareholders

Environment, Social and Governance linked to Organisational Profitability

Qualitative Score

Qualitative assessment of confidence from Investor Community

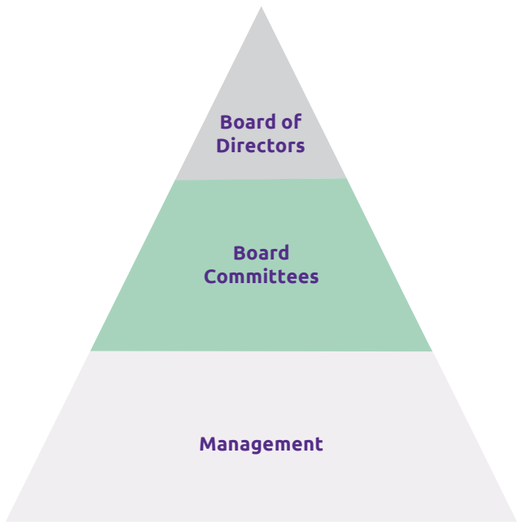
Strong foundation for a brighter future

At Asian Paints, we believe in empowering our stakeholders and creating a culture of transparency and accountability. We have unfailingly upheld the highest standards of governance and conducted our business with integrity and fairness. The trust we have gained in the process has ensured that we are better placed to assess and manage risks, address issues that are material to our stakeholders, and take the right decisions that balance the interests of all.

As per the Asian Paints Charter co-created by the employees, we have adopted a value system that upholds the spirit of collaboration, creativity, scientific rigour, audacity to disrupt and a continued commitment to the customer. A sound governance system forms the bedrock on which we continue to deliver on each of these commitments while keeping an unwavering focus on sustainability and safety.

Governance structure

Our approach to corporate governance and the role it plays in the life of the organisation goes well beyond meeting our compliance obligations. Our governance framework fosters our high-performing culture while underpinning our principles of integrity, customer focus, collaboration, innovation, sustainability and stakeholder delight.



Role of the Board

The role of the Board is to provide leadership to the Company and to deliver shareholder value over the long term. The Board sets the Company's strategic objectives, making sure they align with its values and standards and the desired business culture. The Board of Directors have the responsibility of ensuring effective management, implementation of the business strategy, monitor the performance of the Company, its compliance efficacy and the effectiveness of the Company's corporate governance practices. The Managing Director & CEO reports to the Board of Directors and is in charge of running the Company's operations, executing the business strategy in consultation with the Board and achieving annual and long-term business goals.

Board committees

Various committees assist the Board in discharging its duties and responsibilities although the ultimate responsibility rests with the Board. The committees report to the Board on their activities on periodic basis and the minutes of the committee meetings are provided to all Board members. Our Board committees are:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Investment Committee

Diverse expertise

The Board of Asian Paints brings together a wealth of knowledge, perspective, professionalism, diverse thinking and experience. Our Board members have a deep understanding of the business environment, risk, governance, technical, financial and non-financial matters.

Skills/Expertise/Competence

Name of Directors	Sales and Marketing experience	International business experience	General management and leadership	Financial and risk management skills	Technical, professional skills and knowledge including legal, governance and regulatory aspects
Deepak Satwalekar	O		O	O	
Manish Choksi	O	O	O	O	O
Amit Syngle	O	O	O	O	O
Ashwin Dani	O	O	O	O	O
Malav Dani	O	O	O	O	
Amrita Vakil	O		O	O	
Jigish Choksi	O		O		
Nehal Vakil			O	O	
Pallavi Shroff	O	O	O	O	O
M.K. Sharma*	O	O	O	O	O
Vibha Paul Rishi	O	O	O	O	
R Seshasayee	O	O	O	O	O
Suresh Narayanan	O	O	O	O	
Milind Sarwate			O	O	O

* Retired from the Company, w.e.f. close of business hours on 31st March, 2022 upon completion of his tenure as an Independent Director.

Board experience

Board age profile*

Board diversity#

*The Company does not have any directors in the age group of <30 years.

Time spent during the year on Board discussions

Particulars	Board (%)
Strategy	33.5
Financial and business performance review	26.1
Operational and functional	9.3
People and organisational	14.2
Governance and risk management	16.9

GRI 405-1 Diversity of governance bodies

Policies and standards

We have developed policies for our businesses in keeping with the broad group policies, values and principles. We empower our employees to learn, understand and apply this learning to achieve and set new benchmarks with their efficiency and commitment. To know more about our polices, please refer https://www.asianpaints.com/CGpolicies.html

A culture of integrity

Ethical conduct of business, fairness and trust in our dealings, prevention of corruption and illegitimate disclosure or use of inside information, and observance of human rights are among the essential principles that guide our operations and risk management system.

We encourage our employees to give their valued feedback and voice any concerns they may have. We have a robust policy framework to deal with frauds, starting with the Code of Conduct Policy, the Whistle-blower Policy and policy on fraud prevention. Awareness sessions are held periodically and people are encouraged to report suspected frauds through the whistle-blower mechanism. We have zero tolerance to the violation of the Code of Conduct.

Compliance

Our compliance philosophy upholds integrity, fair dealing, accountability, objectivity, independence, good governance, transparency and collaboration. We acknowledge the importance of compliance with regard to our legal, regulatory and ethical obligations and the fact that these affect our operations and accountability to all stakeholders. Our Compliance function adopts a risk-based approach that considers the nature, scale and complexity of business while enforcing good governance, efficiency and effectiveness.

Advocacy and public policy

We engage with governments and regulators in public policy discussions directly and through institutional bodies to share our views and the perspectives of our stakeholders on issues relevant to our business. Our aim is to provide the industry with highly specialised knowledge and key insights. We perform the function of policy advocacy in a transparent and responsible manner when engaging with all the authorities and in doing so, we consider both our corporate interests as well as interests of the industry as a whole.

* GRI 405-1 Diversity of governance bodies

Balancing risks and opportunities

Our business is subject to risks and uncertainties that could have both short-term and long-term implications for the Company. In a rapidly changing business environment with dynamic customer requirements, business risks are constantly evolving. As a result, there is significant variation in emerging risks landscape across businesses. We, at Asian Paints, constantly monitor external environment to identify potential emerging risks and their impact on our business.

Our robust and resilient risk management framework is guided by Risk Management Committee of the Board, involving Independent Directors and Senior Management. The Chairperson is an Independent Director. The Risk Management Committee closely monitors risk management efforts and provides insights for effective risk management across our operations. Composition of the Risk Management Committee, their responsibility and other related details are provided in statutory section of our annual report.

The risk management process of the Company in guidance from the Risk Management Committee is further supported with responsibilities involving formulation of policies, identification of risks and monitoring risk mitigation measures. The Functional Heads are responsible for implementation of risk mitigation measures on an ongoing basis. The management uses the ISO 31000 framework as a guiding tool in its risk management efforts. Our risk management framework is robust enough to ensure accurate identification of emerging risks and is flexible enough to accommodate decentralised risk management practices. The Company evaluates risks that can impact its strategic, operational, compliance and reporting objectives.

Asian Paints has been able to weave through challenging macroeconomic environment due to the resilient portfolio of products which straddles across the pricing pyramid. Our flexible business model allows us to adapt our portfolio and respond quickly to develop new offerings that suit consumers' changing needs during economic downturns. We actively engage with stakeholders and find pathways to partner with them for long term sustainability and mutual benefit.

Risk management process

Risk management

Following is summary of key risks the Company addressed in FY 2021-22 along with the key mitigation measures. The Management Discussion and Analysis Section of the Annual Report explains some of the key strategic and business risks and their management by the Company in detail.

Risk Description	Mitigation Strategies	Movement	Capital Impacted
Shifting consumer preferences			
Shifting of consumer preferences towards greener products, wholesome solutions, niche products and a responsible brand	• Greater focus on differentiated and wholesome solutions and services • Have a healthy new product pipeline offering value for money • Leverage health and well-being value proposition • Tie ups to provide consumers a choice among with a wider range of products and price points in the décor segment • Aggressively target the Home Décor and services space for building long term connect with the consumer • Identifying unique products and technologies basis patent landscaping, academic research, competitor literature for exploration in new product development	=	
Reputation risk			
Bad publicity arising out of any act/ inaction by the Company on social media or any other platform	• Active monitoring of feedback on social media and addressing concerns in a timely manner • Actively addressing product complaints and creating a delight for the customers at the end of the complaint addressal • Ensuring product delivery as promised • Compliance to all regulatory norms • Strengthening corporate governance norms, including adherence to the code of conduct by all • Sign off for all product/warranty promises to the customer	=	
Evolving regulatory landscape			
Changes in existing regulations/ emerging regulations impacting sourcing of materials, emissions, waste generation, storage and use of material or quality of finished goods	• Being the next level in paint industry (ahead of the prevalent statutes) in India through benchmarking with the best in the world with respect to emissions, water consumption and waste generation • Corporate Quality and Safety (CQS) team continues to monitor all emerging regulations, incidents, developments in the space of EHS and map it for compliance with Asian Paints	↑	
Process and product technology risk			
Technology as a disruptor continues to be a top uncertainty Digital economy has disrupted the interface of the customer with the industry Product and manufacturing technology continues to provide opportunities to disrupt the offering to the customer with high efficiency and reliability	• Have a robust pipe line of ideas for patenting and implementation • Regular benchmarking with global players and international patents in paint and related industries • Identify players for tie ups on areas where there is a technology gap in the product portfolio • Consciously invest in emerging digital technology and create a first mover advantage with a differentiated offering	=	
Material availability and inflation			
Disruption across the value chain arising out of unforeseen events leading to unavailability of material and increase in material prices	• Detailed review of current and future global capacity and demand review for critical materials to identify demand supply mismatches during annual planning and 3 years purchase strategy • Conduct Industry/category dynamics study, speaking with analysts to understand how the overall global capacities are adding up • Quarterly tracking of raw material and packing material prices	↑	
Counterfeit Products			
Counterfeit and spurious products are a global problem of enormous scale, impacting almost every sector, causing significant losses to the industry and the Government	• Asian Paints has been working with agencies and local authorities across states to identify and target spurious and counterfeit products manufacturers, including label printers by conducting regular raids	↑	
People Risk			
Attrition of key talent impacting succession pipeline	• Identifying and developing the talent pipeline for all individuals at leadership position • High Engagement score for the Company and each function • Pegging remuneration and benefits with the industry	↑	
Safety Risk			
Handling hazardous material/ waste in business operations	• Adherence to standards pertaining to OHS, the Company's EHS policy and highest operational standards for handling hazardous materials • Continuous engagement with suppliers for identifying any new threats / better options to mitigate the risks • Periodic risk assessments using quantitative risk assessment and closure of action plans arising out of such assessments • Having a comprehensive Emergency Response Plan (ERP) in place • Plant design to adhere to inherent safe design based on various applicable standards	=	
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.	• Adherence to safety standards, the Company's EHS policy and highest operational standards for handling hazardous materials at plants • Continuous progress in the Behaviour Based Safety journey by all plants	=	

Risk management

Risk Description	Mitigation Strategies	Movement	Capital Impacted
Fraud risk			
Occurrence of fraud & hesitation to use whistle blower policy	• Awareness sessions to encourage usage of whistle blower policy • Investigations and disciplinary actions • Stringent action against erring employees / entities involved • Strengthening of fraud detection mechanism • Periodic Fraud Risk Assessments (FRA)	=	
Statutory compliance risk			
Non compliance of any statutory rules, regulations and guidelines	• Regular monitoring of compliance with all regulations • Prompt Corrective and Preventive actions for any deviations noticed • Regular updation of changes to statutes and taking expert legal opinion in case of any ambiguity	=	
Information security risk			
Threats due to external cyber attacks /hacking and internal leakage/ modification of information	• Continuous protection of confidential information across the IT landscape • Investment in contemporary IT tools to ensure adequate protection of underlying data • Periodic audits to ensure adherence to the processes	↑	

Residual risks: There are certain remote possibilities of impact of events like earthquake, act of God, adverse macro economic phenomenon going beyond the risk appetite articulated by the company. Despite the best efforts and intentions, these risks would continue to exist and the Company would continue to take steps to reduce the impact of these.

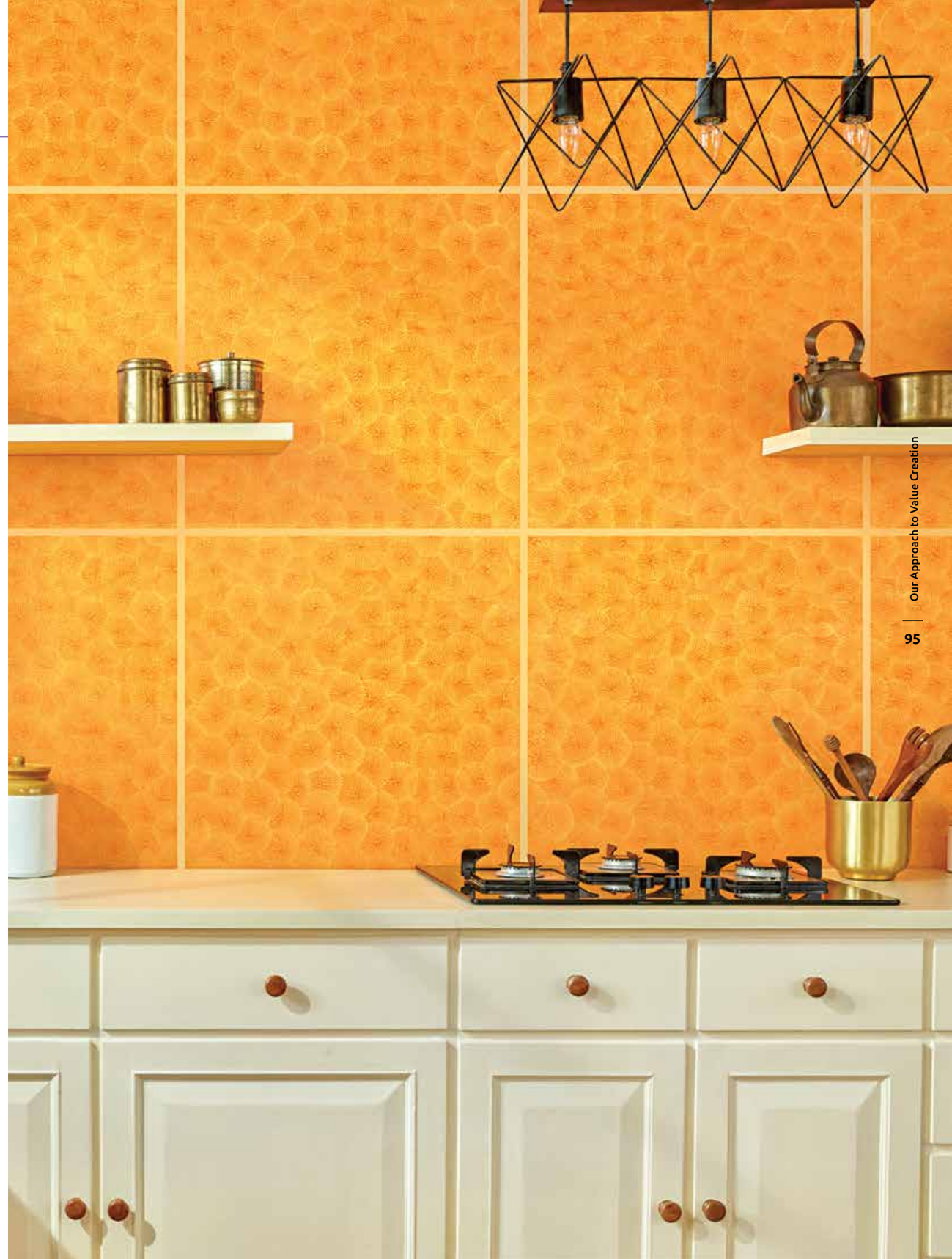
Emerging risks: The Management has identified certain other uncertainties like supply chain disruptions due to any political/ geographical issues in any foreign country, market risk related to e-commerce, and intensifying competition risk, amongst others. Preventive steps are being taken wherever necessary to reduce the impact of these uncertainties.

CAPITALS

- Financial
- Manufactured
- Human
- Intellectual
- Social & Relationship
- Natural

MOVEMENT

- = Same
- ↑ Increase
- ↓ Decrease



Climate reporting disclosures

Climate change

Climate change has vastly impacted life on Earth. The world is already witnessing abrupt climate events, extreme weather patterns that are altering the course of humanity. We recognise these emerging risks that pose a threat to our business and are actively working towards mitigating these risks and adapting to climate change. We continuously identify and assess the climate risks and their impact on our business operations.

Discussions around climate change at the Board level

The nature of our business, our operations and those of our extended supply chain have significant impact on the environment. Our Board acknowledges the importance of addressing the impact of climate change. We have devised policies, processes and procedures to identify, assess and mitigate these risks while identifying opportunities to make the business more resilient.

The Board reviews and monitors the Company's practices towards fulfilling its recently adopted ESG objectives. A common member between the Risk Management Committee and the Stakeholder Relationship Committee ensures that the twin impact of ESG is addressed in an integrated manner. The Stakeholder Relationship Committee has been empowered by the Board to guide and monitor ESG initiatives of the company. The One Link Team is also responsible for implementing the ESG objectives of the Company, including mitigating the risk of climate change on our operations.

We use the principle of materiality to review strategic priorities and determine the significant ESG topics for our Company. These topics are identified by regular and focused engagements with the relevant stakeholders. The key topics identified are validated annually and assessed on relative importance. These are integrated with the risk management framework of the Company.

Formulating a climate action strategy

In line with our ESG approach and strategy, we have identified key focus areas with respect to emission reduction and energy conservation. These areas include interventions at the product design stage, efficient and optimised operation, maximising usage of renewable energy and efficiently managing our waste. Our approach and details on initiatives around these interventions have been provided subsequently in Natural Capital section.

Managing risks strategically

Doing business inherently involves managing risk. Risk management is an essential element of our corporate governance and strategy setting process. We continuously strive to foster a high awareness of business risks and internal control to guide our action towards fulfilling the strategy and vision of the Company.

During the coming year, we plan to assess and evaluate risks related to climate change as part of the review cycle, post which they will be discussed by the management and the Board. We endeavour to continually sharpen our risk management systems and processes in line with a rapidly changing business environment.

Climate risks are discussed and evaluated in various forums and initiatives, including:

a. Risk Management Council

b. Policy Advocacy & Engagement

c. Business Continuity Planning

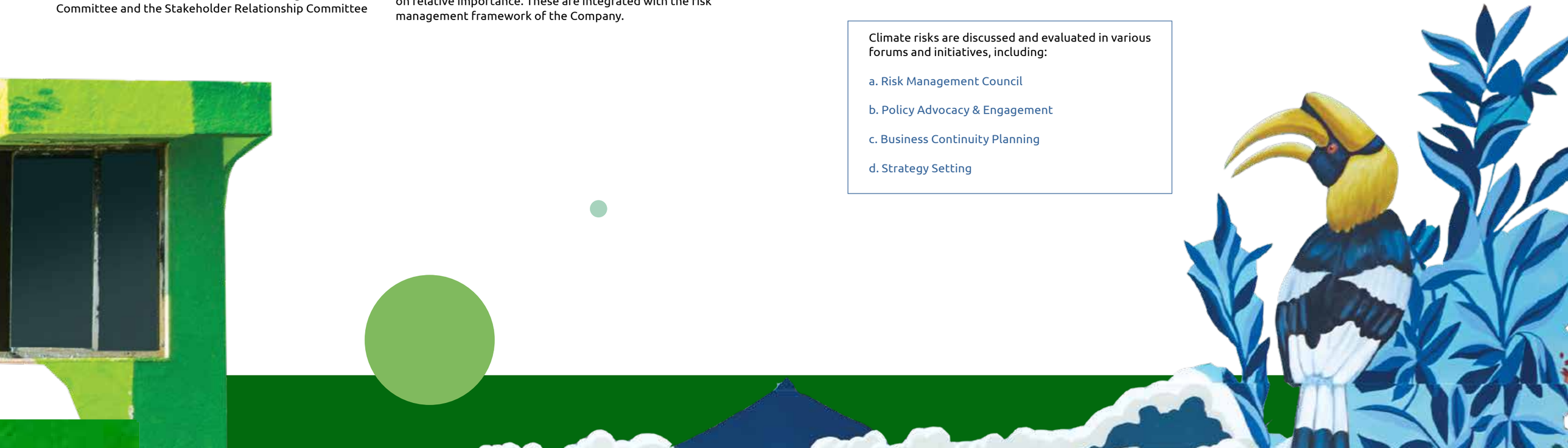
d. Strategy Setting

Way forward

We plan to include the climate risk assessment methodology and assess the risks and opportunities we may face in 2030 as a medium-term time frame for risks and opportunities to emerge and for them to be addressed as part of our business cycles. We will look to expand this to include both shorter and longer time scales.

We are committed to maintaining an optimal balance between People, Planet and Profit objectives.

We continuously identify and assess the climate risks and their impact on our business operations



Awards and accolades

Won Golden Peacock Award for Excellence in Corporate Governance for 2021

Designated #1 Most Purposeful Brand in Non-FMCG Category (Kantar Brandz 2021)

Listed among 2021 Hurun's Global 500 Most Valuable Companies

Ranked 9th amongst the top 10 Paints and Coatings Companies in the World – Coatings World

Won Golden Peacock Award for Excellence in Corporate Governance for 2021

Amongst Top 30 most Sustainable Companies in India

Recognised amongst Top 30 most Sustainable Companies in India by Business World Magazine in association with Sustain Labs Paris

Ranked 14th in Business Today – Most Valuable Companies List

Included in the Forbes Global 2000 List (World's largest public companies)

Won National Excellence Practice Competition 2021 organised by the Confederation of Indian Industry (CII)

Ankleshwar plant won CII Gujarat State Level Quality Control Circle Competition

Mr. Ashwin Dani, winning the CNBC award

Mr. Ashwin Dani bestowed with the Lifetime Achievement Award by CNBC-TV18 (India Business Leader Award)

Visakhapatnam plant won Silver award in the MSME Industries category at the State Energy Conservation Award for 2021

Khandala plant won award for Outstanding Achievement in Effective Safety Culture from Greentech Foundation

Ankleshwar plant won Special Jury award in CII's 9th Edition of Gujarat State Level Kaizen Competition 2021

Visakhapatnam plant received Platinum rating under the IGBC Green Factory Buildings Rating System

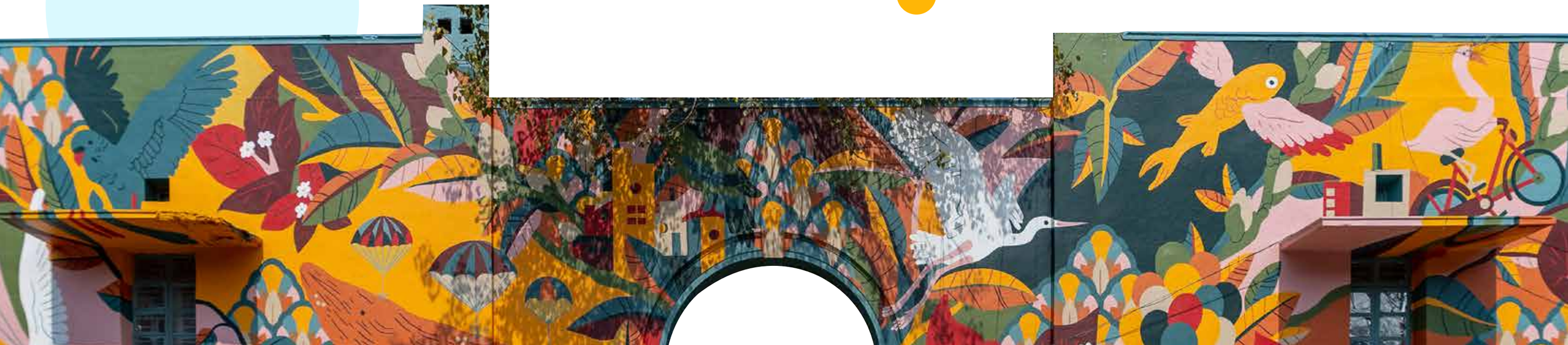
Khandala plant won Gold Certificate in Cement, Paints & Allied sectors at the Indian Chamber of Commerce (ICC) National Occupational Health & Safety Awards

Rohtak plant won CII National Award in Electrical Safety, Power Quality & Reliability Circle Competition

Sriperumbudur plant won the following awards:

Award for ecosystem restoration at CII – World Environment World Day Competition

CII-ITC Sustainability Award for Conservation and Sustainable Management of Biodiversity & Ecosystem



Ten Year Review (Standalone)

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

RESULTS FOR THE FINANCIAL YEAR	2021-22**	2020-21** (Restated)	2019-20** (Restated)	2018-19** (Restated)	2017-18**	2016-2017**	2015-2016**	2014-2015^	2013-2014^	2012-2013^
INCOME STATEMENT										
Revenue from sale of products and services (Net Sales)	**25,002.1**	18,280.1	17,025.6	16,209.4	13,923.3	12,524.5	11,643.1	11,485.7	10,300.2	8,910.0
Other operating revenue	**186.4**	236.8	168.5	182.3	230.4	198.3	187.2	163.2	118.6	50.1
Revenue from Operations	**25,188.5**	18,516.9	17,194.1	16,391.8	14,153.7	12,722.8	11,830.3	11,648.8	10,418.8	8,960.1
Growth Rate (%)	**36.0%**	7.7%	4.9%	15.8%	11.2%	7.5%	1.6%	11.8%	16.3%	12.5%
Materials Cost	**15,609.0**	10,082.5	9,506.2	9,410.6	7,982.7	6,944.1	6,584.9	6,439.8	5,940.0	5,163.4
% to Net Sales	**62.4%**	55.2%	55.8%	58.1%	57.3%	55.4%	56.6%	56.1%	57.7%	58.0%
Gross Margin (Net Sales - Material Cost)	**9,393.1**	8,197.5	7,519.4	6,798.8	5,940.6	5,580.4	5,058.2	5,045.8	4,360.3	3,746.6
Gross Margin % to Net Sales	**37.6%**	44.8%	44.2%	41.9%	42.7%	44.6%	43.4%	43.9%	42.3%	42.0%
Gross Contribution (Revenue from Operations - Material Cost)	**9,579.6**	8,434.3	7,687.9	6,981.2	6,171.0	5,778.7	5,245.5	5,209.0	4,478.8	3,796.7
Gross Contribution % to Revenue from Operations	**38.0%**	45.5%	44.7%	42.6%	43.6%	45.4%	44.3%	44.7%	43.0%	42.4%
Overheads	**4,991.8**	3,941.6	3,831.4	3,476.4	3,250.5	3,107.9	2,768.5	3,198.5	2,701.6	2,249.4
Operating Profit (EBITDA)	**5,039.7**	4,858.8	4,214.1	3,789.6	3,198.0	2,971.0	2,726.4	2,197.3	1,950.9	1,673.4
Finance Costs	**70.3**	71.7	78.4	78.6	21.1	18.9	23.4	27.1	26.1	30.6
Depreciation and Amortisation Expense	**721.6**	697.5	690.0	540.8	311.1	295.4	234.5	223.1	212.3	127.0
Profit Before Tax and Exceptional items	**4,247.9**	4,089.7	3,445.7	3,170.3	2,865.8	2,656.7	2,468.5	1,947.1	1,712.5	1,515.9
% to Net Revenue from Operations	**16.9%**	22.1%	20.0%	19.3%	20.2%	20.9%	20.9%	16.7%	16.4%	16.9%
Growth Rate (%)	**3.9%**	18.7%	8.7%	10.6%	7.9%	7.6%	26.8%	13.7%	13.0%	11.2%
Exceptional item	**(53.7)**	-	(33.2)	-	-	-	(65.4)	(13.5)	(9.9)	-
Profit Before Tax and after Exceptional items	**4,194.1**	4,089.7	3,412.5	3,170.3	2,865.8	2,656.7	2,403.1	1,933.6	1,702.6	1,515.9
% to Net Revenue from Operations	**16.7**	22.1	19.8	19.3	20.2	20.9	20.3	16.6	16.3	16.9
Profit After Tax	**3,134.7**	3,051.8	2,653.5	2,132.2	1,894.8	1,801.7	1,622.8	1,327.4	1,169.1	1,050.0
Return on average capital employed (ROCE) (%)	**33.5%**	38.1%	37.8%	38.4%	38.7%	40.9%	45.0%	49.9%	51.7%	54.0%
Return on average net worth (RONW) (%)	**24.6%**	28.3%	29.0%	25.6%	25.4%	27.7%	32.0%	33.9%	35.3%	38.1%
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	**13,253.2**	11,993.3	9,356.2	8,747.0	7,702.2	6,998.8	5,829.8	4,134.3	3,505.0	2,926.3
Deferred Tax Liability (Net)	**205.3**	265.2	282.7	392.4	270.3	261.2	217.2	167.8	177.1	143.3
Borrowings	**19.6**	27.4	31.3	13.5	14.9	17.1	38.0	39.6	47.7	54.1
Tangible Fixed Assets and Intangible Assets	**4,779.4**	4,882.0	5,237.5	5,400.5	3,960.4	2,824.4	2,721.8	2,105.0	2,050.2	2,154.4
Investments	**3,810.6**	5,179.3	2,496.5	2,964.0	2,577.3	2,913.6	2,796.6	1,893.8	1,671.2	872.5
Debt-Equity Ratio	**0.001:1**	0.002:1	0.003:1	0.002:1	0.002:1	0.002:1	0.01:1	0.01:1	0.01:1	0.02:1
Market Capitalisation	**2,95,428**	2,43,387	1,59,850	1,43,180	1,07,469	1,02,970	83,297	77,820	52,559	47,139
PER SHARE DATA										
Earnings Per Share (EPS)(₹) #*	**32.7**	31.8	27.7	22.2	19.8	18.8	16.9	13.8	12.2	10.9
Dividend (%)	**1915%**	1785%	1200%	1050%	870%	1030%	750%	610%	530%	460%
Book Value (₹)	**139.2**	126.0	98.5	92.2	81.3	74.0	61.8	44.1	37.5	31.5
OTHER INFORMATION										
Number of Employees	**7,423**	7,134	6,751	6,456	6,238	6,156	6,067	5,897	5,555	5,236
Number of Shareholders	**9,87,176**	5,22,165	3,15,626	2,20,538	1,91,561	2,02,988	1,65,986	1,47,143	87,997	54,813

** EPS is 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 have been regrouped as per Revised Schedule VI to the Companies Act, 1956 / Schedule III of Companies Act, 2013.
**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 restrospective 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)
The figures for FY 2019-20 and FY 2020-21 have been restated on account of amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company with the appointed date of 1st April, 2019.

Ten Year Review (Consolidated)

(₹ in Crores except per share data and ratios)

RESULTS FOR THE FINANCIAL YEAR	2021-22**	2020-21**	2019-20**	2018-19**~	2017-18**	2016-2017**	2015-2016**	2014-2015^	2013-2014^	2012-2013^
INCOME STATEMENT										
Revenue from sale of products and services (Net Sales)	**28,923.5**	21,485.2	20,048.3	19,070.7	16,619.8	14,978.7	14,083.2	14,005.3	12,581.6	10,874.4
Other operating revenue	**177.8**	227.6	162.9	177.8	224.0	189.5	179.9	177.5	133.2	64.3
Revenue from Operations	**29,101.3**	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
Growth Rates (%)	**34.0%**	7.4%	5.0%	14.3%	11.0%	6.3%	0.6%	11.5%	16.2%	13.6%
Materials Cost	**18,300.8**	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
% to Net Sales	**63.3%**	56.3%	56.8%	59.1%	58.4%	56.3%	57.1%	56.9%	58.3%	59.0%
Gross Margin (Net Sales - Material Cost)	**10,622.7**	9,388.0	8,664.9	7,797.8	6,909.4	6,543.6	6,041.9	6,033.9	5,240.9	4,461.4
Gross Margin % to Net Sales	**36.7%**	43.7%	43.2%	40.9%	41.6%	43.7%	42.9%	43.1%	41.7%	41.0%
Gross Contribution (Revenue from Operations - Material Cost	**10,800.5**	9,615.6	8,827.8	7,975.6	7,133.4	6,733.1	6,221.8	6,211.3	5,374.1	4,525.6
Gross Contribution % to Revenue from Operations	**37.1%**	44.3%	43.7%	41.4%	42.4%	44.4%	43.6%	43.8%	42.3%	41.4%
Overheads	**5,996.9**	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
Operating Profit (EBITDA)	**5,183.6**	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
Finance Costs	**95.4**	91.6	102.3	105.3	35.1	30.0	40.7	34.8	42.2	36.7
Depreciation and Amortisation Expense	**816.4**	791.3	780.5	622.1	360.5	334.8	275.6	265.9	245.7	154.6
Profit Before Tax and Exceptional items (including share of profit of associate)	**4,303.4**	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
% to Revenue from Operations	**14.8**	19.8	18.0	17.2	18.2	19.3	18.9	14.8	14.5	15.1
Growth Rates (%)	**0.0%**	18.4%	9.7%	7.9%	4.6%	8.7%	28.3%	14.1%	11.4%	13.8%
Exceptional items	**(115.7)**			-	-	-	(52.5)	(27.6)	(9.9)	-
Profit Before Tax and after Exceptional items	**4,187.7**	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
% to Revenue from Operations	**14.4%**	19.8%	18.0%	17.2%	18.2%	19.3%	18.6%	14.6%	14.4%	15.1%
Profit for the year (after Tax and Minority interest)	**3,030.6**	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
Return on average capital employed (ROCE) (%)	**29.6%**	35.4%	34.4%	34.1%	34.8%	37.6%	40.5%	45.3%	47.6%	50.3%
Return on average net worth (RONW) (%)	**22.8%**	27.4%	27.6%	24.1%	25.5%	27.5%	28.9%	31.8%	32.8%	36.3%
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	**13,715.6**	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
Deferred Tax Liability (Net)	**348.8**	415.6	443.8	543.3	417.1	359.2	296.8	179.9	187.8	154.4
Borrowings	**779.1**	353.8	361.6	629.2	533.4	560.3	323.3	418.2	249.2	251.0
Tangible Fixed Assets and Intangible Assets	**5,945.5**	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
Investments	**3,247.5**	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
Debt-Equity Ratio	**0.06 : 1**	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
PER SHARE DATA										
Earnings Per Share (EPS) (₹) #	***31.6**	*32.7	*28.2	*22.5	*21.3	*20.2	*18.2	*14.5	*12.7	11.6
Book Value (₹)	**144.0**	133.5	105.6	98.7	87.7	79.3	68.0	49.4	42.1	35.3

* 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 are regrouped as per the requirement of revised schedule VI under Companies Act, 1956
**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.
~The figures for FY 2018-19 have been restated on account of restrospective 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 ₹ 46.91 crores)

Notice

Asian Paints Limited

CIN: L24220MH1945PLC004598
Registered Office: 6A, Shantinagar, Santacruz (East), Mumbai – 400 055
Email: investor.relations@asianpaints.com; **Website:** www.asianpaints.com
Phone No.: (022) 6218 1000

NOTICE is hereby given that the **SEVENTY-SIXTH ANNUAL GENERAL MEETING** of Asian Paints Limited will be held on **Wednesday, 29th June, 2022** at **11.00 a.m. IST** through Video Conference or Other Audio Visual Means organised by the Company, to transact the following business. 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 the:
   A. audited financial statements of the Company for the financial year ended 31st March, 2022 together with the reports of Board of Directors and Auditors thereon; and
   B. audited consolidated financial statements of the Company for the financial year ended 31st March, 2022 together with the report of Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Mr. Malav Dani (DIN: 01184336), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Manish Choksi (DIN: 00026496), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, approve the re – appointment of Mr. Amit Syngle (DIN: 07232566) as the Managing Director & Chief Executive Officer (CEO) of the Company and pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the:

   a. provisions of Sections 149, 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and 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),
   b. Articles of Association of the Company,
   c. Nomination and Remuneration Policy of the Company, and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors of the Company,

   approval of the shareholders be and is hereby accorded to the re – appointment of Mr. Amit Syngle (DIN: 07232566) as the Managing Director & CEO of the Company for a period of 5 (five) years, commencing from 1st April, 2023 to 31st March, 2028, 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, stock options, benefits and amenities payable as per the terms and conditions of the Agreement to be entered into by Mr. Amit Syngle with the Company for the aforesaid re – appointment and as set out in the statement annexed to the Notice, including the following:

   I. REMUNERATION:

   A. Basic salary: For the financial year 2023 – 24, the basic salary shall be in the range of ₹ 4,05,60,000 (Rupees four crores five lakhs and sixty thousand only) to ₹ 5,07,00,000 (Rupees five crores and seven lakhs only), per annum. Further, the annual increments to the basic salary will not be exceeding 25% per annum at the discretion of the Board of Directors of the Company based on the recommendations of the Nomination and Remuneration Committee and Audit Committee of the Company.

   B. Flexible allowance: Flexible allowance shall be equivalent to 75% of the basic salary per annum. The allowance shall include leave travel allowance, allowance towards Company leased car and any other allowances as per the applicable policies of the Company.

   C. House rent allowance: The Managing Director & CEO will be paid house rent allowance of ₹ 96,00,000 (Rupees ninety-six lakhs only) per annum for the first 3 (three) financial years and ₹ 1,08,00,000 (Rupees one crore and eight lakhs only) per annum for the remaining 2 (two) financial years of the term of the contract. In case the Managing Director & CEO opts for accommodation owned by the Company, this amount will not be paid, and perquisite tax will be charged as per the provisions of Income Tax Act, 1961.

      In case the lease rental for the house exceeds the house rent allowance, the same will be deducted from the flexible allowance.

   D. Variable Pay:

      (i) Commission: The Managing Director & CEO will be entitled to receive commission with effect from 1st April, 2023, as may be determined by the Board of Directors of the Company from time to time.

      (ii) Stock Options: The Managing Director & CEO will be entitled to participate in the Employee Stock Option Plan 2021 ("2021 Plan"). The grant of quantum of options/benefits under the 2021 Plan and terms and conditions governing the same shall be as determined by the Nomination and Remuneration Committee of the Company in line with the provisions of the 2021 Plan.

   II. 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 policies of the Company.

   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 hospitalisation in India or abroad in accordance with the policies of the Company.

   D. Reimbursement of expenses towards fuel (subject to a limit of 300 litres per month) in accordance with the policies of the Company.

   E. Reimbursement of expenses towards charges of club membership (subject to maximum of 2 memberships).

   III. 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.

   IV. 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 have been incurred by him for the purpose of or on behalf of the Company.

   V. OTHER TERMS AND CONDITIONS:

   A. The remuneration, perquisites, allowances, stock options, benefits and amenities as aforesaid to be allowed to the Managing Director & CEO shall be subject to such limits, if any, as laid down by the Act.

   B. The Variable Pay including the total commission and the value of the options granted/benefits under the 2021 Plan payable to the Managing Director & CEO shall not exceed 0.50% of consolidated profits of the Company (including subsidiary and associate companies) for each financial year, out of which the value of options granted/benefits under the 2021 Plan shall not exceed 50% of the total variable payable.

   C. The Managing Director & CEO will not be entitled to sitting fees for attending meetings of the Board or Board constituted Committees.

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, stock options, benefits and amenities not exceeding the limits specified under Section 197 read with Schedule V of the Act, 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 authorised to alter and/or vary the terms and conditions of the said re – appointment and/or enhance, enlarge, widen, alter or vary the scope and quantum of remuneration, perquisites, allowances, stock options, 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 Act and the Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, 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 or incidental thereto".

6. To consider and, if thought fit, ratify the remuneration payable to RA & Co., Cost Accountants (Firm Registration No. 000242), Cost Auditors of the Company, for the financial year ending 31st March, 2023 and pass 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 the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to RA & Co., Cost Accountants (Firm Registration No. 000242), who were appointed by the Board of Directors as Cost Auditors, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year ending 31st March, 2023, amounting to ₹ 9,00,000 (Rupees nine lakhs only) plus taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned or incidental thereto".

By Order of the Board of Directors
of **Asian Paints Limited**

R J Jeyamurugan
CFO & Company Secretary

10th May, 2022

Registered Office:
6A, Shantinagar, Santacruz (East), Mumbai – 400 055

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of businesses to be transacted at the Annual General Meeting ("AGM"), as set out under Item No(s). 5 & 6 above and the relevant details of the Directors as mentioned under Item No(s). 3, 4 and 5 above as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 21/2021 dated 14th December, 2021 and 2/2022 dated 5th May, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto 31st December, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
3. As the AGM shall be conducted through VC/OAVM, there is no requirement of appointment of proxies, pursuant to the Circulars. Accordingly, the facility for appointment of proxy by the members is not available for this AGM and hence the proxy form is not annexed to this Notice. Also, the Attendance Slip including Route Map is not annexed to this Notice.
4. Authorised representatives of the corporate members intending to participate in 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 them to attend the AGM, by email to investor.relations@asianpaints.com.

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

5. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants (DPs).

   In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2021-22 and Notice of the 76th AGM of the Company, he/she may send a request to the Company by writing at investor.relations@asianpaints.com or TSR Consultants Private Limited (TSR), Company's Registrar and Transfer Agents at csg-annualreports@tcplindia.co.in, mentioning their DP ID and Client ID/folio no.

   Members may note that the Notice and the Annual Report for the financial year 2021-22 will also be available on the Company's website at www.asianpaints.com, websites of the Stock Exchanges on which the equity shares of the Company are listed i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com), and on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.
6. Process for registration of email addresses for obtaining Notice of the AGM along with the Annual Report for the financial year 2021-22:

   If your email address is not registered with the DPs (if shares held in electronic form)/ Company (if shares held in physical form), you may register on or before 5.00 p.m. (IST) on Monday, 20th June, 2022 to receive the Notice of the AGM along with the Annual Report for the financial year 2021-22 by completing the process as under:

   a. Visit the link https://tcpl.linkintime.co.in/EmailReg/Email_Register.html.
   b. Select the name of the Company 'Asian Paints Limited' from dropdown.
   c. Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form)/ folio no. and certificate no. (if shares held in physical form), Shareholder name, PAN, mobile no. and email id.
   d. Click on continue button. System will send One Time Password ("OTP") on the mobile no. and email id.
   e. Click on verify OTP.
   f. Enter OTP received on mobile no. and email id.
   g. Click on submit button.
   h. System will then confirm the registration of the email address for receiving Notice of the AGM along with the Annual Report for the financial year 2021-22.
7. Shareholders holding shares in physical mode can also register/update their email address by sending a duly signed request letter including their name and folio no. to TSR at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083. Shareholders holding shares in dematerialised form are requested to register/update their email address with their respective DPs.
8. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at investor.relations@asianpaints.com.

Procedure for joining the 76th AGM through VC/OAVM

9. NSDL will be providing facility for voting through remote e-Voting, for participation in the 76th AGM through VC/OAVM and e-Voting during the 76th 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 and shall open 30 minutes before the time scheduled for the AGM.
11. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned at note no. 18(d). After successful login, members can click on the link "VC/OAVM link" placed under "Join Meeting" menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN (119931) of the Company will be displayed.
12. 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 in this Notice.
13. Members who need assistance before and during the AGM, can contact Mr. Amit Vishal, Assistant Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call on 1800-1020-990 and 1800-224-430.
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 76th AGM:

15. Members are encouraged to express their views/ send their queries in advance mentioning their name, DP ID and Client ID/Folio no., email id, mobile no. at investor.relations@asianpaints.com. Questions/ queries received by the Company till 5.00 p.m. (IST) on Monday, 27th June, 2022, 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 following the steps mentioned at note no. 18(d) "Step 1: Access to NSDL e-Voting system" between **9.00 a.m. (IST) on Saturday, 25th June, 2022 to 5.00 p.m. (IST) on Monday, 27th June, 2022**. After successful login, members will be able to register themselves as a Speaker Shareholder by clicking on the link available against the EVEN (119931) of the Company.
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 are encouraged to attend and vote in the AGM to be held through VC/OAVM.

    b. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the 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), the Company is providing facility of remote e-Voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

    c. The remote e-Voting period will commence on **Saturday, 25th June, 2022** at **9.00 a.m. (IST)** and will end on **Tuesday, 28th June, 2022** at **5.00 p.m. (IST)**. During this period, members holding shares either in physical form or in dematerialised form, as on **Wednesday, 22nd June, 2022** i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing from 25th June, 2022 to 28th June, 2022 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.

    d. The details of the process and manner for remote e-Voting are explained herein below:

    Step 1: Access to NSDL e-Voting system

    Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

    Details on Step 1 are mentioned below:

    I. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

    Pursuant to SEBI Circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9th December, 2020 on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile no. and email id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Services is launched, click on the **'Beneficial Owner'** icon under **'Login'** which is available under **'IDeAS'** section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on **'Access to e-Voting'** appearing on the left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against Company name or **ESP – NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period. **If you are not registered, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com/. 2. Select **'Register Online for IDeAS'** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Please follow steps given in points 1-5 above. **B. E-Voting website of NSDL** 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-Voting system is launched, click on the icon **'Login'** which is available under **'Shareholder/Member'** section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against Company name or **ESP – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. **C.** Shareholder/Member can also download NSDL Mobile App **'NSDL Speede'** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will also be able to see the e-Voting Menu. The Menu will have links of ESP i.e. **NSDL portal.** Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile no. and email id as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Type of shareholders	Login Method
Individual shareholders (holding securities in demat mode) logging through their DPs	1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against Company name or **ESP – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800-1020-990 and 1800-224-430.
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at (022) 2305 8738 or (022) 2305 8542/43.

II. **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode**

How to login to NSDL e-Voting website?

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 phone.
2. Once the home page of e-Voting system is launched, click on the icon **'Login'** which is available under **'Shareholder/Member'** section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can login at https://eservices.nsdl.com/ with your existing IDeAS login. Once you login to NSDL e-Services after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL/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 who hold shares in physical form	EVEN followed by folio no. registered with the Company. For example, if EVEN is 119931 and folio no. is 001*** then User ID is 119931***

6. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) 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 by NSDL. 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 in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio no. for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. In case you have not registered your email address with the Company/Depositories, please follow instructions mentioned below in this Notice.
7. 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 no., PAN, name and registered address.
   d. Members can also use the OTP based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, click on agree to 'Terms and Conditions' by selecting on the check box.
9. Now, you will have to click on 'Login' button.
10. After you click on the 'Login' button, home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN (119931)" of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed and you will receive a confirmation by way of a SMS on your registered mobile no. from Depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the Depositories/Company for procuring User ID and Password for e-Voting for the resolutions set out in this Notice:

Shareholders/members may send a request to evoting@nsdl.co.in for procuring User ID and Password for e-Voting by providing below mentioned documents:

1. In case shares are held in physical mode please provide folio no., name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card).
2. In case shares are held in demat mode, please provide DP ID Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card). If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at note no. 18(d)(I) 'Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode'.

General Guidelines for shareholders:

1. Institutional shareholders/Corporate members (i.e. other than individuals, HUF, NRI, etc.) are requested to upload their Board Resolution/Power of Attorney/ Authority Letter by clicking on 'Upload Board Resolution/Authority Letter' displayed under 'e-Voting' tab on this screen or 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 nos.: 1800-1020-990 and 1800-224-430 or send a request to Mr. Amit Vishal, Assistant Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in.
   e. 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.

f. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after the Notice is send through email and holds shares as of the cut-off date i.e. Wednesday, 22nd June, 2022, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in or to the Company at investor.relations@asianpaints.com. 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 or call on toll free nos. 1800-1020-990 and 1800-224-430. In case of individual shareholders holding shares in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and who holds shares as of the cut-off date i.e. Wednesday, 22nd June, 2022 may follow steps mentioned in the Notice of the AGM under note no. 18(d) "Access to NSDL e-Voting system".

g. Mr. Makarand Joshi (Membership No.: 5533, COP: 3662), failing him Ms. Kumudini Bhalerao (Membership No.: 6667, COP: 6690), Partners, Makarand M. Joshi & Co., Practicing Company Secretaries, have been appointed as the Scrutinizer for conducting voting process in a fair and transparent manner.

h. 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.

i. The results shall be declared not less than 48 (forty-eight) 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 authorised by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

19. Documents open for inspection:

a. Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102(1) of the Act shall be available for inspection through electronic mode. Members are requested to write to the Company at investor.relations@asianpaints.com for inspection of the said documents; and

b. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act will be available for inspection by the members during the AGM by following the steps mentioned at note no. 18(d) "Step 1: Access to NSDL e-Voting system". After successful login members will be able to view the documents for inspection by clicking on the link available against the EVEN (119931) of the Company.

Dividend related information

20. Final dividend for the financial year ended 31st March, 2022, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or after Friday, 1st July, 2022, to those members whose names appear on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on Friday, 10th June, 2022.

21. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

22. Members holding shares in physical/electronic form are required to submit their bank account details, if not already registered, as mandated by SEBI.

23. Shareholders holding shares in dematerialised mode are requested to register complete bank account details with the DPs and shareholders holding shares in physical mode shall send a duly signed request letter to TSR mentioning the name, folio no., bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first Shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.

24. 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 dispatch the dividend warrants to such Shareholder by post.

25. As per the Income Tax Act, 1961 ("IT Act"), 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 the shareholders, subject to approval of shareholders in the ensuing AGM. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.

A separate email communication was sent to the shareholders on Friday, 20th May, 2022, informing the relevant procedure to be adopted by them/documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at https://www.asianpaints.com/TDSExemptionForms.html.

The resident and non-resident shareholders should send the scanned copies of the requisite documents to TSR at csg5-exemptforms2223@tcplindia.co.in on or before Friday, 17th June, 2022 to enable the Company to determine the appropriate TDS/ withholding tax rate, as may be applicable. The resident individual shareholders also have an option to upload the exemption documents directly at https://tcpl.linkintime.co.in/formsreg/submission-of-form-15g-15h.html.

26. 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 ("IEPF Rules"), dividends that are unpaid or unclaimed for a period of 7 (seven) 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 2021-22, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in ₹)	No. of shares
Final Dividend 2013-14	85,24,804	72,160
Interim Dividend 2014-15	48,73,479	97,077
Total	**1,33,98,283**	**1,69,237**

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/IEPF.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

27. In case of any change in relation to the name, registered address, email id, mobile no., PAN, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, nomination, power of attorney, etc., the members are required to intimate the same:

a. for shares held in electronic form: to their respective DP; and

b. for shares held in physical form: to the Company/ TSR in prescribed Form No. ISR-1 and other forms pursuant to SEBI Circular no. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021.

Further, the Company has sent letters to the members holding shares in physical form to furnish the above-mentioned details which are not registered in their respective folio no(s).

28. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing certain prescribed service requests. Accordingly, the members are requested to make service request by submitting a duly filled and signed Form No. ISR-4, the format of which is available on the Company's website at https://www.asianpaints.com/ShareholderServiceRequest.html and on the website of TSR at www.tcplindia.co.in. Members are requested to note that any service request would only be processed after the folio is KYC Compliant.

29. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings.

30. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at https://www.asianpaints.com/ShareholderServiceRequest.html.

Members are requested to submit the said details to their respective DP, in case the shares are held by them in dematerialised form and to the Company/TSR, in case the shares are held by them in physical form.

EXPLANATORY STATEMENT

In terms of Section 102 of the Companies Act, 2013.

Resolution No. 5

Members at the seventy-fourth Annual General Meeting ("AGM") of the Company held on 5th August, 2020 had appointed Mr. Amit Syngle, as the Managing Director & Chief Executive Officer ("CEO") of the Company for a period of 3 (three) years commencing from 1st April, 2020 to 31st March, 2023.

Further, at the seventy-fifth AGM of the Company held on 29th June, 2021, the members had accorded their approval to grant equity stock options to Mr. Amit Syngle under the Asian Paints Employee Stock Option Plan 2021 ("2021 Plan").

In accordance with the provisions of Sections 149, 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company, the Board of Directors, based on the recommendations of the Nomination and Remuneration Committee and Audit Committee, and subject to the approval of the members, approved the re – appointment of Mr. Amit Syngle as the Managing Director & CEO of the Company for a period of 5 (five) years commencing from 1st April, 2023 to 31st March, 2028, not liable to retire by rotation and the remuneration payable to him.

A brief profile of Mr. Amit Syngle, including nature of his expertise, and the relevant details relating to his re – appointment as required by the Act, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India are provided as "Annexure" to this Notice.

During his tenure as the Managing Director & CEO, Mr. Amit Syngle has delivered strong performance and has further propelled the Company's vision of evolving into a complete home décor solution provider. He has been able to successfully navigate the Company through the uncertainties posed by the situation around COVID – 19 pandemic driven by the singular passion of delivering value to the customers.

Considering his expertise in the Company's businesses, exceptional leadership, experience and based on the recommendations of the Nomination and Remuneration Committee and Audit Committee, the Board of Directors considered the re – appointment of Mr. Amit Syngle as the Managing Director & CEO in the interest of the Company and recommends the resolution as set out in Item No. 5 of this Notice for approval of the members.

The increase in remuneration for the proposed term is commensurate with the growth in turnover and profits of the Company and in line with the industry benchmarks. The increase in remuneration of the Managing Director & CEO is aligned with the Company performance and market capitalisation.

The Variable Pay (including commission and stock options) shall be payable during the proposed term of re – appointment subject to the Company's achievement of certain year on year and long-term targets as determined by the Nomination & Remuneration Committee and the Board of Directors of the Company. The Variable Pay achievement targets, *inter alia*, include revenue growth, specific targets for focused products, market share, Environment, Social & Governance (ESG) priorities, employee engagement & collaboration score and people development & succession planning for senior management.

The other terms and conditions of the re – appointment of Mr. Amit Syngle as the Managing Director & CEO, are, *inter alia,* 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 the Board or by the Company in General Meeting.
2. The Managing Director & CEO of the Company shall devote his whole time and attention to the business of the Company and shall use his best endeavour to promote its interest and welfare, excluding cases where he is appointed or nominated as a Director on the Board of any of the Company's subsidiaries, joint ventures and other associate companies.
3. The Managing Director & CEO shall maintain confidentiality of 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 Sections 164 and 167 of the Act, read with Rules issued thereunder and any other applicable laws.
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 employee agreement forthwith at any time by paying him 6 (six) month's basic salary in lieu of such notice. In the event of such termination, the Managing Director & CEO shall not be eligible for payment of any Variable Pay and other non-statutory payments.

   Garden Leave: During the Managing Director & CEO's notice period as mentioned in this clause, the Company may require him to remain on garden leave.
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, allowances, stock options, 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 draft agreement to be entered into with the Managing Director & CEO shall be available for inspection through electronic mode in the manner as prescribed in note no. 19(b) of this Notice.

Mr. Amit Syngle has furnished the consents/declarations for his re – appointment as required under the Act, Rules, and the 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 re-appointed as the Managing Director & CEO of the Company. He is not disqualified from being re-appointed as the Managing Director in terms of Section 164 of the Act.

Further, the Company has received a notice from a Member under Section 160 of the Act proposing the re – appointment of Mr. Amit Syngle as the Managing Director & CEO.

Other than Mr. Amit Syngle and his relatives, none of the Directors, Key Managerial Personnel, or their relatives, are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding in the Company, if any, in the proposed Ordinary Resolution as set out in Item No. 5 of this Notice.

The Board of Directors recommends the Resolution as set out in Item No. 5 of this Notice for approval by the members of the Company.

Resolution No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of RA & Co., Cost Accountants (Firm Registration No. 000242), as the Cost Auditors for audit of the cost records maintained by the Company for the financial year ending 31st March, 2023, at a remuneration not exceeding ₹ 9,00,000 (Rupees nine lakhs only) plus taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) maintenance of cost records and audit thereof is applicable in respect of Thinners, Pentaerythritol, Emulsions, Alkyds & other Resins and Bath fittings which contributes to about 2.11% (₹ 391.56 crores) of the overall operating income of the Company for the financial year 2021-22.

The overall remuneration proposed to be paid to the Cost Auditor for the financial year ending 31st March, 2023 is commensurate to the scope of the audit to be carried out by the Cost Auditors.

RA & Co., Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors.

None of the Directors, Key Managerial Personnel, or their relatives, are in any way, concerned or interested, financially or otherwise, except to the extent of their respective shareholding in the Company, if any, in the proposed Ordinary Resolution as set out in Item No. 6 of this Notice.

The Board of Directors recommends the Resolution as set out in Item No. 6 of this Notice for approval by the members of the Company.

By Order of the Board of Directors
of **Asian Paints Limited**

R J Jeyamurugan
CFO & Company Secretary

10th May, 2022

Registered Office:
6A, Shantinagar, Santacruz (East), Mumbai – 400 055

Annexure

Name of the Director(s)	Mr. Malav Dani (DIN: 01184336)	Mr. Manish Choksi (DIN: 00026496)
Age (Years)	46	54
Brief resume along with experience and qualifications	Mr. Malav Dani holds B.S. (Bachelor of Science) degree from Purdue University and an MBA (Master of Business Administration) from Columbia University. His formal education was rounded off with a six-year stint at General Electric (GE), during which he completed the Information Management Leadership Program (MLP) as well as the Quality Six Sigma Black Belt Program. He worked with GE's Corporate Treasury department and the project he helmed won the Alexander Hamilton Corporate Treasury Award. Mr. Dani joined Asian Paints Limited as Manager – Quality in 2005 and worked on customer centricity initiatives. He was appointed as a Non-Executive Director on the Board of the Company, since 2013 and currently serves as the Chairman of the Corporate Social Responsibility Committee of the Board from October, 2015. Mr. Dani manages his family owned businesses and was the Executive Director of Hitech Specialities Solutions Limited from 2007-2011. He is also the Managing Director of the Hitech Corporation Limited since 2011. Mr. Dani is currently the Chairman of Indian American International Chamber of Commerce (IAICC) International Board, working with the vision to promote economic development by fostering bilateral trade and investment globally. Thus, further strengthening the bilateral relations between the two countries and with the rest of the world. He was the Chairman of Young Leaders Forum Committee of Indian Merchants Chamber from 2009-2013. During his tenure, Mr. Dani was felicitated by Mr. Narendra Modi in 2010. He was also appointed as the Chairman of Ease of Doing Business Committee of Indian Merchants Chamber from 2015-2018 where he had an opportunity to present the Roadmap for India to improve its Ease of Doing Business ranking to the Joint Parliamentary Standing Committee on Commerce of Rajya Sabha. Mr. Dani made a presentation on World Peace to American Council of Young Political Leaders, an initiative of the Trump administration. In line with his core beliefs, he delivered a presentation on Compassionate Capitalism at the Ernst & Young CXO Roundtable event, Silicon Valley, USA in 2016 on a new form of capitalism that holds the potential for improving corporate performance while simultaneously advancing the quality of life. He is a recipient of the 'Yuva Icon Award' presented by Dr. A.P.J Abdul Kalam. He received the 'Business Excellence and Innovative Best Practices Award' from Dr. Pranab Mukherjee.	Mr. Manish Choksi holds a Bachelor of Chemical Engineering degree from University of Houston, USA and an MBA (Master of Business Administration) with specialisation 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 in the year 2018, 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 then 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. Mr. Manish Choksi has been 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 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. He serves on advisory boards of several start-ups and a large India based venture capital company.

Name of the Director(s)	Mr. Malav Dani (DIN: 01184336)	Mr. Manish Choksi (DIN: 00026496)
Brief resume along with experience and qualifications (contd.)	In addition to this he is also the recipient of the 'Asia Pacific Entrepreneurship Award 2015, India' and the 'Corporate Excellency Award 2018' from Enterprise Asia. In the year 2020 he was bestowed with the AsiaOne Young Asian Entrepreneur Awards 2019-20 for his efficacious contribution to society and the world at large. Recognising his calling and his deep-rooted desire to contribute to humanity, Mr. Dani has setup a foundation called Sab Ka Mangal Ho which is looking at implementation of holistic solutions at grassroot levels to generate social transformation.	
Expertise in specific functional areas	Expertise in managing diverse businesses with strategic thinking and an entrepreneurial approach for business excellence, specialising in people management, corporate governance, general and financial management.	All functions of the Company including Sales, Supply Chain Management, Information Technology, International Business, Human Resources, Finance, General Management and other technical skills.
Date of first appointment on the Board	21st October, 2013	22nd October, 2018
Shareholding in the Company as on the date of Notice (self and beneficial basis)	33,05,510 equity shares of face value of ₹ 1 each (0.34%)	23,81,040 shares of the face value of ₹ 1 each (0.25%)
Terms and conditions of appointment/re-appointment	Non-Executive Director, liable to retire by rotation	Non-Executive Director, liable to retire by rotation
Details of remuneration last drawn (Financial Year 2021-22)	₹ 49,50,000 (includes Sitting fees and Commission)	₹ 54,90,000 (includes Sitting fees and Commission)
Details of proposed remuneration	Sitting fees and Commission as may be approved by the Board of Directors/shareholders in accordance with applicable provisions of law.	Sitting fees and Commission as may be approved by the Board of Directors/shareholders in accordance with applicable provisions of law.
***Inter-se* relationships between** • **Directors** • **Key Managerial Personnel**	 Son of Mr. Ashwin Dani NA	 Cousin of Mr. Jigish Choksi NA
Number of meetings of the Board attended during the financial year 2021-22	10 out of 10	10 out of 10
Chairpersonship/Membership of the Committee(s) of Board of Directors of the Company as on date	• Chairman of Corporate Social Responsibility Committee • Member of Investment Committee	• Member of Nomination and Remuneration Committee • Member of Investment Committee
Other companies in which he is a Director excluding Directorship in Private and Section 8 companies as on date	• Hitech Corporation Limited • Hitech Specialities Solutions Limited	• Vedant Fashions Limited • MSL Driveline Systems Limited
Chairpersonship/Membership of the Committee(s) of Board of Directors of other companies in which he is a Director excluding Private and Section 8 companies as on date	**Hitech Corporation Limited** i. Chairman of Corporate Social Responsibility Committee ii. Member of Stakeholders Relationship Committee iii. Member of Committee of Directors	• **Vedant Fashions Limited** i. Member of Audit Committee ii. Member of Nomination & Remuneration Committee iii. Member of Risk Management Committee • **MSL Driveline Systems Limited** i. Member of Audit Committee ii. Member of CSR Committee iii. Member of Nomination & Remuneration Committee
Listed companies from which the person has resigned in the past three years	-	-

Annexure

Name of the Director	**Mr. Amit Syngle (DIN: 07232566)**
Age (Years)	56
Brief resume along with experience and qualifications	Mr. Amit Syngle holds a BE – Mechanical degree from Panjab Engineering College and has done MBA (Master of Business Administration) from CBM Panjab University. He has been working with Asian Paints for the last 32 years in various capacities across Sales & Marketing, Supply Chain, Business Development and Research & Technology. He joined the Company as a Management Graduate and initially spent 8 years in Sales and headed the North and Central parts of the operations of the Company. 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 organisation where he ushered a huge culture of Innovation, which has seen more than 90 Innovative launches over the last 7 years. He conceptualised and gave wings to diversification in Waterproofing and Chemicals, Adhesives, Wallpapers, thereby strengthening the brand in a big way. He held the position of Chief Operating Officer for 2 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 the Company. Mr. Amit Syngle has been appointed as the Managing Director & CEO of the Company w.e.f. 1st April, 2020. Post taking over, he has propelled the brand from a zone of having 'share of surface' to a 'share of space' in homes bringing home décor categories like Furniture, Lighting, Fabrics and Furnishing into play. 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 20 years. He is closely associated with colour, décor and design and is the 'Gamechanger' for bringing Colour & Retailing into the AP strategy. He is also a member of the Colour Marketing Group, USA and has been honoured with various awards by the Indian and International Marketing fraternity.
Expertise in specific functional areas	All functions of the Company including Sales & Marketing, International Business, Research & Technology, Strategy, Supply Chain Management, General Management and other technical skills.
Date of first appointment on the Board	1st April, 2020
Shareholding in the Company as on the date of Notice (self and beneficial basis)	600 shares of the face value of ₹ 1 each (0.00%)
Terms and conditions of appointment/re-appointment	As mentioned in the Notice and explanatory statement thereto
Details of remuneration last drawn (Financial Year 2021-22)	₹ 13,75,13,890* [* The remuneration paid to Mr. Amit Syngle, Managing Director & CEO, excludes performance-based incentive of ₹ 1,12,50,000 (Rupees one crore twelve lakhs and fifty thousand only) paid for previous financial year. It also excludes ₹ 3,58,75,000 (Rupees three crores fifty-eight lakhs and seventy-five thousand only) worth of stock options granted in accordance with the Asian Paints Employee Stock Option Plan ('2021 Plan') for the financial year 2021-22. The stock options would vest after fulfillment of vesting conditions in accordance with the 2021 Plan. Taxable value of perquisite for car allowance has been considered in the aforesaid computation.]
Details of proposed remuneration	As mentioned in the Notice and explanatory statement thereto
***Inter-se* relationships between** • **Directors** • **Key Managerial Personnel**	Not related to any Director or Key Managerial Personnel of the Company

Name of the Director	**Mr. Amit Syngle (DIN: 07232566)**
Number of meetings of the Board attended during the financial year 2021-22	10 out of 10
Chairpersonship/Membership of the Committee(s) of Board of Directors of the Company as on date	• Member of Corporate Social Responsibility Committee • Member of Investment Committee
Other companies in which he is a Director excluding Directorship in Private and Section 8 companies as on date	-
Chairpersonship/Membership of the Committee(s) of Board of Directors of other companies in which he is a Director excluding Private and Section 8 companies as on date	-
Listed companies from which the person has resigned in the past three years	-

INFORMATION AT A GLANCE

Particulars	Details
Day, date and time of AGM	Wednesday, 29th June, 2022 at 11.00 a.m. IST
Mode	Video Conference / Other Audio Visual Means
Participation through Video Conference	https://www.evoting.nsdl.com/
Final dividend record date	Friday, 10th June, 2022
Final dividend payment date	On or after Friday, 1st July, 2022
Cut-off date for e-Voting	Wednesday, 22nd June, 2022
E-Voting start time and date	Saturday, 25th June, 2022 at 9.00 a.m. IST
E-Voting end time and date	Tuesday, 28th June, 2022 at 5.00 p.m. IST
E-Voting website of NSDL	https://www.evoting.nsdl.com/
Name, address and contact details of e-Voting service provider	**National Securities Depository Limited** Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 **Mr. Amit Vishal** Assistant Vice President – NSDL **Ms. Pallavi Mhatre** Senior Manager – NSDL **Contact Details:** Email id: amitv@nsdl.co.in pallavid@nsdl.co.in evoting@nsdl.co.in Helpline Nos. for VC participation: 1800-1020-990 1800-224-430
Name, address and contact details of Registrar and Transfer Agent	**TSR Consultants Private Limited** C-101,1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel No.: (022) 6656 8484, Extn.: 411/412/413 Fax No.: (022) 6656 8494 Toll Free No.: 1800-2100-124 (exclusive for the shareholders of Asian Paints Limited) Email id: csg-unit@tcplindia.co.in Website: www.tcplindia.co.in

Board's Report

Dear Members,

The Board of Directors are pleased to present the 76th Integrated Annual Report of the Company along with the audited financial statements (standalone and consolidated) for the financial year 2021-22.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2022 is summarised below:

(₹ in crores)

RESULTS FOR THE FINANCIAL YEAR	Standalone			Consolidated		
	2021-22	2020-21#	Growth (%)	2021-22	2020-21#	Growth (%)
Revenue from Operations	**25,188.51**	18,516.86	36.0%	**29,101.28**	21,712.79	34.0%
Earning Before Interest, Taxes, Depreciation and Amortisation	**5,039.68**	4,858.80	3.7%	**5,183.62**	5,158.65	0.5%
Less : Finance Costs	**70.25**	71.66		**95.41**	91.63	
Less : Depreciation and Amortisation Expense	**721.56**	697.47		**816.36**	791.27	
Profit for the period before share of profit in associate	**4,247.87**	4,089.67	3.9%	**4,271.85**	4,275.75	(0.1%)
Share of profit of Associate	**-**	-		**31.57**	28.60	
Profit before exceptional items & tax	**4,247.87**	4,089.67	3.9%	**4,303.42**	4,304.35	(0.0%)
Exceptional Items**	**53.73**	-		**115.70**	-	
Profit before Tax	**4,194.14**	4,089.67	2.6%	**4,187.72**	4,304.35	(2.7%)
Less : Tax Expense	**1,059.43**	1,037.87		**1,102.91**	1,097.60	
Profit for the period	**3,134.71**	3,051.80	2.7%	**3,084.81**	3,206.75	(3.8%)
Attributable to:						
Shareholders of the Company	**3,134.71**	3,051.80	2.7%	**3,030.57**	3,139.29	(3.5%)
Non-Controlling Interest	**-**	-		**54.24**	67.46	
Other Comprehensive Income (net of tax)	**(72.31)**	50.53		**(225.66)**	(5.68)	
Total Comprehensive Income	**3,062.40**	**3,102.33**	**(1.3%)**	**2,859.15**	**3,201.07**	**(10.7%)**
Attributable to:						
Shareholders of the Company	**3,062.40**	3,102.33	(1.3%)	**2,818.26**	3,143.42	(10.3%)
Non-Controlling Interest	**-**	-		**40.89**	57.65	
Opening balance in Retained Earnings^	**7,556.03**	4,973.44		**7,874.02**	5,204.64	
Amount available for Appropriation^	**10,694.02**	8,021.26		**10,908.45**	8,339.68	
Dividend						
Interim - FY 2021-22	**350.11**	-		**350.11**	-	
Interim - FY 2020-21	**-**	321.35		**-**	321.35	
Final - FY 2020-21	**1,390.84**	-		**1,390.84**	-	
Final - FY 2019-20	**-**	143.88		**-**	143.88	
Closing balance in Retained Earnings^	**8,953.07**	**7,556.03**		**9,167.34**	**7,874.02**	

** For standalone results, exceptional items comprise of provision for expected credit loss taken towards subsidy receivable. Additionally, exceptional items for consolidated results also include impairment provision towards goodwill in Causeway Paints Lanka (Pvt.) Limited, subsidiary company, and foreign exchange loss due to devaluation of Sri Lankan Rupees.

Figures for FY 2020-21 have been restated to give impact of amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company, effective from 17th September, 2021, with the appointed date of 1st April, 2019. The accounting impact is not material.

^ Includes re-measurement of defined benefit plans.

COMPANY PERFORMANCE OVERVIEW

During the financial year 2021-22:

- Revenue from operations on standalone basis increased to ₹ 25,188.51 crores as against ₹ 18,516.86 crores in the previous year – a growth of 36%.
- Cost of goods sold as a percentage to revenue from operations increased to 62% as against 54.5% in the previous year.
- Employee cost as a percentage to revenue from operations decreased to 5.2% (₹ 1,310.14 crores) as against 6.1% (₹ 1,128.66 crores) in the previous year.
- Other expense as a percentage to revenue from operations decreased to 14.6% (₹ 3,681.62 crores) as against 15.2% (₹ 2,812.89 crores) in the previous year.
- Profit before exceptional items and tax for the current year is ₹ 4,247.87 crores as against ₹ 4,089.67 crores in the previous year – a growth of 3.9%.
- Profit after tax for the current year is ₹ 3,134.71 crores as against ₹ 3,051.80 crores in the previous year – a growth of 2.7%.
- On a consolidated basis, the Group achieved revenue of ₹ 29,101.28 crores as against ₹ 21,712.79 crores – a growth of 34%.
- Net profit after non-controlling interest for the Group for the current year is ₹ 3,030.57 crores as against ₹ 3,139.29 crores in the previous year – a degrowth of 3.5%.

Exceptional items:

- An amount of ₹ 53.73 crores is recognised as an exceptional item based on re-assessment of expected timing of receipt of cash flow towards subsidy receivable from the State Governments under 'expected credit loss' method. Further, subsidy income under 'other operating revenue' for financial year 2021-22 is lower by ₹ 31.10 crores. The Company is confident about the ultimate realisation of the dues from the State Governments. This has resulted in lower profits in the standalone and consolidated statement of Profit and Loss.
- The current economic crisis in Sri Lanka has led to currency devaluation. Consequently, this has resulted in recognition of the following exceptional items:
  - Expense of ₹ 48.50 crores towards exchange loss recognised on foreign currency obligations of Causeway Paints Lanka (Pvt.) Limited ("Causeway Paints"); and
  - Impairment provision of ₹ 13.47 crores on 'goodwill on consolidation' recognised on acquisition of Causeway Paints.
- Consequent to the currency devaluation, foreign currency translation loss of ₹139.87 crores has been recognised on consolidation of financial results of Causeway Paints in 'other comprehensive income' of the consolidated financial results of the Company.

TRANSFER TO RESERVES

During the year under review, there was no amount transferred to any of the reserves by the Company.

DIVIDEND

The Board of Directors at their meeting held on 10th May, 2022, has recommended payment of ₹ 15.50 (Rupees fifteen and paise fifty only) (1550%) per equity share of ₹ 1 (Rupee one only) each as final dividend for the financial year 2021-22. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

During the year under review, the Board of Directors of the Company at their meeting held on 21st October, 2021, declared an interim dividend of ₹ 3.65 (Rupees three and paise sixty-five only) (365%) per equity share of ₹ 1 (Rupee one only) each. The interim dividend was paid to the shareholders on 10th November, 2021.

The total dividend for the financial year 2021-22, including the proposed final dividend, amounts to ₹ 19.15 (Rupees nineteen and paise fifteen only) per equity share of ₹ 1 (Rupee one only) each would involve a total outflow of ₹ 1,836.87 crores (Rupees one thousand eight hundred thirty-six crores and eighty-seven lakhs only) resulting in a dividend payout of 58.6% of the standalone profits of the Company.

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, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website at https://www.asianpaints.com/DDPolicy.html.

SUBSIDIARIES AND JOINT VENTURES

The Company has 22 subsidiaries and 2 joint-venture companies as on 31st March, 2022.

Financial Performance

A list of bodies corporates which are subsidiaries/ associates/joint ventures of the Company is provided as part of the notes to Consolidated Financial Statements ("CFS").

A separate statement containing the salient features of financial statements of subsidiaries, associates, joint ventures of the Company in the prescribed Form AOC-1 forms a part of CFS, in compliance with Section 129(3) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder.

The Company does not have a material subsidiary.

The Company's Policy for determining material subsidiaries is available on the Company's website at https://www.asianpaints.com/PolicyforMaterialSubsidiaries.html.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations and applicable Accounting Standards, the audited CFS of the Company for the financial year 2021-22, together with the Auditors' Report forms part of this Annual Report.

In accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and the separate financial statements of each of the subsidiary companies, are available on the Company's website at https://www.asianpaints.com/AnnualReports.html. Any Member desirous of inspecting or obtaining copies of the said CFS may write to the Company Secretary at investor.relations@asianpaints.com.

Amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company

During the year under review, the Mumbai Bench of the Hon'ble National Company Law Tribunal vide its Order dated 2nd September, 2021, approved the Scheme of Amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited, Company's wholly owned subsidiary, with the Company ("the Scheme").

Pursuant to necessary filings with the Registrar of Companies, Maharashtra at Mumbai, the Scheme became effective from 17th September, 2021, with the appointed date of 1st April, 2019.

Formation of a subsidiary in Qatar

Asian Paints International Private Limited, Singapore, wholly owned subsidiary of the Company, formed a company with limited liability namely AP International Doha Trading W.L.L, Qatar, on 29th July, 2021.

Continuing the journey of Home Décor

As part of its strategic vision of becoming the most inspirational home décor brand empowering the consumer to create her dream home, the Company has identified lighting products and uPVC windows and doors space as key opportunity areas to transition from 'share of surface' to 'share of space'.

i. In April, 2022, the Company has acquired 49% of the equity share capital of Obgenix Software Private Limited (popularly known by the brand name "White Teak").

   White Teak is engaged in the business of decorative lighting products and fans. Its tech-enabled web platform www.whiteteak.com, is one of the strongest platforms offering customers an extensive range of decorative lighting products and fans, further supplemented by its excellent store network across many key urban cities in India. It has been at the forefront of creating cutting-edge designs and ideas in this space and bringing international standard design and quality to customers.

   The Company has also agreed to acquire the balance 51% stake in White Teak in a phased manner.

ii. In April, 2022, the Company has entered into definitive agreements with Weatherseal Fenestration Private Limited ("Weatherseal Fenestration") and its existing promoters, agreeing to acquire 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to certain conditions.

   Weatherseal Fenestration is engaged in the business of uPVC windows and doors space and has established reputable presence in the retail and project customer segment, primarily in South of India. It has a strong tech-enabled platform that has facilitated to provide a seamless customer experience in a scalable way.

   As per the definitive agreements, the Company has agreed to further acquire 23.9% stake in Weatherseal Fenestration in a phased manner.

ASIAN PAINTS EMPLOYEE STOCK OPTION PLAN 2021 ("2021 PLAN")

The shareholders of the Company at their 75th AGM held on 29th June, 2021, have authorised the Board to offer, issue and provide stock options to the eligible employees of the Company and its subsidiaries under the 2021 Plan.

The 2021 Plan was introduced to incentivise, retain and attract key talent through this performance-based stock option grant program, and consequently enhance shareholder value. The 2021 Plan aims to create a sense of ownership among the eligible employees and to align their medium and long-term compensation with the Company's performance.

The maximum number of stock options to be granted to eligible employees under the 2021 Plan shall not exceed 25,00,000 equity shares (as may be adjusted for any changes in capital structure of the Company), issued by the Company under primary market route and/or acquisition of equity shares from the secondary market route, at a price decided by the Board, or by the Nomination and Remuneration Committee.

The vesting criteria is primarily based on achievement of annual performance parameters by the eligible employees, number of years of service and such other criteria as may be prescribed by the Nomination and Remuneration Committee from time to time. The exercise price for stock options granted to eligible employees shall be at 50% of the "Reference Share Price" of the Company (as defined under the 2021 Plan).

The certificate from the Secretarial Auditor on the implementation of the 2021 Plan in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force)

("SEBI SBEB Regulations"), has been uploaded on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

The 2021 Plan is being implemented in accordance with the provisions of the Act and SEBI SBEB Regulations.

The details of the stock options granted under the 2021 Plan and the disclosures in compliance with SEBI SBEB Regulations and Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in Annexure (A) and are available on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Sad Demise of Mr. Abhay Vakil, erstwhile Non-Executive Director of the Company

Mr. Abhay Vakil, erstwhile Non-Executive Director of the Company, left for heavenly abode on 2nd November, 2021.

Late Mr. Abhay Vakil was associated with the Company since 1974. He was the Whole-time Director of the Company from 1983 to 1998 and he held the position of Managing Director from 1998 to 2009. He was appointed as a Non-Executive Director of the Company in 2009.

During his tenure as the Managing Director of the Company, late Mr. Vakil was overseeing the Company's decorative business and was in charge of the supply chain/ sales and marketing functions of the decorative business. His sad demise is an irreparable loss to the Company.

The Board of Directors of the Company express their deep condolences and pay tribute to late Mr. Abhay Vakil. The Board places on record profound appreciation for his valuable contribution for channelising the growth of the Company.

Change in Directorate

i. Retirement of Independent Directors

Dr. S. Sivaram (DIN: 00009900) and Mr. M. K. Sharma (DIN: 00327684) retired as an Independent Director(s) of the Company with effect from closure of business hours on 30th September, 2021 and 31st March, 2022, respectively, upon completion of their tenure as Independent Directors in terms of Section 149(11) of the Act.

Dr. S. Sivaram joined the Board as an Independent Director in the year 2001 and since then the Company has immensely benefitted from his guidance in the areas of technology, governance, risk management, etc. The Board places on record appreciation for his thoroughness, dedication and commitment.

Mr. M. K. Sharma joined the Board as an Independent Director in the year 2012. The Board places on record appreciation for the outstanding contribution of Mr. M. K. Sharma during his tenure as an Independent Director of the Company. As the Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, Mr. Sharma's contribution has been immensely valuable and has further strengthened the Company's governance standards.

ii. Re-appointment of Independent Director

The shareholders of the Company at their 75th AGM held on 29th June, 2021, based on the (i) outcome of performance evaluation; (ii) recommendations of the Board and Nomination and Remuneration Committee; and (iii) experience and significant contributions made by Mr. R. Seshasayee (DIN: 00047985), have, *inter alia,* approved his re-appointment as an Independent Director for the second term of 5 (five) consecutive years with effect from 23rd January, 2022 to 22nd January, 2027.

In accordance with Regulation 17(1A) of the Listing Regulations, consent of the shareholders was accorded by way of Special Resolution for continuation of directorship of Mr. R. Seshasayee beyond the age of 75 (seventy-five) years, as he would attain the said prescribed age limit on 31st May, 2023, during the midst of his second term.

iii. Appointment of Non-Executive Directors

The Board of Directors at their meetings held on 21st October, 2021 and 1st March, 2022 based on recommendations of the Nomination and Remuneration Committee, *inter alia*, approved the following changes to the Board of Directors of the Company, subject to approval of shareholders of the Company:

(a) Appointment of Mr. Milind Sarwate (DIN: 00109854) as an Additional and Independent Director of the Company for a period of 5 (five) consecutive years from 21st October, 2021 upto 20th October, 2026.

Mr. Milind Sarwate is a Chartered Accountant (1983), Cost Accountant (1983), Company Secretary (1984) and a CII-Fulbright Fellow (Carnegie Mellon University, USA, 1996).

He is the Founder & CEO of Increate Value Advisors LLP. He provides advice & mentorship in business & social value creation, governance, and capability-building, leveraging his 38-year experience including long stints as CFO and CHRO of Marico Limited and Godrej Group.

He invests in promising businesses and social enterprises.

Mr. Sarwate serves on the Boards of listed and unlisted companies and has Chaired Audit Committees in these companies since 2005.

(b) Appointment of Ms. Nehal Vakil (DIN: 00165627) as a Non-Executive Promoter Director with effect from 1st March, 2022, to fill the casual vacancy created on the Board on account of the sad demise of Mr. Abhay Vakil.

Ms. Nehal Vakil holds Bachelor of Arts degree with specialisation in Finance from Eli Broad College of Business, Michigan State University – East Lansing, Michigan, USA.

She commenced her career with the Company in the year 1999 and was, *inter alia*, responsible for monitoring budgets, revenue, and variance trends in the corporate center.

She is presently the Director in charge of the operations of Vikatmev Containers Limited ("Vikatmev"), a leading container manufacturer in Mumbai. At Vikatmev, she heads a team that strategises and devises new approaches to boost customer numbers, growth and revenue.

Ms. Nehal Vakil also manages the other family businesses and investments along with the wealth advisors. She also serves as a Director on the Board of few other public and private limited companies.

Ms. Nehal Vakil is the daughter of late Mr. Abhay Vakil and is a Member of the Promoter(s)/ Promoter(s) Group of the Company. She is also the cousin of Ms. Amrita Vakil, Non-Executive Director of the Company.

In the opinion of the Board, Mr. Milind Sarwate and Ms. Nehal Vakil bring on board the required experience, integrity, expertise and relevant proficiency which will add tremendous value to the Board of Directors in exercising their role effectively.

In accordance with Regulation 17(1C) of the Listing Regulations with effect from 1st January, 2022, approval of the shareholders for appointment of a person on the Board of Directors should be taken at the next general meeting or within a time period of 3 (three) months from the date of appointment, whichever is earlier. Further, in accordance with Regulation 25(2A) of the Listing Regulations, effective 1st January, 2022, consent of the shareholders by way of Special Resolution shall be required for appointment of an Independent Director on the Board of Directors of the Company.

The approval of the shareholders of the Company was required within 3 (three) months for appointment of Ms. Nehal Vakil as a Non-Executive Director of the Company.

Mr. Milind Sarwate was appointed as an Additional and Independent Director prior to the Notification of the provisions of Regulation 17(1C) and 25(2A) of the Listing Regulations.

The approval of the shareholders of the Company was sought by postal ballot notice dated 1st March, 2022 for the aforementioned appointments on the Board, in good governance for Mr. Milind Sarwate.

The shareholders by way of postal ballot, have approved their appointments with requisite majority. The results of postal ballot were declared on 20th April, 2022.

iv. Re-appointment of Managing Director & CEO

The Board of Directors at their meeting held on 10th May, 2022, subject to approval of the shareholders, approved the re-appointment of Mr. Amit Syngle (DIN: 07232566) as the Managing Director & CEO of the Company for a further period of 5 (five) years commencing from 1st April, 2023 to 31st March, 2028.

Appropriate resolution for re-appointment of Mr. Amit Syngle as the Managing Director & CEO of the Company is being placed for the approval of the shareholders of the Company at the ensuing AGM. The Board of Directors, Nomination and Remuneration Committee and Audit Committee of the Company recommends his re-appointment as the Managing Director & CEO of the Company.

v. Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Malav Dani (DIN: 01184336) and Mr. Manish Choksi (DIN:00026496), Non-Executive Directors of the Company, 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.

Key Managerial Personnel

Mr. Amit Syngle, Managing Director & CEO, and Mr. R J Jeyamurugan, CFO & Company Secretary, are the Key Managerial Personnel of the Company.

During the year under review, there were no changes to the Key Managerial Personnel of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable Accounting Standards have been followed and there are no material departures from the same;

ii. 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, 2022 and of the profits of the Company for the financial year ended 31st March, 2022;

iii. 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;

iv. the annual accounts have been prepared on a 'going concern' basis;

v. 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

vi. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

Declaration from Directors

The Company has, *inter alia,* 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 Schedule and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

None of the Directors of the Company are disqualified for being appointed as Directors as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, 10 (ten) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2021-22 are given in the Corporate Governance Report which forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and the Listing Regulations.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) approve and recommend compensation packages and policies for Directors and Senior Management; and (iii) lay down the effective manner of performance evaluation of the Board, its Committees and the Directors.

The salient features of the Nomination and Remuneration Policy of the Company along with highlights of changes made during the year are outlined in the Corporate Governance Report which forms part of this Report. The Policy is also available on the website of the Company at https://www.asianpaints.com/NRCPolicy.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 read with Schedule II of the Listing Regulations. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

The information required under Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of directors and employees of the Company is set out in Annexure (B) to this Report and is also available on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

BOARD 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 of the Committee, share 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, Chairman 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.

The Chairman of the Nomination and Remuneration Committee, leads the performance evaluation exercise. The outcome of the performance evaluation of Committees of the Board and the Board is presented to the Nomination and Remuneration Committee and the Board of Directors of the Company and key outcomes, actionable areas are discussed and acted upon. The details of the evaluation process and the outcomes are set out in the Corporate Governance Report which forms a part of this Annual Report.

The outcome of evaluation of individual directors is shared on one-on-one basis with the Director being evaluated.

The Board of Directors have decided to engage an external expert to carry out the evaluation of performance of the Board, Committees and individual directors, once in every 3 (three) financial years. The Company had engaged Egon Zehnder, external consultants, to conduct performance evaluation for the financial year 2020-21 of the Board, Committees of the Board and individual directors.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the training and familiarisation program are provided in the Corporate Governance Report and is also available on the website of the Company at https://www.asianpaints.com/FamiliarisationProgramme.html.

REGISTRAR AND TRANSFER AGENT

The name of the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited, has been changed to TSR Consultants Private Limited with effect from 13th April, 2022.

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

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 75th AGM held on 29th June, 2021, to hold office till the conclusion of the 80th AGM.

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

The Auditors have issued an unmodified opinion on the Financial Statements for the financial year 2021-22 and the Auditor's Report forms part of this Annual Report.

Cost Auditor

The Company has maintained cost records for certain products as specified by the Central Government under Section 148(1) of the Act. RA & Co., Cost Accountants (Firm Registration No. 000242), have carried out the cost audit for applicable products during the financial year 2021-22.

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have appointed RA & Co., as the Cost Auditors of the Company to conduct the audit of cost records of products for the financial year 2022-23. RA & Co., being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2022-23.

The remuneration proposed to be paid to the Cost Auditors, subject to ratification by the members of the Company at the ensuing 76th AGM, would not exceed ₹ 9 lakhs (Rupees nine lakhs only) excluding taxes and out-of-pocket expenses, if any.

The Cost Audit Report for the financial year 2020-21 does not contain any qualification, reservation, or adverse remark.

Secretarial Auditor

The Board of Directors of the Company, on the recommendation made by the Audit Committee, have 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 2022-23, based on consent received from Dr. K. R. Chandratre.

The Secretarial Audit Report for the financial year 2021-22 under the Act read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in Annexure (C-1) to this Report.

The Secretarial Compliance Report received from Dr. K. R. Chandratre, for the financial year 2021-22, in relation to compliance of all applicable Securities and Exchange Board of India ("SEBI") Regulations/Circulars/ Guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in Annexure (C-2) to this Report. The Secretarial Compliance Report has been voluntarily disclosed as good disclosure practice.

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance received from Dr. K. R. Chandratre is annexed to the Corporate Governance Report forming part of this Annual Report.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2021-22, does not contain any qualification, reservation, or adverse remark.

COMMITTEES

As on 31st March, 2022, the Board has 7 (seven) Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship Committee, Investment Committee and Shareholders Committee.

The Board of Directors of the Company have dissolved the Shareholders Committee and the terms of reference of the said Committee have been merged with the Stakeholders Relationship Committee. The said changes were effective from 1st April, 2022.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

A detailed note on the composition of the Board and its Committees, including its terms of reference is provided in the Corporate Governance Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company is in line with the provisions of the Act and the Listing Regulations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year 2021-22, the Company has spent ₹ 71.01 crores (Rupees seventy-one crores and one lakh only) towards CSR expenditure. The CSR initiatives of the Company were under the thrust area of health & hygiene, enhancing vocational skills, water conservation and disaster management. The CSR Policy of the Company is available on the website of the Company at https://www.asianpaints.com/CSRPolicy.html.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2022, in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") is set out in Annexure (D) to this Report.

Synopsis of the report of the independent agency for the CSR projects to which impact assessment is applicable in terms of the provisions of Section 135 of the Act and CSR Rules, has been annexed to the said annual report on CSR.

CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance and the Business Responsibility and Sustainability Report, forms part of this Annual Report.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2022 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

RELATED PARTY TRANSACTIONS

All transactions with related parties were reviewed and approved by the Audit Committee and were 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.

The SEBI vide amendments to the Listing Regulations had introduced substantial changes in the related party transaction framework, *inter alia*, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties effective 1st April, 2022 or unless otherwise specified in the amendment.

The Board of Directors on recommendations of the Audit Committee approved the revised 'Policy on dealing with and materiality of related party transactions' and related party framework of the Company to align it with the amendments notified by SEBI.

All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence no justification have been separately provided in that regard.

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/RPTPolicy.html.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. There were no transactions of the Company with any person or entity belonging to the Promoter(s)/Promoter(s) Group which individually holds 10% 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 41 to the standalone financial statements of the Company.

The Company in terms of Regulation 23 of the Listing Regulations submits within the stipulated time 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 to the stock exchanges. The said disclosures are available on the website of the Company at https://www.asianpaints.com/StatutoryFilings.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 Annexure (E) 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, 2022, are set out in Note 47(C) to the standalone financial statements of the Company.

RISK MANAGEMENT

Risk management is integral to the Company's strategy and for the achievement of the long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities while managing the risks.

With the continuation of the COVID-19 pandemic, the challenges of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe continued to impact the business.

These challenges have brought 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 and decision making process. The Company regularly identifies uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact your Company's long-term goals. This process of identifying and assessing the risks is a two-way process with inputs being taken from employees across the organisation.

The Company engages regularly with various stakeholders to foresee changing/emerging expectations and proactively tries to integrate the same with the overall plans and priorities of the Company.

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.

Our approach to risk management is designed to provide reasonable assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Company's Senior Management including, where appropriate, the Managing Director & CEO, the Chief Financial Officer, the Audit Committee, the Risk Management Committee, and the Board.

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 endeavours to continually sharpen its risk management systems and processes in line with a rapidly changing business environment. 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 including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and which articulates the Company's approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives.

The Risk Management Policy of the Company is available on the website of the Company at https://www.asianpaints.com/RMPolicy.html.

VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and in line with the best governance practices. 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 the '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 Company vendors/suppliers, malafide manipulation of Company records, discrimination to the Code of Conduct in an anonymous manner.

The Policy also provides adequate 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 aims to:

- allow and encourage stakeholders to bring to the management's notice concerns about unethical behavior;
- ensure timely and consistent organisational response;
- build and strengthen a culture of transparency and trust; and
- provide protection against victimisation.

No person was denied access to the Audit Committee.

The Whistle Blower Policy has been appropriately communicated within the Company across all levels and is available on the website of the Company at https://www.asianpaints.com/WBPolicy.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 ("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 organisation to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

Complaints of sexual harassment received during the financial year 2021-22 by the Company were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them.

The policy formulated by the Company for prevention of sexual harassment is available on the website of the Comany at https://www.asianpaints.com/POSHPolicy.html.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has adequate Internal Financial Controls System over financial reporting which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. The Company's Internal Financial Controls over financial reporting provides reasonable assurance over the integrity of financial statements of the Company.

The Company has laid down Standard Operating Procedures, Policies and Authority/Commercial Manual to guide the operations of the business. Functional heads are responsible to ensure compliance with all laws and regulations and also with the policies and procedures laid down by the management.

The Corporate Accounts team has undertaken advanced digitalisation and automation initiatives in the current year. System based reports and automated accounting for various areas in financial statements have contributed to better accuracy and faster financial reporting. Further, the financial statement preparation has been automated to ensure end to end system driven reporting across Group reducing scope of manual errors. Such initiatives would be continued in the coming year as well.

The Shared Services Center continued the journey of digitalisation and touchless processing of vendor payments taking it to next level. Virtual Assistant for Processing Invoices, on the fly intelligence tool, has been deployed for better compliances to laws & regulation.

A mobile application has been developed for employee reimbursement with Optical Character Recognition enabled technology easing the process of raising claims as well as automating necessary controls for seamless processing. Car hiring process has been digitalised automating the entire process from booking a request to invoice processing along with tracking of distances travelled and time involved.

The Company tracks all amendments to Accounting Standards, the Act and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same. During the current year, the Company assessed impact of changes in Schedule III under the Act and Accounting Standards on its financial reporting and accordingly made necessary changes in its policies, processes and disclosures. All resultant changes to the policy and impact on financials are disclosed after due validation with the statutory auditors and the Audit Committee.

During the year, the Company has prepared Risk Assessment and Control Matrix for all processes involved in financial reporting and was tested for design and operating effectiveness.

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

i. **Unclaimed Dividend**

   In terms of applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), during the year under review, unpaid or unclaimed dividend amounting to ₹ 1.34 crores (Rupees one crores and thirty-four lakhs only) was transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India.

   Further, 1,69,237 (One lakh sixty-nine thousand two hundred and thirty-seven) shares were transferred to the demat account of the IEPF Authority during the year, in accordance with the IEPF Rules, as the dividend(s) has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more;

ii. None of the Directors of the Company have resigned during the year under review;

iii. The Company has not failed to implement any corporate action during the year under review;

iv. The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of a public issue, rights issue, preferential issue, etc. is not applicable to the Company;

v. The Company's securities were not suspended during the year under review;

vi. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2021-22 and the date of this Report.

   An overview of the paint industry, important changes in the paint industry during the last financial year, external environment, and economic outlook have been provided in detail in the separate section of Management Discussion and Analysis forming part of this Annual Report;

vii. During the year under review, there was no change in the nature of business of the Company;

viii. Key initiatives with respect to stakeholder relationship, customer relationship, environment, sustainability, health and safety have been provided in detail in the respective sections of this Annual Report;

ix. 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;

x. 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;

xi. 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;

   The Competition Commission of India ("Commission") had passed a *prima facie* Order dated 14th January, 2020, directing the Director General ("DG") to cause an investigation against the Company, under the provisions of Section 26(1) of the Competition Act, 2002. Based on this Order, the DG initiated an investigation against the Company and on 17th December, 2021, submitted a consolidated Investigation Report to the Commission. The report in no way affects the going concern status of the Company. The Commission has now scheduled the matter for hearing.

xii. 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;

xiii None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act;

xiv. 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 (F) to this Report;

xv. Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

xvi. The Company has not issued any sweat equity shares to its directors or employees;

xvii. There was no revision of financial statements and Board's Report of the Company during the year under review;

xviii. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and

xix. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

APPRECIATION

The Board of Directors place on record sincere gratitude and appreciation for all the employees of the Company. Our consistent growth was made possible by 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

Deepak Satwalekar
Chairman
(DIN: 00009627)

Place: Mumbai
Date: 10th May, 2022

DISCLOSURE IN RELATION TO ASIAN PAINTS EMPLOYEE STOCK OPTION PLAN 2021

[Pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014]

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on website of the Company at https://www.asianpaints.com/AnnualReports.html.

(A) Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government and Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:

Refer Note No. 37(3) forming part of the standalone financial statements and Note No. 32(3) of the consolidated financial statements for the financial year 2021-22. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 – Share Based Payment.

(B) Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note No. 40 forming part of the standalone financial statements and Note No. 41 of the consolidated financial statements for the financial year 2021-22. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 – Earnings per share.

(C) Details related to Asian Paints Employees' Stock Option Plan 2021 ("2021 Plan"):

Sr. No.	Particulars	Details of 2021 Plan
(i)	**General terms and conditions of 2021 Plan:**	
(a)	Date of shareholders' approval	29th June, 2021
(b)	Total number of options approved under 2021 Plan	25,00,000 stock options will be granted over 10 (ten) years period of the 2021 Plan.
(c)	Vesting requirements	The vesting period shall be decided by the Nomination and Remuneration Committee (the Committee) from time to time in accordance with the 2021 Plan, however, the minimum vesting period shall not be less than 12 months from the date of grant of the stock options (or such other period as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations") as in effect from time to time) and the maximum vesting period shall not be more than 48 months from the date of grant of the stock options. Vesting may happen in one or more tranches; The vesting will be in accordance with the 2021 Plan and SEBI Regulations as in effect from time to time.
(d)	Exercise price or pricing formula	The exercise price for any stock options granted to eligible employee shall be 50% to the "Reference Share Price" of the shares of the Company (rounded off to the next whole number, if not a whole number). "Reference Share Price" means the average of the daily high and low of the volume weighted average prices of the shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made.
(e)	Maximum term of options granted	The maximum vesting period shall not be more than 48 months from the date of grant of the stock options.
(f)	Source of shares (primary, secondary or combination)	The 2021 Plan envisages a combination of fresh issue of shares and secondary (market) purchase of shares of the Company (through Asian Paints Employee Stock Ownership Trust ["ESOP Trust"] to the extent of the secondary market purchase) subject to the regulatory approvals. The Administrator (being the Nomination and Remuneration Committee) has the sole discretion to determine the break-up between primary issuance and secondary acquisition – to the extent that there may be only primary issuance (and no secondary acquisition) or only secondary acquisition (and no primary issuance) during the tenure of the 2021 Plan. For grants during the financial year 2021-22 (including those which may be granted in relation to the financial year 2020-21), the ESOP Trust has acquired shares of the Company from the market under the secondary acquisition route.
(g)	Variation in terms of options	No variation/modification/amendment was made in the terms of options during the financial year 2021-22.
(ii)	**Method used to account for ESOS**	Fair Value Method
(iii)	**Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company**	Not Applicable
(iv)	**Option movement during the year:**	
	Number of options outstanding at the beginning of the period	Nil
	Number of options granted during the year	2,30,961
	Number of options forfeited/lapsed during the year	4,878
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Not Applicable
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	Nil
	Number of options outstanding at the end of the year	2,26,083
	Number of options exercisable at the end of the year	Nil

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

Sr. No.	Particulars	Details of 2021 Plan
(v)	**Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock**	Refer Annexure-1
(vi)	**Employee wise details of options granted during the FY 2021-22 to:**	
(a)	Senior managerial personnel as defined under Regulation 16(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Refer Annexure-2
(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None
(c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
(vii)	**Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**	
(a)	Weighted-average values of share price	Refer Annexure-1
	Exercise price	
	Expected volatility	
	Expected option life	
	Expected dividends	
	Risk-free interest rate	
	Any other inputs to the model	
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of options has been calculated by using Black Scholes Model
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Refer Annexure-1
(d)	Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition	Not Applicable

(D) Disclosures in respect of grants made in three years prior to IPO under each ESOS: Not Applicable

(E) Details related to Trust:

Given below are the details, *inter alia,* in connection with transactions made by the Trust meant for the purpose of administering the scheme under the Regulations:

(i) General information on 2021 Plan:

Sr. No.	Particulars	Details
(a)	Name of the Trust	Asian Paints Employee Stock Ownership Trust
(b)	Details of the Trustee(s)	1) Barclays Wealth Trustees (India) Private Limited - Designated Trustee 2) Mr. Aashish Kshetry - Other Trustee 3) Mr. Parag Rane - Other Trustee
(c)	Amount of loan disbursed by the Company/any company in the Group, during the year	₹ 75 crores*
(d)	Amount of loan outstanding (repayable to Company/ any company in the Group) as at the end of the year	₹ 75 crores
(e)	Amount of loan, if any, taken from any other source for which Company/any company in the Group has provided any security or guarantee	Nil
(f)	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust:

Sr. No.	Particulars	Details
(a)	Number of shares held at the beginning of the year	Not Applicable
(b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Number of shares acquired – 2,23,240 equity shares through secondary acquisition Percentage of paid-up share capital – 0.02% Weighted-average cost of acquisition per share – ₹ 3,359.51 per share
(c)	Number of shares transferred to the employees/ sold along with the purpose thereof	Nil
(d)	Number of shares held at the end of the year	2,23,240

(iii) In case of secondary acquisition of shares by the Trust:

Shares	In number	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Nil	Nil
Acquired during the year	2,23,240	0.02%
Sold during the year	Nil	Nil
Transferred to the employees during the year	Nil	Nil
Held at the end of the year	2,23,240	0.02%

* The loan amount of ₹ 75 crores disbursed by the Company and the number of shares acquired pertains to the financial year 2020-21 and financial year 2021-22.

Note:
There was no change in the 2021 Plan since its implementation and the 2021 Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman
(DIN: 00009627)

Place: Mumbai
Date: 10th May, 2022

Annexure 1

a) Details of stock options granted:

Particulars	Grant 1	Grant 2	Grant 3
Grant Date	16th August, 2021	16th August, 2021	10th February, 2022
Vesting Date	31st March, 2024	31st March, 2025	31st March, 2025
Fair Value at Grant Date (₹)	1,685.13	1,752.87	1,884.83
Exercise Price (₹)*	1,518.70	1,518.70	1,632.53
Options outstanding at the beginning of the year	-	-	-
Options granted during the year	1,10,514	1,16,022	4,425
Options exercised during the year	-	-	-
Options forfeited during the year	-	-	-
Options lapsed during the year	2,160	2,718	-
Balance as at year end	1,08,354	1,13,304	4,425
Exercisable at period end	-	-	-
Weighted Average remaining contractual life (years)	3	4	4

* Represents weighted average exercise price for respective option series towards all the movements including opening and closing outstanding options.

b) Fair Value of Stock Options granted:

Fair Value of Stock Options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as follows:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Market price at the time of grant of the option (₹)	Exercise price
Assumptions	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of option and half of exercise period assuming even exercise of shares during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price		50% of Reference Share Price
16th August, 2021	5.07%	3.12 years	34.67%	0.60%	2,987.55	1,518.70
16th August, 2021	5.50%	4.12 years	32.17%	0.60%	2,987.55	1,518.70
10th February, 2022	5.57%	3.63 years	33.93%	0.55%	3,228.35	1,632.53

Annexure 2

Sr. No.	Name of employee(s)	Designation	Grant 1	Grant 2#	Grant 3#$	Total options
1.	Aashish Kshetry	Vice President – Systems	1,790	2,450	-	4,240
2.	Amit Kumar Singh	Associate Vice President – Corporate Affairs	1,670	1,900	-	3,570
3.	Amit Rajde	Associate Vice President – Project Sales	1,310	1,116	60	2,486
4.	Amit Syngle	Managing Director & CEO	14,660	14,660^	-	29,320
5.	Ashish Rae	Associate Vice President – Home Improvement	1,310	1,900	-	3,210
6.	Harish Lade	Vice President – Supply Chain	2,850	2,450	-	5,300
7.	Hiral Kumar Raja	Associate Vice President – Accounts, SSC & Taxation	840	1,433	36	2,309
8.	Jitendra Kalra	Director at Asian Paints Industrial Coatings Limited, wholly owned subsidiary company CEO – Asian Paints PPG Private Limited, joint venture company	3,920	2,450	-	6,370
9.	Joseph Eapen	Associate Vice President – Asian Paints International Private Limited, wholly owned subsidiary company	1,310	1,116	60	2,486
10.	Pragyan Kumar	Chief Executive – Asian Paints International Private Limited, wholly owned subsidiary company	2,850	2,450	59	5,359
11.	R J Jeyamurugan	CFO & Company Secretary	2,850	2,450	-	5,300
12.	Rahul Bhatnagar	President – Project Sales, R&T and Industrial JVs	3,920	2,450	-	6,370
13.	Rajeev Kumar Goel	Vice President – Technology	2,850	2,450	-	5,300
14.	Sameer Salvi	Associate Vice President – Mantech, Strategy & New Businesses	2,140	1,900	-	4,040
15.	Savitha Shivsankar	Chief Human Resources Officer	-	-	703	703
16.	Shyam Swamy	Associate Vice President – Home Improvement, Décor, Services & Retailing	1,724	1,900	-	3,624
17.	Sumit Midha	Vice President – Retail Sales, Commercial & Marketing	2,970	1,900	53	4,923

This is a provisional grant for the financial year 2021-22 and basis satisfaction of performance condition of vesting, supplementary stock options will be granted.

$ Additional grants issued on account of promotions and appointments made during the financial year 2021-22, in accordance with 2021 Plan.

^ Indicates provisional grant of stock options. The actual number of stock options will be finalised by the Nomination and Remuneration Committee post approval and adoption of the financial statement for the financial year 2021-22 by the shareholders at the ensuing Annual General Meeting of the Company.

Note:
The exercise price of Grants 1 & 2 is ₹ 1,518.70 and Grant 3 is ₹ 1,632.53 per stock option. The exercise price of stock options granted to eligible employees is at 50% of the "Reference Share Price" of the Company, as defined under the 2021 Plan.

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 Key Managerial Personnel of the Company for the financial year 2021-22 is as follows:

Sr. No.	Name	Designation	Remuneration (In ₹)	Ratio to median remuneration [&]	Percentage increase/ decrease in the remuneration
1.	Deepak Satwalekar[<]	Independent Director & Chairman	57,20,000	5.37	34.59
2.	Manish Choksi	Non-Executive Director & Vice-Chairman	54,90,000	5.15	25.92
3.	Ashwin Dani[~]	Non-Executive Director	52,85,000	4.96	0.00
4.	Abhay Vakil[*]	Non-Executive Director	46,60,000	4.37	**
5.	Amit Syngle[>]	Managing Director & CEO	13,75,13,890	129.06	32.02
6.	Malav Dani	Non-Executive Director	49,50,000	4.65	19.85
7.	Amrita Vakil	Non-Executive Director	45,50,000	4.27	14.90
8.	Jigish Choksi	Non-Executive Director	44,30,000	4.16	15.36
9.	Nehal Vakil[$]	Non-Executive Director	6,85,000	0.64	**
10.	S. Sivaram[^]	Independent Director	21,30,000	2.00	**
11.	M. K. Sharma[#]	Independent Director	60,80,000	5.71	24.34
12.	Vibha Paul Rishi	Independent Director	47,70,000	4.48	18.66
13.	R. Seshasayee	Independent Director	57,80,000	5.42	28.73
14.	Suresh Narayanan	Independent Director	54,30,000	5.10	20.94
15.	Pallavi Shroff	Independent Director	44,50,000	4.18	18.67
16.	Milind Sarwate[%]	Independent Director	22,60,000	2.12	**
17.	R J Jeyamurugan[***]	CFO & Company Secretary	3,05,82,078	28.70	18.64

[<] Mr. Deepak Satwalekar was appointed as Chairman of the Company with effect from 30th June, 2021.

[~] Mr. Ashwin Dani ceased to be the Chairman of the Company with effect from closure of business hours on 29th June, 2021.

[*] Mr. Abhay Vakil passed away on 2nd November, 2021.

[$] Ms. Nehal Vakil was appointed as a Non-Executive Director on 1st March, 2022.

[^] Dr. S. Sivaram retired as an Independent Director with effect from closure of business hours on 30th September, 2021 upon completion of his term in terms of Section 149(10) of the Act.

[#] Mr. M. K. Sharma retired as an Independent Director with effect from closure of business hours on 31st March, 2022 upon completion of his term in terms of Section 149(10) of the Act.

[%] Mr. Milind Sarwate was appointed as an Independent Director with effect from 21st October, 2021.

Notes:

1. The aforesaid details are calculated on the basis of remuneration for the financial year 2021-22 and include sitting fees paid to Directors during the financial year.
2. The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
3. [**] Percentage increase/decrease in remuneration is not reported as they were holding directorship for the part of the financial year 2021-22 and/or they were appointed during the financial year 2021-22.
4. [>] The remuneration paid to Mr. Amit Syngle, Managing Director & CEO, excludes performance-based incentive of ₹ 1,12,50,000 (Rupees one crore twelve lakhs and fifty thousand only) paid for previous financial year. It also excludes ₹ 3,58,75,000 (Rupees three crores fifty-eight lakhs and seventy-five thousand only) worth of stock options granted in accordance with the Asian Paints Employee Stock Option Plan ("2021 Plan") for the financial year 2021-22. The stock options would vest after fulfillment of vesting conditions in accordance with the 2021 Plan. Taxable value of perquisite for car allowance has been considered in the aforesaid computation.
5. [***] The remuneration paid to Mr. R J Jeyamurugan, CFO & Company Secretary, excludes performance-based incentive of ₹ 25,00,000 (Rupees twenty-five lakhs only) paid for previous financial years. It also excludes ₹ 48,00,000 (Rupees forty-eight lakhs only) worth of stock options granted in accordance with the 2021 Plan for the financial year 2021-22. The stock options would vest after fulfillment of vesting conditions in accordance with the 2021 Plan.
6. [&] The median remuneration of all employees per annum was ₹ 10,65,497 (Rupees ten lakhs sixty-five thousand four hundred and ninety seven only) and ₹ 9,29,613.50 (Rupees nine lakhs twenty-nine thousand six hundred thirteen and paise fifty only), for the financial year 2021-22 and 2020-21, respectively. The increase in median remuneration of employees for the financial year 2021-22, as compared to financial year 2020-21 is 14.62%.
7. The increase in average salary of employees (other than Key Managerial Personnel) for the financial year 2021-22, as compared to financial year 2020-21 is 18.14% (including performance incentive).
8. 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.

B. Number of permanent employees on rolls of the Company as on 31st March, 2022:

	No. of employees
Executive/Manager cadre	1,268
Staff	4,444
Operators/Workmen	1,711
Total	**7,423**

C. 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 available on the website of the Company at https://www.asianpaints.com/AnnualReports.html.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman
(DIN: 00009627)

Place: Mumbai
Date: 10th May, 2022

Annexure (C-1) to Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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 authorised 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, 2022 ('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, 2022 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 Foreign Direct Investment, Overseas Direct Investment. and External Commercial Borrowings;

(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 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (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;

(d) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

(e) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;

(f) The Drugs and Cosmetics Act, 1940; and

(g) The Legal Metrology Act, 2009 and rules and regulations thereunder.

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 Mumbai Bench of the Hon'ble National Company Law Tribunal vide its Order dated 2 September, 2021 approved the Scheme of Amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited, Wholly Owned Subsidiary of the Company with Asian Paints Limited ("the Scheme"). Consequent to necessary filings with the Registrar of Companies, Maharashtra at Mumbai, the Scheme became effective from 17 September, 2021, with the appointed date of 1 April, 2019.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 10th May 2022

UDIN: F001370D000298293
Peer Review Certificate No.: 1206/2021

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

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

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 10th May 2022

UDIN: F001370D000298293
Peer Review Certificate No.: 1206/2021

Annexure (C-2) to Board's Report

SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2022** ("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 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (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 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Listed Entity during the Review Period);

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

and clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities and Exchange Board of India on "Resignation of statutory auditors from listed entities and their material subsidiaries";

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 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

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 10th May 2022

UDIN: F001370D000298348
Peer Review Certificate No.: 1206/2021

Annexure (D) to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief Outline of CSR Policy

Standing true to our Charter value of bringing joy and happiness to people's lives, our CSR vision is based on embedded tenets of trust, fairness and care to maximise efforts in this regard.

The Company's CSR philosophy is based on the keystones of (a) actively initiating and participating in projects that together makes it the local lighthouse for the region which significantly improves the lives of the people where it operates and is present; (b) providing vocational training and impart skilling to enhance the livelihood and skills of people who are primarily from the unorganised sector; (c) commitment to creating social and economic value as a corporate citizen and encourage employees to participate and contribute to our various CSR programmes; and (d) managing Company's operations using principles of sustainable development to minimise resource footprint and protect health & safety of all the stakeholders.

The Company's employee volunteering approach is to promote ownership and creating awareness among the employees rather than mere participation. Employee volunteering teams are made keeping in mind parameters of empathy, expertise, time, effort and impact. 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, free rice quiz, among others. Whereas interventions, such as mentoring and social security schemes for financial inclusions, Naya Savera, Pro-bono volunteering, audiobook recordings require more regular and involved participation.

In view of the pandemic, virtual interventions were introduced last year especially in case of employee volunteering programmes and skill development initiatives. The Company continued with these initiative this year as well.

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

- Audiobook recording, basic English lessons for visually impaired children.
- Free Rice - Participating in a free, online quiz game with multiple choice questions where the more one plays, the more quantity of free rice is donated to families in need. This program is supported by UN Food Program.
- Help your Help vaccination registration drive.
- Resume Writing Sessions for the Shelter home girls.
- One time old clothes and toys donation drive.
- Individual plogging Activity.

The CSR Committee has identified the following thrust areas around which the Company shall be focusing its CSR initiatives and channelising the resources on sustained basis:

(i) Health & Hygiene

Under Health & Hygiene, we aspire to deliver primary health care support through diagnosis and treatments to our communities.

The Company's healthcare and hygiene initiatives are based on the need to provide basic access to primary healthcare services to the communities in and around the local area where it operates.

The initiatives which started with Mobile Medical Units (MMUs), health camps have scaled up to projects benefiting the communities around the Company manufacturing locations and other areas of operations in the form of more MMUs, static clinics and localised health initiatives.

For each of these programmes we have identified partners who have the potential to replicate and scale up the projects to bring uniformity and at the same time cater to the local health needs.

We work in partnership with the on-ground health workers including the Accredited Social Health Activist, Anganwadi workers and Auxiliary Nurse-Midwives or the triple As (AAAs) of community health. These partners are the backbone of the healthcare system in India.

The Company has also undertaken nutrition projects in collaboration with AAAs targeting pregnant & lactating women, adolescent girls and children between 0-5 years.

Under the health and hygiene programme, the Company is, *inter alia*, running the following projects:

- **Static Clinics**

  The Company has 5 static clinics near its manufacturing locations (Mysuru, Patancheru, Kasna, Khandala and Visakhapatnam), in association with Piramal Swasthya. The static clinics provide diagnosis and treatment for various non-communicable diseases (majorly hypertension and diabetics), general weakness, upper respiratory track infection, acute diarrheal disease.

- **Mobile Medical Units ("MMUs")**

  The Company has been running 8 (eight) MMUs spread across 8 (eight) locations. These MMUs provide consultations, free medicines, basic diagnostics, referrals to government hospitals, among others. These units also conduct awareness and quiz sessions on health in the community.

- **Safar**

  Safar, one of the Company's healthcare initiatives, is directed towards improving health awareness and medical care facilities among truck drivers.

(ii) Disaster Management

Under the thrust area of disaster management, the Company contributes towards relief, rehabilitation and reconstruction activities as a part of our disaster management intervention. As a responsible Company, we focus towards mitigating the effects of the crisis created by natural disasters, pandemic or likewise. The Company have partnered with the Government on various instances to provide support and aid and have also worked with different partners for distribution of essentials among communities during the time of crisis.

In continuation of the Company's commitment towards disaster management, during the FY 2021-22 the Company contributed an amount of ₹ 2.28 crores (Rupees two crores and twenty-eight lakhs only) approximately towards COVID-19 pandemic relief and ₹ 19 lakhs (Rupees nineteen lakhs only) approximately towards flood relief, to various NGOs for helping the community with health care facilities & various other essentials.

(iii) Enhancing Vocational Skills

Skill building is a powerful tool to empower individuals and drive the financial growth and community development of a nation. The Company's aim with this endeavour is to invest in inclusive growth and believe that everyone should be given a fair chance at a dignified life. The Company is committed to enhancing the technical knowledge of the individuals with an inherent predilection for the work, so that it increases their productivity & livelihood which would result in them garnering recognition and respect in the community. Our training programmes cover a multitude of subjects, such as painting, designer finishes, emulsions, metal care, mechanisation, waterproofing, wood finishes, wallpaper installation, sanitisation course, etc.

Asian Paints Colour Academy offers the best training facilities to both new and experienced paint applicators. Our fixed academies are spread across 19 (nineteen) major towns in the country while our mobile academies service over 700 (seven hundred) towns across the length and breadth of the country. Digital trainings introduced in 2020 continue to be a game changer, making up for 75% of overall trainings.

The Colour Academy works in the direction of imparting skill education and enhancing productivity of the people in paint application trade.

The Company has scaled up its initiatives and offers specialised and skill-based training to carpenters and plumbers to enhance their skills, empower them, provide opportunities to secure better employment and improve their livelihood.

The Company also continues to provide trainings on financial literacy to help the participants understand the art of budgeting, managing contingencies, applicable insurance schemes, government schemes, etc.

(iv) Water Conservation

The Company has drafted a water vision for itself with an intention to make communities around its manufacturing locations, water secure. The Company is engaged with helping communities around its manufacturing locations and other areas of operations to conserve water by reducing overall specific water consumption, developing integrated watershed management, reusing/recycling wastewater, water ATMs, rejuvenating water bodies and rainwater harvesting.

The initiatives undertaken in this area, *inter alia*, include (a) creating capacities in conserving water through significant investments in partnership with relevant stakeholders, with the objective of water conservation; (b) educating farmers in looking at various government schemes with the objective of water management; and (c) undertaking water replenishment projects in the communities surrounding Company's factories.

Our project, Jal Sashakt, has helped transform the lives of over 5,000 (five thousand) people in 7 (seven) drought-prone villages in Maharashtra by tripling their water supply and increasing their land's crop output by more than 20%. This is a fantastic example of technology, community, NGOs and corporate teams coming together with a shared vision to achieve dramatic change.

To know more about our initiatives in the CSR section, please refer the detailed discussions under the Social Capital of this Annual Report.

2. Composition of CSR Committee

Sr. No.	Name of Director(s)	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(a)	Malav Dani	Chairman/Non-Executive Non-Independent Director	3	3
(b)	Vibha Paul Rishi	Member/Independent Director	3	3
(c)	Amrita Vakil	Member/Non-Executive Non-Independent Director	3	3
(d)	Deepak Satwalekar	Member/Independent Director	3	3
(e)	Amit Syngle	Member/Managing Director & CEO	3	3

Mr. R J Jeyamurugan is the Secretary to the CSR Committee.

3. Weblink where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

Sr. No.	Particulars	Weblink
(a)	CSR Committee	https://www.asianpaints.com/GovernanceStructure.html
(b)	CSR Policy	https://www.asianpaints.com/CSRPolicy.html
(c)	CSR Projects	https://www.asianpaints.com/CSRProjects2021-22.html

4. Details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

The Company had appointed Ormax Consultants Private Limited to undertake impact assessment for the following activities undertaken by the Company under the vocational training programme (Colour Academy) for the FY 2020-21:

- Skilling and vocational training
- Technical knowledge distribution
- Productivity and livelihood enhancement for dignified living

Key findings of the said impact assessment on various metrics are given below:

Metric(s)	Overall score (1-5, 5 being the highest)	Key Impact
Professional Impact	4.38	• Enhanced profile of services • Quality project delivery • Proactive and professional approach • New businesses from references
Financial Impact	3.42	• Dietary changes • Persona and overall appearance • High Value Investment
Intra-Personal Impact	4.57	• Change in the mindset • Design suggestions to clients • Acquiring challenging assignments
Inter-Personal Impact	4.55	• Influence in work community • Respect in community

Recommendations:

- **Hybrid Learning** - Sustainable teaching methodology comprising the strengths of online (learning anywhere/ anytime) with offline practical lessons (learning by doing).
- **Lead Generation Program** - Soft skill training for the participants to enable them convert the leads into businesses and handle the client interactions in professional manner. Empowering participants with local leads by creating eco systems of companies doing large scale interior design works for homes & corporates.
- **Course Timings** - The course timings needs to be aligned to the work schedules of participants so that opportunity costs can be mitigated.

Detailed report can be accessed at https://www.asianpaints.com/AnnualReports.html.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ crores)	Amount required to be set-off for the financial year (in ₹ crores)
(a)	2020-21	0.03	-
	Total	**0.03**	**-**

6. Average Net Profit of the Company as per Section 135(5) of the Act - ₹ 3,538.28 crores

7.

Sr. No.	Particulars	Amount (in ₹ crores)
(a)	Two percent of average net profit of the Company as per Section 135(5) of the Act	**70.77**
(b)	Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years	-
(c)	Amount required to be set-off for the financial year	-
(d)	Total CSR obligation for the financial year (7a+7b-7c)	**70.77**

8. (a) CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹ crores)	Amount Unspent				
	Total amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount (in ₹ crores)	Date of transfer	Name of the Fund	Amount (in ₹ crores)	Date of transfer
71.01	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the Project (in ₹ crores)	Mode of implementation-Direct (Yes/No)	Mode of implementation - through implementing agency	
				State	District			Name	CSR Registration number
1.	• Skilling and vocational training • Technical knowledge distribution • Productivity and livelihood enhancement for dignified living	Vocational Training Programme	Yes	Assam Delhi Gujarat Karnataka Kerala Maharashtra Rajasthan Tamil Nadu Andhra Pradesh Telangana Uttar Pradesh West Bengal Madhya Pradesh Bihar	Guwahati Delhi Ahmedabad Bengaluru, Mysuru Ernakulam Mumbai, Nagpur, Pune Jaipur Chennai, Coimbatore, Madurai Krishna Hyderabad Lucknow Kolkata Indore Patna	38.89	Yes	-	-
2.	Disaster Management- Contribution to various implementing agencies against pandemic for donation of medical equipments and recovery kits	Disaster Management	Yes	Telangana Karnataka Uttar Pradesh Maharashtra Tamil Nadu Haryana Gujarat Tamil Nadu Andhra Pradesh Delhi Maharashtra	Medak Mysuru Gautam Budha Nagar Satara Kancheepuram Rohtak Bharuch Cuddalore Visakhapatnam Delhi Mumbai	2.47	No	• Child Survival India • Helpage India • Janseva Charitable Centre • Indrashil Kaka Ba & Kala Budh Public Charitable Trust • Niramaya Health Foundation • Piramal Swasthya Management and Research Institute • Sevalaya	• CSR00000694 • CSR00000901 • CSR00001638 • CSR00003497 • CSR00000186 • CSR00000217 • CSR00000863
3.	• Providing primary healthcare support through Static Clinics and Mobile Medical Units and free medical camps for rural communities • Providing aid to differently abled people • Implementing sanitation projects • Running awareness programmes for communities on health & hygiene • Supporting community member on welfare schemes • Contributing to medical infrastructure at hospitals	Health & Hygiene	Yes	Haryana Telangana Uttar Pradesh Andhra Pradesh Karnataka Tamil Nadu Gujarat Maharashtra	Rohtak Medak Gautam Buddha Nagar Visakhapatnam Mysuru Kancheepuram, Cuddalore Bharuch Mumbai, Pune, Thane, Satara	9.78	Direct and through implementing agency	• Helpage India • Hand in Hand India • Child Survival India • Ambuja Cement Foundation • Gram Vikas Trust • Janseva Charitable Centre • Indrashil Kaka Ba & Kala Budh Public Charitable Trust • Niramaya Health Foundation • Piramal Swasthya Management and Research Institute • Sevalaya • Support for Network and Extension Help Agency (SNEHA) • Unnayan Samiti • Vijayavahini Charitable Foundation	• CSR00000901 • CSR00001853 • CSR00000694 • CSR00006913 • CSR00000175 • CSR00001638 • CSR00003497 • CSR00000186 • CSR00000217 • CSR00000863 • CSR00000103 • CSR00011209 • CSR00001597

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the Project (in ₹ crores)	Mode of implementation- Direct (Yes/No)	Mode of implementation - through implementing agency	
				State	District			Name	CSR Registration number
4.	• Promoting integrated watershed development in areas around our manufacturing locations and rejuvenation of water bodies including desilting lakes and installing & maintaining rooftop rainwater harvesting units and recharge systems in villages and schools • Providing access to potable water	Water	Yes	Haryana Telangana Uttar Pradesh Maharashtra Andhra Pradesh Karnataka Tamil Nadu Gujarat	Rohtak Medak Gautam Buddha Nagar Satara Visakhapatnam Mysuru Kancheepuram, Cuddalore Bharuch	16.18	Direct and through implementing agency	• Aga Khan Rural Support Programme (India) • Akash Ganga Trust • Ambuja Cement Foundation • CREDIT - I • DHAN (Development of Humane Action) Foundation • Forum for Organized Resource Conservation and Enhancement (FORCE) • Hand in Hand India • Ladli Foundation Trust • National Agro Foundation • Vanarai	• CSR00004229 • CSR00013290 • CSR00006913 • CSR00003577 • CSR00000273 • CSR00000037 • CSR00001853 • CSR00000456 • CSR00000610 • CSR00001205
	Total					**67.32**			

(d) Amount spent in Administrative Overheads - ₹ 3.54 crores

(e) Amount spent on Impact Assessment - ₹ 0.15 crore

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 71.01 crores

(g) Excess amount for set-off

Sr. No.	Particulars	Amount (in ₹ crores)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	**70.77**
(ii)	Total amount spent for the financial year	**71.01**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**0.24**
(iv)	Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years	**-**
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	**0.24**

9. (a) Details of unspent CSR amount for the preceding three financial years

Sr. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135(6) of the Act (in ₹ crores)	Amount spent in the reporting financial year (in ₹ crores)	Amount transferred to any fund specified under Schedule VII as per Section 135(6) of the Act			Amount remaining to be spent in succeeding financial years (in ₹ crores)
				Name of the Fund	Amount (in ₹ crores)	Date of transfer	
1.	2020-21	14.78	5.72	-	-	-	9.06
	Total	**14.78**	**5.72**	**-**	**-**	**-**	**9.06**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹ crores)	Amount spent on the project in the reporting financial year (in ₹ crores)	Cumulative amount spent at the end of reporting financial year (in ₹ crores)	Status of the project - Completed/ Ongoing
1.	FY31.03.2021_1	Primary healthcare support through Static Clinics and Mobile Medical Units	2020-21	3 years	7.18	2.27	4.17	Ongoing
2.	FY31.03.2021_2	SAFAR - ongoing programme to improve health and awareness among truck drivers	2020-21	3 years	4.23	2.41	3.64	Ongoing
3.	FY31.03.2021_3	Set up of new Colour Academies for Skilling and Vocational Training	2020-21	3 years	6.50	1.04	1.04	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Act: Not applicable

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: 10th May, 2022

Annexure (E) 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

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

There were no contracts or arrangements, or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

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

There were no material contracts or arrangements, or transactions entered into during the year ended 31st March, 2022.

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 of Directors

Deepak Satwalekar
Chairman
(DIN: 00009627)

Place: Mumbai
Date: 10th May, 2022

Annexure (F) 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 the Companies (Accounts) Rules, 2014]

CONSERVATION OF ENERGY

The manufacturing units of the Company have continued their efforts to reduce their energy consumption year on year.

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

A. Energy conservation measures taken

- Heat Pump to reduce fuel/power consumption in process water heating.
- Highly efficient cowl discs for twin shaft dispersers in the paint processing.
- High grade E-Glass epoxy energy efficient fan in Cooling tower for energy reduction.
- Reuse of nitrogen plant waste air in effluent treatment plant aeration tank.
- Energy reduction through auto condenser cleaning mechanism.
- Use of smart wireless controller in AC for reducing power consumption.
- Variable frequency drive installation for optimisation of the blower operation.
- Reusage of exhaust air of air operated diaphragm pump.
- Waste heat recovery system for Air Compressors.
- Elimination of compressed air in packing for vacuum application through Central Vacuum system.
- Use of energy efficient motors for all new projects.
- Pressure based pumping system for utility pumping.
- Process optimisation for the twin shaft dispensers operation to reduce cycle time by data analytics.
- Elimination of idle running of air handling unit for energy reduction.
- Powder conveying rate achieved through optimisation and continuous improvement.
- Use of energy efficient aluminum air piping solution to reduce friction losses.
- LED lighting for all plants.
- Use of motion sensors & presence sensors in cabins, Light Dependent Resistor in streetlights.
- Condensate recovery system in Steam systems.
- Sharing of best practices at each plant started for easy replication of applicable ideas.

B. Utilizing alternate sources of energy

Solar energy:

The Company had setup following rooftop solar projects during the financial year 2021-22:

- 0.138 MWp- Solar Tree at Patancheru, Telangana Plant

The Company 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. Plant has started generation of power and more than 59 lakhs of solar units utilised at our Rohtak Plant in financial year 2021-22.

With the commissioning of the above projects, the total installed solar energy capacity in our plants will now be 20.29 MWp. During the financial year 2021-22, the solar projects have generated about 200 lakhs units which is about 22.6% of electricity consumption across all decorative paint plants.

Wind Energy:

Commissioning of 4.2 MW Wind Turbine Generators (WTG) at Andhra Pradesh for Vizag Plant (2.1 MW x 2) was completed during the year. With the commissioning of the above projects, total installed wind energy capacity is now 24.3 MW.

During the financial year 2021-22, the Company has used about 345 lakh units, generated from all Wind Turbines, which is about 38.9% of electricity consumption across all decorative paint plants.

The solar and windmill installations have helped the Company to end the financial year 2021-22 at Renewable Energy consumption of about 61.1% across all decorative paint plants.

C. The Capital investment on energy conservation equipment

The Company has spent about ₹ 75 lakhs 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

i. Efforts made by the Company towards technology absorption:

The Research & Technology (R&T) function continued its focus on developing new technology platforms and exploring new binder chemistries for designing and launching futuristic products in the market. This year R&T undertook 16 innovative projects across various product lines by adopting the breakthrough project methodology.

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

The focus has been to develop differentiated products in the H2 & H3 horizon to maintain innovation quotient and technological edge in the market.

The nature of activities carried out by R&T team of the Company are as follows:

- Building idea and prototype pipeline, developing new capability platforms and intellectual property rights for creating next generation products to catalyze future growth.
- Creating dual ladder structure to promote technological innovations in the domain of polymers, coatings and nanoscience and technology.
- Creating technology platforms to enable new product development that are not emulatable.
- Developing new products and processes related to surface coatings that fulfil the stated and unstated needs of consumers.
- Developing and including more products to Green Assure framework and external certification for green compliance.
- Continue expanding the Do-It-Yourself (DIY) range to address new customer expectation in the category.
- Upgrading existing products with respect to ease of application to make painting convenient to the consumer.
- Creating opportunities around ESG framework and defining projects to fulfil the sustainability promises of the Company.
- Continuous value generation through formulation re-engineering, sourcing efficiency, process optimisation, new raw material search, new and efficient manufacturing techniques, vendor collaboration to enhance profitability.
- To identify new machinery to reduce cycle time and improve quality of all types of products. This includes waste reduction, cycle time reduction, energy saving and reduced water consumption.
- 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 raw material development, testing, etc. to support business growth.
- Strengthening our knowledge in the application domain by studying market practices in various geographies and assessing its effect on product quality.
- Development of laboratory simulation techniques to support product validation under different geographical climate and usage practices.
- Development of test methods for Plant Quality Control that help speed up incoming raw material testing and approval for all businesses including AP Living.
- Enhancing product credibility through international certification.
- Developing capabilities to carry out advanced analytical characterisation in the area of raw materials, polymers and paints. Some of these techniques are used for Root Cause Analysis of complaints and process related issues.
- Benchmarking of products against national/ international competition.
- Strengthening technical capability of team members by conducting in-house workshops, seminars, and arranging lectures from experts in selective field to provide training through internal training academy – SIKSHALAYA.
- Engaging with regulatory bodies like Bureau of Indian Standards (BIS) in creating, reviewing, and adopting national standards.

This year, the Company inducted two eminent scientists in the Technology Council which guides the R&T function on long-term capability building and futuristic platform creation. To motivate the technologists in the organisation the Company has created a pool of scientists under separate scientific cadre to support the organisation's vision of developing core competencies in upcoming technological domains.

The Company has initiated work on building ESG framework and accordingly, R&T is working on projects around this framework. This year the Company has also undertaken an initiative to get CII Green Pro certification for range of products.

The Research and Technology Center continued to be accredited by National Accreditation Board for Testing and Calibration Laboratories.

With focus on Intellectual Property (IP), the Company continues to look at opportunities to create patents on critical technologies and have commercialised good number of intellectual property rights. The Company has filed 96 patents in India out of which 39 patents have been granted. 3 (three) of them are granted in foreign jurisdictions namely United State of America and EP. 22 Patents applications were filed in financial year 2021-22.

The Company is now expanding its innovation footprint by participating in national and international technology competitions. During this year 3 papers were published in International Journals and 4 papers were published in National Journals.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

29 (Twenty-nine) new products were developed for architectural paints, construction chemicals and adhesives business during the financial year 2021-22. 16 (Sixteen) new products developed for Industrial division during financial year 2021-22. Few highlights include:

- "Royale Glitz" a luxurious sheen tactile interior finish with exceptional scuff resistance.
- "Woodtech Aquadur PU Barrier Coat" a single component critical adhesion promoting coat to switch over to waterborne wood coating system.
- "Woodtech Epoxy Insulator Neo" an exceptional anti-block for impeccable appearance of high-end PU wood finishes.
- "Apex Ezytex" – Large use economical Exterior Texture finish with excellent durability and antisag properties.
- "Royale Play Lithos" a stone inspired finishes with unique design aesthetics with mesmerizing patterns.
- "Hydroloc" a ready to use one component penetrative cum film forming interior water proofing solution.
- "TruGrip Dyna D4" a 1k moisture cured Polyurethane EN 204-D4 adhesive for multi substrate application.
- "Allura" – High end Exterior Texture for Architects and Interior Designers in Premium projects.
- "TerraFlor" an epoxy based decorative designer flooring.
- "Smartcare 1k PU Magnum US" a 1k Polyurethane liquid applied elastomeric membrane for under screed application.
- "TruGrip Suprema PVC Clear" adhesive for bonding PVC and Acrylic laminates to ply.
- "Ingenio PU Spray Matt".
- "Apcotherm 800 CUI", a single pack high-performance coating with high heat and stress resistant performance for corrosion under insulation application.
- "Apcofine 921", a two-component fluoropolymer-based coating with excellent weather resistant meeting JIS K 5659 standard.
- "Apcoglass 2500" a two component, high build high solid glass reinforced heavy duty epoxy coating for aggressive environment weather conditions.

Like every year, the Company continued the initiatives under breakthrough methodology by taking up new project 'DhoomKetu'. Under this initiative the Company developed 6 (six) products under various product categories viz. water proofing, textured coating, exterior coating, premium interior finish and floor coating. The Company's focus on reducing carbon footprint through design optimisation and process efficiency with no compromise in performance properties continues.

Moving forward the Company has again initiated new breakthrough project "SRIJAN" consisting of 6 (six) breakthrough projects.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

iv. The expenditure incurred on Research and Development:

(in ₹ crores)

Particulars	2021-22	2020-21
Capital	**1.95**	1.60
Recurring	**90.59**	80.99
Total	**92.54**	**82.59**

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(in ₹ crores)

Particulars	2021-22*	2020-21*
Foreign exchange earned in terms of actual inflows	**185.03**	118.85
Foreign exchange outgo in terms of actual outflows	**4,156.76**	2,087.55

*amount(s) are equivalent to value of various currencies.

For and on behalf of the Board of Directors

Deepak Satwalekar
Chairman
(DIN: 00009627)

Place: Mumbai
Date: 10th May, 2022

Report on Corporate Governance

ASIAN PAINTS' PHILOSOPHY ON CORPORATE GOVERNANCE

Asian Paints philosophy of Corporate Governance is built on a foundation of sound business ethics, fairness, and trust in dealing with all stakeholders.

Asian Paints believes that Corporate Governance is the bedrock for fostering a state-of-the-art and future ready organisation delivering extra-ordinary and sustainable growth.

The Asian Paints charter plays a pivotal role in energising and driving the organisation forward to an exciting and promising future. The values of standing for each other's success, creative zeal, scientific rigour, audacity, integrity, and customer passion combined with the commitment to sustainability and safety ensures that the employees, and thus the organisation, at all times stays focused on creating value and joy for all its stakeholders.

In dealing with external stakeholders, the Company believes in maintaining complete transparency with timely exchange of information. The leadership in the Company sets the tone through their actions and this ensures that the organisation remains true to its culture and values in letter and spirit.

Asian Paints not only adheres to the prescribed Corporate Governance practices as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") but is also committed to sound Corporate Governance principles and practices. The Company aspires to reach the highest standards of Corporate Governance, while emphasising on transparency, creating a sustainable culture, and setting industry-leading benchmarks. It constantly strives to adopt emerging best practices being followed globally.

Securities and Exchange Board of India ("SEBI") vide Notification dated 5th May, 2021, amended certain provisions of the Listing Regulations, including submission of Business Responsibility and Sustainability Report ("BRSR") in replacement of the existing Business Responsibility Report.

The disclosure requirement in BRSR is based on National Guidelines on Responsible Business Conduct Principles, which is divided into 2 (two) parts i.e. Essential Indicators (to be reported on a mandatory basis) and Leadership Indicators (to be reported on a voluntary basis). The disclosure under the BRSR format is voluntary for the financial year 2021-22 and shall be mandatory from the financial year 2022-23 onwards.

With an objective of enhancing the Company's governance disclosure and in line with the expectations of our stakeholders, Asian Paints has decided to publish the BRSR from the financial year 2021-22 onwards, including Leadership Indicators, to the extent available, and the same forms part of this Annual Report.

In recognition of its governance practices, the Company was, third time in a row, conferred upon the 'Golden Peacock Award for Excellence in Corporate Governance – 2021', by the Institute of Directors, India.

This report is prepared in accordance with the provisions of the Listing Regulations and the report contains the details of Corporate Governance systems and processes at Asian Paints Limited.

GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

Asian Paints' governance structure comprises the Board of Directors, Committees of the Board and the management. Corporate Governance at Asian Paints is implemented through robust board governance processes, internal control systems & processes and strong audit mechanisms. These are articulated through the Company's Code of Conduct, Corporate Governance Guidelines and charters of various Committees of the Board and the Company's Disclosure Policy.

BOARD OF DIRECTORS

The Board of Directors have the responsibility of ensuring long-term business strategy, enhancing shareholder value and overseeing the interests of all stakeholders, effective management, and performance & 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 and long-term business goals.

Composition of the Board

The Asian Paints Board has an optimum mix of Executive and Non-Executive Directors in line with the applicable provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations.

The composition and size of the Board is reviewed periodically to ensure an optimum mix of Directors with complementary skill sets and varied perspectives for constructive deliberations facilitating 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 on 31st March, 2022, the Board comprised of 14 (fourteen) members, 7 (seven) of which were Independent Directors constituting half of the Board strength, 6 (six) were Non-Executive/Promoter Directors and 1 (one) Managing Director & CEO.

Detailed profile of all the Board members is available on the Company's website at https://www.asianpaints.com/GovernanceStructure.html.

As a part of the succession planning and a step further in our journey towards further enhancing our governance practices, the Board of Directors appointed Mr. Deepak Satwalekar, Independent Director, as the Chairman of the Board and the Company, in place of Mr. Ashwin Dani, Non-Executive Promoter Director. Mr. Ashwin Dani continues to be on the Board as a Non-Executive Director.

During the year under review, the Board of Directors appointed Mr. Milind Sarwate as an Independent Director and member of the Audit Committee to succeed Mr. M K Sharma who retired as an Independent Director with effect from closure of business hours on 31st March, 2022, upon completion of the prescribed tenure in terms of Section 149(11) of the Act.

All Independent Directors are persons of eminence and bring a wide range of expertise, knowledge and experience to the Board thereby ensuring the best interest of the stakeholders and the Company.

Board Procedures

The Board/Committee meetings are pre-scheduled, and a tentative annual calendar of the Board/Committee meetings is circulated to the Directors/Committee Members well in advance, to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. In case of special and urgent business needs, the Board/Committees approval is taken by passing resolution by circulation, as permitted by law, which is noted and then confirmed in the next Board/Committee meeting.

The intervening period between 2 (two) consecutive Board meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

In order to facilitate effective discussions at the virtual meetings, the agenda of the meetings of the Board is bifurcated into items requiring approval and items which are to be taken note of by the Board. Clarification(s)/ queries, if any, on the items which are to be noted/taken on record by the Board are sought in advance and resolved before the meeting, to ensure focused and effective discussions at the meetings.

During the year under review, the Board has approved a comprehensive vision for the initiatives under Environment, Social and Governance ("ESG"). The ESG approach propels the Company to steer the Business Strategy to deliver its purpose of 'bringing joy to people's lives'. The Stakeholders Relationship Committee of the Company has been empowered to guide the management to deliver the promised goals under ESG.

The Board has adopted a 'safety-first' approach for all its discussions and deliberations. All quarterly 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, environmental consents, Board succession planning, strategic planning, governance & regulatory matters, financial position, declaration of dividend and such other matters as required under the Act, the Listing Regulations and other applicable laws.

During the year under review, the Company held and conducted 4 (four) Board meetings to discuss the long-term strategy and investment decisions of the Company.

The necessary quorum was present for all the meetings. The details of attendance of Directors at Board meetings held through video-conference during the financial year 2021-22, is as reproduced below:

Name of the Director(s) & Director Identification Number (DIN)	1 12th May, 2021	2 22nd June, 2021	3 20th July, 2021	4 4th October, 2021	5 21st October, 2021	6 20th January, 2022	7 1st March, 2022	8 17th March, 2022	9 30th March, 2022	10 31st March, 2022	% of meeting attended during the year
Deepak Satwalekar & (00009627)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Manish Choksi (00026496)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Ashwin Dani $ (00009126)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Abhay Vakil * (00009151)	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	100
Amit Syngle (07232566)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Malav Dani (01184336)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Amrita Vakil (00170725)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Jigish Choksi (08093304)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Nehal Vakil @ (00165627)	NA	NA	NA	NA	NA	NA	✓	✓	✓	✓	100
S. Sivaram % (00009900)	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA	100
M K Sharma ^ (00327684)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Vibha Paul Rishi (05180796)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
R Seshasayee (00047985)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100
Suresh Narayanan (07246738)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	90
Pallavi Shroff (00013580)	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	80
Milind Sarwate # (00109854)	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓	100

[&] Appointed as the Chairman of the Company with effect from 30th June, 2021.
[$] Ceased to be the Chairman of the Company with effect from closure of business hours on 29th June, 2021.
[*] Passed away on 2nd November, 2021.
[@] Appointed as a Non-Executive Director of the Company with effect from 1st March, 2022, to fill the casual vacancy created on the Board on account of the sad demise of Mr. Abhay Vakil, Non-Executive Director of the Company.
[%] Retired from the Company with effect from closure of business hours on 30th September, 2021, upon completion of his term of appointment as an Independent Director.
[^] Retired from the Company with effect from closure of business hours on 31st March, 2022, upon completion of his term of appointment as an Independent Director.
[#] Appointed as an Independent Director of the Company with effect from 21st October, 2021.

All the members of the Board of Directors attended the last Annual General Meeting ("AGM") of the Company held on 29th June, 2021 through Video Conference (VC)/Other Audio Visual Means (OAVM).

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 determine the agenda for every meeting along with explanatory notes in consultation with the Managing Director & CEO. The agenda along with the explanatory notes are sent well in advance to the Directors.

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 securely accessed by the Directors through their hand-held devices, laptop, browsers and iPads. This application meets high standards of security that are required for storage and transmission of documents for Board/Committee meetings.

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, 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 Standard on Meetings of the Board of Directors ("SS – 1") issued by the Institute of Company Secretaries of India. 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 members.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and the 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.

Post-meeting follow-up system

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken report/pending for discussions of the Board and its Committees in the subsequent meetings.

Meeting of Independent Directors

Schedule IV of the Act, the Listing Regulations and SS – 1 mandates that the Independent Directors of the Company hold at least 1 (one) meeting in a year, without the attendance of Non-Independent Directors.

During the financial year 2021-22, 3 (three) meetings of the Independent Directors were held on 14th July, 2021, 8th October, 2021 and 7th January, 2022.

The Independent Directors, *inter alia*, discussed, and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company, succession planning of the Managing Director & CEO and other members of the senior management 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 perform its duties effectively and reasonably.

The details of the meetings held through video-conference and attended by the Independent Directors of the Company during the financial year 2021-22, is detailed below:

Name of Independent Director(s)	Meeting date(s)		
	14th July, 2021	8th October, 2021	7th January, 2022
Deepak Satwalekar	✓	✓	✓
M K Sharma [^]	✓	✓	✓
R Seshasayee	✓	✓	✓
S. Sivaram [%]	✓	NA	NA
Vibha Paul Rishi	✓	✓	✗
Suresh Narayanan	✓	✓	✓
Pallavi Shroff	✗	✓	✓
Milind Sarwate [#]	NA	NA	✓

[^] Retired from the Company with effect from closure of business hours on 31st March, 2022, upon completion of his term of appointment as an Independent Director.
[%] Retired from the Company with effect from closure of business hours on 30th September, 2021, upon completion of his term of appointment as an Independent Director.
[#] Appointed as an Independent Director of the Company with effect from 21st October, 2021.

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 Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, from which the Company takes professional services. The quantum of fees paid to Shardul Amarchand Mangaldas & Co. is an insignificant portion of their total revenue, thus, 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 group thinking and to arrive at balanced decisions. The Nomination and Remuneration Committee is primarily responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. It identifies the potential candidates who are qualified to be appointed as Directors and recommends to the Board their appointment and removal of Directors and senior management personnel. In the context of Company's businesses, the Board has sufficient breadth of skills which enables it to provide effective guidance/ direction to the management.

The Company has in place a Policy on Appointment of Independent Director on the Board of Directors of the Company. This Policy, *inter alia*, lists the process to be followed for appointment of Independent Directors, criteria for shortlisting the candidates and critical attributes. Before appointing an Independent Director, the Nomination and Remuneration Committee evaluates the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepares a description of the role and capabilities required of an Independent Director, and thereafter selects a suitable candidate.

Key Board qualifications, expertise and attributes

The Board of the Company comprises eminent personalities and leaders in their respective fields. The Directors are professionals, possessing wide experience and expertise in their areas of function, viz. Sales & Marketing, International Business, General management and leadership, Financial & risk management skills and Technical, professional skills and knowledge including legal, governance and regulatory aspects.

In terms of requirements of the Listing Regulations, the Board has identified the following skills/expertise/ competencies of the Directors as on 31st March, 2022:

Name of Director(s)	Skill/Expertise/Competence				
	Sales & Marketing experience: Exposure to sales and marketing management based on understanding of the consumers	International Business experience: Experience in leading businesses in different geographies/markets around the world and emerging markets exposure	General management and leadership: Strategic planning, sustainability and project interest of all stakeholders	Financial and risk management skills: Understanding the financial statements and financial controls, systems and processes & mergers and acquisitions	Technical, professional skills and knowledge including legal, governance and regulatory aspects
Deepak Satwalekar	✓	x	✓	✓	x
Manish Choksi	✓	✓	✓	✓	✓
Ashwin Dani	✓	✓	✓	✓	✓
Amit Syngle	✓	✓	✓	✓	✓
Malav Dani	✓	✓	✓	✓	x
Amrita Vakil	✓	x	✓	✓	x
Jigish Choksi	✓	x	✓	x	x
Nehal Vakil	x	x	✓	✓	x
M K Sharma *	✓	✓	✓	✓	✓
Vibha Paul Rishi	✓	✓	✓	✓	x
R Seshasayee	✓	✓	✓	✓	✓
Suresh Narayanan	✓	✓	✓	✓	x
Pallavi Shroff	✓	✓	✓	✓	✓
Milind Sarwate	x	x	✓	✓	✓

* Retired from the Company with effect from closure of business hours on 31st March, 2022, upon completion of his term of appointment as an Independent Director.

Declarations

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under Section 149 of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulations 16(1)(b) & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

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 fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the management of the Company.

The Company issues formal appointment letter to all the Independent Directors at the time of their appointment in the manner provided under the Act read with the Rules

issued thereunder. A sample letter of appointment/ re-appointment containing the terms and conditions, issued to the Independent Directors is available on the Company's website at https://www.asianpaints.com/LetterofAppointmentforID.html.

Further, the Company also issues appointment letter to the Non-Executive Directors at the time of their appointment listing out their roles, duties, remuneration, etc.

Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold Membership/Chairpersonship of Board/Committees, more than the prescribed limits.

Directorship and Membership(s)/Chairpersonship(s) of Committees and Shareholding of Directors

The details of Directorship, inter-se relationship, shareholding in the Company, number of Directorship(s) and Committee Membership(s)/Chairpersonship(s) held by the Directors of the Company in other public companies as on 31st March, 2022 are as under:

Name of Director(s)	Nature of Directorship	Inter-se relationship	Directorship in other companies		Membership and Chairpersonship on the Committees of the Board of other companies**		No. of shares held along with % to the paid-up share capital of the Company*** #
			Number *	Name of listed entities along with category	Chairperson	Member	
Deepak Satwalekar	Non-Executive Chairman/ Independent	No	2	Independent Director of Home First Finance Company India Limited and Wipro Limited	2	2	-
Manish Choksi	Non-Executive Vice - Chairman/ Promoter	Cousin of Jigish Choksi	2	Independent Director of Vedant Fashions Limited	-	2	23,81,040 (0.25%)
Ashwin Dani	Non-Executive Director/ Promoter	Father of Malav Dani	2	Non-Executive Chairman of Hitech Corporation Limited	1	2	11,24,870 (0.12%)
Amit Syngle	Managing Director & CEO	No	-	-	-	-	600 (0.00%)
Malav Dani	Non-Executive Director/ Promoter	Son of Ashwin Dani	2	Managing Director of Hitech Corporation Limited	-	1	33,05,510 (0.34%)
Amrita Vakil	Non-Executive Director/ Promoter	Cousin of Nehal Vakil	3	Non-Executive – Non-Independent Director of Elcid Investments Limited	-	-	25,66,680 (0.27%)
Jigish Choksi	Non-Executive Director/ Promoter	Cousin of Manish Choksi	-	-	-	-	19,95,180 (0.21%)
Nehal Vakil	Non-Executive Director/ Promoter	Cousin of Amrita Vakil	3	-	-	-	1,28,05,610 (1.34%)
M K Sharma	Non-Executive Director/ Independent	No	3	Independent Director of United Spirits Limited and Ambuja Cements Limited	1	3	-
Vibha Paul Rishi	Non-Executive Director/ Independent	No	4	Independent Director of Escorts Limited, Tata Chemicals Limited, ICICI Prudential Life Insurance Company Limited and ICICI Bank Limited	1	5	-
R Seshasayee	Non-Executive Director/ Independent	No	1	-	-	1	1,496 (0.00%)
Suresh Narayanan	Non-Executive Director/ Independent	No	1	Chairman and Managing Director of Nestle India Limited	-	-	-
Pallavi Shroff	Non-Executive Director/ Independent	No	4	Independent Director of Apollo Tyres Limited, InterGlobe Aviation Limited, PVR Limited and One 97 Communications Limited	1	5	-
Milind Sarwate	Non-Executive Director/ Independent	No	8	Independent Director of FSN e-Commerce Ventures Limited, Matrimony.com Limited, Mahindra and Mahindra Financial Services Limited, Metropolis Healthcare Limited, SeQuent Scientific Limited	4	9	35 (0.00%)

* Excludes directorship in Asian Paints Limited, private companies, foreign companies, companies incorporated under Section 8 of the Act and alternate directorships.

** For the purpose of considering the limit of Committee membership and chairpersonship of a Director, membership and chairpersonship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered. Excludes the membership & chairpersonship in Asian Paints Limited.

*** As per the declarations made to the Company by the Directors with respect to the shares held in their own name or held jointly as the first holder or held on a beneficial basis as the first holder.

The Company has not issued any convertible instruments, hence no such instruments are being held by Non-Executive Directors.

FAMILIARISATION PROGRAMME

The Company has a familiarisation programme for its Independent Directors and other Non-Executive Directors which, *inter alia*, includes briefing on:

a) Role, responsibilities, duties and obligations as a member of the Board;

b) Nature of business and business model of the Company, Company's strategic, operating plans and functional matters;

c) Discussions on Strategic directions for businesses;

d) Changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislations & economic environment; and

e) Matters relating to Corporate Governance, Code of Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

The comprehensive induction enables Independent Directors to be familiarised with the Company, its history, values and purpose. The Managing Director & CEO and CFO & Company Secretary make presentations in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

In the Board meetings, all discussions on performance review of the businesses is preceded by discussions on the strategic direction adopted for the business, which provides good insights on the path forward for the businesses carried on by the Company to the Independent Directors and the other Non-Executive Directors on the Board. These sessions also involve interactions and presentations by Business Heads. 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.

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 any other operational information which will enable them to discharge their duties effectively.

The details of such familiarisation programmes for Independent Director(s) can be accessed on the Company's website at https://www.asianpaints.com/FamiliarisationProgramme.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 rules and regulations, which concern the Company and need a closer review. Each Committee of the Board is guided by its terms of reference, which defines the scope, powers, responsibilities and composition of the Committee. The Chairperson of the respective Committee(s) brief the Board about the summary of the discussions held at the Committee meetings. The minutes of the meetings of all Committees are placed before the Board for its review and noting.

The Board Committees 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 applicable provisions of the Listing Regulations, the Act and the Rules issued thereunder. The detailed terms of reference of the Committees can be accessed on the Company's website at www.asianpaints.com.

As on 31st March, 2022, the Company had 7 (seven) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Investment Committee and Shareholders Committee.

During the year under review, the composition of the Committees of the Board was suitably reconstituted by rotating the existing members who had served for a long term on the Committees and by inducting Directors appointed during the year, to assimilate diverse thinking and perspectives.

AUDIT COMMITTEE

The Audit Committee constituted in line with the provisions of the Listing Regulations and the Act, presently comprises 4 (four) members, all Independent Directors. The Audit Committee met 6 (six) times during the financial year 2021-22. The intervening period between 2 (two) consecutive Audit Committee Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

The CFO & Company Secretary and the Associate Vice President – Accounts, SSC and Taxation, meets the Audit Committee Chairman before each meeting of the Committee to discuss on the items included in the agenda and other policy matters.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held through video-conference and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Name of Member(s)	Nature of membership	Meeting date(s)					
		11th May, 2021 $	19th July, 2021 $	20th October, 2021 $	21st December, 2021	19th January, 2022 $	29th March, 2022
M K Sharma %	Chairman	✓	✓	✓	✓	✓	✓
Deepak Satwalekar ^	Member	✓	✓	✓	NA	NA	NA
Abhay Vakil *	Member	✓	✓	✓	NA	NA	NA
R Seshasayee	Member	✓	✓	✓	✓	✓	✓
Milind Sarwate #	Member	NA	NA	NA	✓	✓	✓
Pallavi Shroff @	Member	NA	NA	NA	NA	NA	✓

$ These meetings were adjourned to the next day for consideration of quarterly financial results.
% Ceased to be the member and Chairman of the Committee with effect from closure of business hours on 31st March, 2022.
^ Ceased to be the member of the Committee with effect from 21st October, 2021.
* Ceased to be the member of the Committee with effect from 2nd November, 2021, consequent to his demise.
# Appointed as the member of the Committee with effect from 21st October, 2021.
@ Appointed as the member of the Committee with effect from 20th January, 2022.

With effect from 1st April, 2022, Mr. Milind Sarwate has been appointed as the Chairman of the Committee and Mrs. Vibha Paul Rishi as a member of the Committee.

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

During the year under review, to further enhance the governance standards, the Board reconstituted the Audit Committee to comprise only of Independent Directors.

The Audit Committee meets the Auditors 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.

The Committee meets quarterly for consideration of financial results, review and approval of related party transactions, etc. Additionally, the Committee meets to review the key internal audit observations and other matters as per its terms of reference. The meetings of the Audit Committee are also attended by the Managing Director & CEO, Statutory Auditors, Chief Internal Auditor and CFO & Company Secretary of the Company.

The terms of reference of the Audit Committee are formulated in accordance with the regulatory requirements mandated by the Listing Regulations, the Act and the Rules issued thereunder.

The Audit Committee is, *inter alia*, entrusted with the following key 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;
5. Reviewing the financial statements and investments made by unlisted subsidiary companies (including joint ventures);
6. Recommending the appointment/re-appointment, remuneration, terms of appointment and scope of Statutory Auditors of the Company and approval of payment for any other service;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
9. Reviewing, approving or subsequently modifying transactions of the Company with related parties;
10. Evaluating the internal financial controls and risk management policies system of the Company;
11. Reviewing the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
12. Recommending appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
13. Reviewing the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
14. Reviewing compliance with the provisions of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 (including any amendment(s) and/or modification(s) thereof from time to time) at least once in a financial year and verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively; and
15. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") constituted in line with the provisions of the Listing Regulations and the Act, presently comprises 3 (three) members, 2 (two) Independent Directors and a Non-Executive Director. The NRC met 6 (six) times during the financial year 2021-22.

The composition of the NRC of the Board of Directors of the Company along with the details of the meetings held through video-conference and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Name of Member(s)	Nature of membership	Meeting date(s)					
		27th April, 2021	10th May, 2021	18th June, 2021	1st October, 2021	20th October, 2021	10th February, 2022
Suresh Narayanan	Chairman	✓	✓	✓	✓	✓	✓
Manish Choksi	Member	✓	✓	✓	✓	✓	✓
M K Sharma %	Member	✓	✓	✓	✓	✓	✓

% Ceased to be the member of the Committee with effect from closure of business hours on 31st March, 2022.

With effect from 1st April, 2022, Mr. R Seshasayee has been appointed as a member of the Committee.

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

The NRC is entrusted with the following responsibilities by the Board of Directors of the Company:

1. Formulating a criterion for determining qualifications, positive attributes and independence of a Director;
2. Recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
3. Devising a policy on Board Diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c consider the time commitments of the candidates;
6. Specifying 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;
7. Reviewing and recommend to the Board, the remuneration, payable to Directors of the Company;
8. Recommending to the Board all remuneration, in whatever form, payable to senior management;
9. Playing the role of Compensation Committee and to act as an administrator to the Employees' Stock Option Scheme of the Company; and
10. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

SUCCESSION PLANNING

The Company believes that sound succession plans for the Board members and senior management are very important for creating a robust future for the Company. The NRC plays a pivotal role in identifying successors to the members of the senior management and invests substantial time with the Managing Director & CEO on succession planning. The succession plan is closely aligned with the strategy and long term needs of the Company.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, *inter alia*, provides that the NRC 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 Act and the Listing Regulations.

In accordance with the Policy, the responsibilities of NRC, *inter alia*, include:

1. 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 of 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;
2. Evaluation of performance of the Board, its Committees and Individual Directors. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year;
3. Formulation of criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, Chief Financial Officer, Company Secretary and members of the senior management of the Company;
4. 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, industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
   ii Compensation to Senior Management: The NRC 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 NRC 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, 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.
5. To play the role of the Compensation Committee and administer the Employee Stock Option Scheme of the Company.

During the year under review, the Board of Directors updated the Nomination and Remuneration Policy to bring it in line with the organisational changes and to include various functions of the NRC as the Administrator of the Asian Paints Employee Stock Option Plan 2021. The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website at https://www.asianpaints.com/NRCPolicy.html.

Details of remuneration paid to Directors during the financial year 2021-22:

The shareholders of the Company at the AGM 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 the Act, to be paid to Non-Executive Directors in a manner as decided by the Board of Directors.

During the financial year 2021-22, the Board of Directors had revised the sitting fees from ₹ 50,000 (Rupees fifty thousand only) to ₹ 1,00,000 (Rupees one lakh only) for attending each meeting of the Board of Directors and the Audit Committee, from ₹ 30,000 (Rupees thirty thousand only) to ₹ 1,00,000 (Rupees one lakh only) for attending each meeting of the Nomination and Remuneration Committee and from ₹ 30,000 (Rupees thirty thousand only) to ₹ 40,000 (Rupees forty thousand only) for attending each meeting of the rest of the Committees (except the Shareholders Committee for which no sitting fees is paid) and meeting of the Independent Directors.

Details of the remuneration paid to the Directors for the services rendered and stock options granted during the financial year 2021-22, are as follows:

(Amount in ₹)

Name of Director(s)	Basic Salary	Perquisites	Sitting Fees	Commission	Total
Deepak Satwalekar	-	-	17,20,000	40,00,000	57,20,000
Manish Choksi	-	-	16,90,000	38,00,000	54,90,000
Ashwin Dani	-	7,35,000 *	9,50,000	36,00,000	52,85,000
Abhay Vakil #	-	4,80,000 *	7,80,000	34,00,000	46,60,000
Amit Syngle ^ $	3,43,75,000	3,65,13,890	-	6,66,25,000	13,75,13,890
Malav Dani	-	-	13,50,000	36,00,000	49,50,000
Amrita Vakil	-	-	11,50,000	34,00,000	45,50,000
Jigish Choksi	-	-	10,30,000	34,00,000	44,30,000
Nehal Vakil @	-	-	4,00,000	2,85,000	6,85,000
S. Sivaram %	-	-	3,30,000	18,00,000	21,30,000
M K Sharma &	-	-	20,80,000	40,00,000	60,80,000
Vibha Paul Rishi	-	-	12,70,000	35,00,000	47,70,000
R Seshasayee	-	-	19,80,000	38,00,000	57,80,000
Suresh Narayanan	-	-	16,30,000	38,00,000	54,30,000
Pallavi Shroff	-	-	10,50,000	34,00,000	44,50,000
Milind Sarwate **	-	-	8,40,000	14,20,000	22,60,000

No stock options are granted to the Independent Directors and Promoter Directors of the Company.

* Represents retiral benefits like pension and medical reimbursement as per their contract entered into with the Company in their erstwhile capacity as Executive Directors which ended on 31st March, 2009.

Passed away on 2nd November, 2021.

^ The remuneration paid to Mr. Amit Syngle, Managing Director & CEO, excludes performance-based incentive of ₹ 1,12,50,000 (Rupees one crore twelve lakhs and fifty thousand only) paid for previous financial year. It also excludes ₹ 3,58,75,000 (Rupees three crores fifty-eight lakhs and seventy-five thousand only) worth of stock options granted in accordance with the Asian Paints Employee Stock Option Plan ('2021 Plan') for the financial year 2021-22. The stock options would vest after fulfillment of vesting conditions in accordance with the 2021 Plan. Taxable value of perquisite for car allowance has been considered in the aforesaid computation.

$ Services of the Managing Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' basic salary in lieu thereof. There is no separate provision for payment of severance pay.

@ Appointed as a Non-Executive Director of the Company with effect from 1st March, 2022, to fill the casual vacancy created on the Board on account of the sad demise of Mr. Abhay Vakil, Non-Executive Director of the Company.

% Retired from the Company with effect from closure of business hours on 30th September, 2021, upon completion of his term of appointment as an Independent Director.

& Retired from the Company with effect from closure of business hours on 31st March, 2022, upon completion of his term of appointment as an Independent Director.

** Appointed as an Independent Director of the Company with effect from 21st October, 2021.

The appointment of Managing Director & CEO, Key Managerial Personnel and other employees are by virtue of their employment/contract of service with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies.

The structure of remuneration payable to the Managing Director & CEO involves a fair balance of fixed pay and variable component which is linked to achievement of business goals and long-term strategy.

The remuneration payable to all cadres of managerial employees, including the Managing Director & CEO is benchmarked annually and is reviewed by the NRC. In accordance with the Nomination and Remuneration Policy of the Company, the revisions to the remuneration payable to the Managing Director & CEO, Key Managerial Personnel and other senior managerial personnel is reviewed by the NRC based on their performance evaluation.

PERFORMANCE EVALUATION

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an 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, its Committees and individual performance of each Director including the Chairperson. The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole, the Chairman of the Company after taking into account the views of other Directors, succession planning, 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, the NRC prepared questionnaires to conduct a review of the performance of the Board, its Committees and individual Directors for financial year 2021-22. The questionnaires were circulated to the members of the Board and respective Committees soliciting their feedback.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The outcome of the evaluation was presented to the NRC and the Board of Directors of the Company and key outcomes, actionable areas were discussed and the same would be acted upon.

The Board of Directors have resolved to engage an external leadership advisory firm once in 3 (three) years to conduct the Board evaluation. The Board had engaged Egon Zehnder, a leadership advisory firm on Board matters, to conduct the Board evaluation for the financial year 2020-21.

Board and Individual Directors

The parameters of performance evaluation process for the Board, *inter alia,* includes composition of Board, process for appointment on the Board, succession planning, open and honest discussion, handling critical and dissenting suggestions, managing conflict of interest, attention to Company's long-term strategy, monitoring performance of the Company's core business, evaluation of the governance levels of the Company, quality of discussions at the meeting, adequacy of risk management measures, overall contribution of Board, etc.

The parameters of performance evaluation process for the Directors, *inter alia*, includes, effective participation in meetings of the Board, understanding of the roles, responsibilities and the business, domain knowledge, attendance of Director(s), etc. Independent Directors were evaluated by the entire Board with respect to fulfilment of independence criteria specified in the Listing Regulations and the Act 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 survey and feedback from Directors was discussed at the meeting of NRC and Board of Directors. The Directors were individually briefed about their performance by the Chairman of the NRC, and the Chairman of the NRC was briefed about his performance by the Chairman of the Board.

Managing Director & CEO

The NRC 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 the Managing Director & CEO vis-à-vis the Performance Objectives/Parameters set at the beginning of the financial year are also reviewed by the NRC during the year.

Committees of the Board

The performance evaluation of Committee(s) included aspects like degree of fulfilment of key responsibilities as outlined by the Charter of the Committee, adequacy of Committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committee(s), etc.

The feedback from members and the action suggested by the NRC and Board are discussed at the respective meetings of the Committee(s) of the Board of Directors for taking necessary action.

Synopsis of outcome of evaluations for the financial year 2021-22 and action plan

As an outcome of the performance evaluation, the Board noted the following:

- the Board as a whole is functioning cohesively and has the required skill sets to govern the Company.
- the quality of discussions at the meetings is robust, well intended and leads to clear decision.
- the Board is committed to enhancing the Company's governance practices.
- committees of the Board function effectively.

The Board also noted that there is a need for enhanced engagement with the senior management outside of Board meetings and focused induction process for new Directors.

The areas identified by the Board for further engagement would be actioned upon.

Progress on recommendations from last year's evaluation was also discussed.

EMPLOYEE STOCK OPTION PLAN (ESOP)

With the approval of the shareholders at the AGM held on 29th June, 2021, the Company had introduced Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), to reward, incentivise and retain eligible employees.

The Nomination and Remuneration Committee plays the role of the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). The Asian Paints Employees Stock Ownership Trust ("ESOP Trust") is managed by Independent Trustee and certain employees of the Company acting as the Other Trustees.

Information as required under the SEBI SBEB Regulations have been uploaded on the Company's website at https://www.asianpaints.com/AnnualReports.html.

For further details refer to the Board's Report/notes to the financial statements wherein detailed information has been provided.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ("SRC") constituted in line with the provisions of the Listing Regulations and the Act, presently comprises 3 (three) members, an Independent Director and 2 (two) Non-Executive Directors. The SRC met 2 (two) times during the financial year 2021-22.

The composition of the SRC of the Board of Directors of the Company along with the details of the meetings held through video-conference and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Name of Member(s)	Nature of membership	Meeting date(s)	
		8th October, 2021	17th March, 2022
R Seshasayee	Chairman	✓	✓
Amit Syngle	Member	✓	✓
Jigish Choksi	Member	✓	✓
Amrita Vakil	Member	✓	✓

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

With effect from 1st April, 2022, the SRC has been reconstituted as follows:

Mrs. Vibha Paul Rishi, Chairperson, Mr. Jigish Choksi and Ms. Nehal Vakil would be members of the Committee. Mr. R J Jeyamurugan shall be a permanent invitee and Secretary to the Committee.

Mr. R J Jeyamurugan, CFO & Company Secretary, is the Compliance Officer in accordance with Regulation 6 of the Listing Regulations. Mr. R J Jeyamurugan is an Associate member of the Institute of Company Secretaries of India and an Associate member of the Institute of Chartered Accountants of India.

During the year under review, the terms of reference of the Committee were enhanced to provide direction to the management and exercise oversight on the implementation of targets committed under ESG.

The terms of reference of the SRC, as approved by the Board and amended from time to time, *inter alia*, includes the following:

1. Resolving the grievances of the security holders of the Company 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. Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
3. Issuing share certificates pursuant to duplicate/ remat/renewal requests as and when received by the Company;
4. Providing direction to the management on implementation of ESG Strategy;

5. Providing oversight of the execution of the ESG Strategy and the Company's progress and performance on its long-term ESG commitments and targets; and
6. Undertake any other matters as may be prescribed under law or as the Board may decide from time to time.

Details relating to the number of complaints received and redressed during the financial year 2021-22, are as under:

Nature of Complaints	Number of complaints received	Number of complaints redressed	Number of pending complaints
Non-Receipt of Dividends	5	5	Nil
Non-Receipt of Annual Report	2	2	Nil
Dematerialisation of Securities	2	2	Nil
Others	25	25	Nil
Total	**34**	**34**	**Nil**

Notes:

1. No complaint outstanding as on 1st April, 2021.
2. Nature of complaints in the category "Others" includes updation of email id, change in signature and address, transfer of shares, non-receipt of split shares, transmission of shares and issue of duplicate shares, TDS on dividend, IEPF related, etc.
3. TSR Consultants Private Limited (TSR), is the Registrar and Transfer Agent of the Company. The management on an on-going basis engages with TSR to address the requests received from the shareholders, resolving their grievances, etc.
4. To the best of our knowledge, all the complaints were resolved to the satisfaction of the complainants.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee constituted in line with the provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), presently comprises 5 (five) members, 2 (two) Independent Directors, the Managing Director & CEO and 2 (two) Non-Executive Directors. CSR Committee met 3 (three) times during the financial year 2021-22.

The composition of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held through video-conference and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Name of Member(s)	Nature of membership	Meeting date(s) 16th July, 2021	17th January 2022	24th March, 2022
Malav Dani	Chairman	✓	✓	✓
Deepak Satwalekar	Member	✓	✓	✓
Amrita Vakil	Member	✓	✓	✓
Amit Syngle	Member	✓	✓	✓
Vibha Paul Rishi	Member	✓	✓	✓

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

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 the CSR Committee as approved by the Board and amended from time to time includes the following:

1. Recommending the amount of expenditure to be incurred on the activities;
2. Monitoring implementation and adherence to the CSR Policy of the Company from time to time;
3. Preparing a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
4. Undertaking any other matters as may be prescribed under law or as the Board may decide from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company is available in the Board's Report forming part of this Annual Report.

During the year under review, the CSR Policy was revised to include changes made consequent to amendment in the CSR Rules and other necessary changes. The CSR Policy of the Company has been uploaded on the Company's website at https://www.asianpaints.com/CSRPolicy.html.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") constituted in line with the provisions of the Listing Regulations, presently comprises 5 (five) members, 2 (two) Independent Directors, a Non-Executive Director and 2 (two) members from the management of the Company. The RMC met 3 (three) times during the financial year 2021-22. The intervening period between 2 (two) consecutive RMC meetings was well within the maximum allowed gap of 180 (one hundred and eighty) days.

The composition of the RMC of the Board of Directors of the Company along with the details of the meetings held through video-conference and attended by the members of the Committee during the financial year 2021-22 is detailed below:

Name of Member(s)	Nature of membership	Meeting date(s) 2nd July, 2021	7th October, 2021	15th February, 2022
S. Sivaram %	Chairman	✓	NA	NA
Vibha Paul Rishi *	Chairperson	✓	✓	✓
Amit Syngle	Member	✓	✓	✓
Pallavi Shroff	Member	✓	✓	✓
P. Sriram	Member	✓	✓	✓

% Ceased to be the member and Chairman of the Committee with effect from closure of business hours on 30th September, 2021.
* Re-designated as the Chairperson of the Committee with effect from 4th October, 2021.

With effect from 1st April, 2022, Mr. Jigish Choksi, Non-Executive Director and Mr. Rahul Bhatnagar, President – Project Sales, R&T, Industrial JVs, have been appointed as the members of the Committee.
Mr. Amit Syngle has ceased to be the member of the Committee with effect from 1st April, 2022.

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

The RMC 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 RMC, as approved by the Board and amended from time to time includes the following:

1. To identify Company's risk appetite set for various elements of risk;
2. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
6. To inform and make necessary recommendations to the Board regarding the nature and content of discussions held during the Committee meetings and take necessary actions thereof;
7. To review the appointment, removal, and terms of remuneration of the Chief Risk Officer (if any); and
8. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise as and when required.

The Risk Management Policy of the Company articulates the Company's approach to address uncertainties in its endeavours 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.

During the year under review, the Risk Management Policy was revised to include changes made consequent to amendment in the Listing Regulations.

INVESTMENT COMMITTEE

Apart from the above statutory Committees, the Board has constituted an Investment Committee with an objective to focus and report to the Board on areas of strategic focus and significance for the Company. The Investment Committee presently comprises 7 (seven) members, 3 (three) Independent Directors, 3 (three) Non-Executive Directors and the Managing Directors & CEO. Investment Committee met 7 (seven) times during the financial year 2021-22.

The composition of the Investment Committee of the Board of Directors of the Company along with the details of the meetings held through video-conference and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Name of Member(s)	Nature of membership	Meeting date(s) 9th August, 2021	14th September, 2021	7th January, 2022	25th January, 2022	1st February, 2022	11th March, 2022	29th March, 2022
R Seshasayee	Chairman	✓	✓	✓	✓	✓	✓	✓
Deepak Satwalekar	Member	✓	✓	✓	✓	✓	✓	✓
Manish Choksi	Member	✓	✓	✓	✓	✓	✓	✓
Abhay Vakil *	Member	✓	✓	NA	NA	NA	NA	NA
Malav Dani	Member	✓	✓	✓	✓	✓	✓	✓
Suresh Narayanan	Member	✗	✓	✓	✓	✓	✓	✗
Amit Syngle	Member	✓	✓	✓	✓	✓	✓	✓

* Ceased to be the member of the Committee with effect from 2nd November, 2021, consequent to his demise.

With effect from 1st April, 2022, Ms. Amrita Vakil has been appointed as a member of the Committee.

Mr. R J Jeyamurugan acts as a permanent invitee and Secretary to the Committee.

The terms of reference of the Investment Committee, *inter alia*, includes reviewing and evaluating proposals for investment (including acquisitions), divestments, strategic alliances/technological tie ups, large projects requiring capital expenditure based on strategic plans of the Company or its subsidiaries and making appropriate recommendations to the Board of Directors of the Company. It is also responsible for reviewing the post transaction completion and integration processes, and reviewing if the status is in line with the plans for acquisitions/strategical alliances/technological tie ups.

SHAREHOLDERS COMMITTEE

Shareholders Committee was constituted by the Board to approve matters pertaining to issuance and allotment of shares and other matters incidental thereto. As on 31st March, 2022, the Shareholders Committee comprised 2 (two) Non-Executive Directors, the Managing Director & CEO, and the Company Secretary & CFO of the Company. The Shareholders Committee met once during the financial year 2021-22.

The composition of the Shareholders Committee of the Board of Directors of the Company along with the details of the meeting held in person and attended by the members of the Committee during the financial year 2021-22, is detailed below:

Name of Member(s)	Nature of membership	Meeting date
		31st March, 2022
Abhay Vakil *	Chairman	NA
Manish Choksi	Member	✓
Ashwin Dani	Member	✓
Amit Syngle	Member	✓
R J Jeyamurugan	Member	✓

* Ceased to be the member and Chairman of the Committee with effect from 2nd November, 2021, consequent to his demise.

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

The terms of reference of the Shareholders Committee, as approved by the Board and amended from time to time, *inter alia*, included issuance of share certificates pursuant to duplicate/remat/renewal requests received, approving the register of members as on the record date(s) and/or book closure date(s) for receiving dividends, etc., reviewing correspondence with the shareholders vis-à-vis legal cases, authorising affixing of the Common Seal of the Company from time to time.

Further, the Board of Directors of the Company had delegated the authority to approve the transfer, transmission, dematerialisation of shares, etc., to any two members, jointly, of the Shareholders Committee including the CFO & Company Secretary.

The Shareholders Committee has been dissolved and its terms of reference have been merged with the Stakeholders Relationship Committee of the Board with effect from 1st April, 2022.

MANAGEMENT

The management structure of the Company comprises the Managing Director & CEO and the members of the Steering Council and One Link group.

One Link group comprises General Managers, Associate Vice Presidents, Senior Vice Presidents, Vice Presidents and Presidents, and is led by the Managing Director & CEO. Futuristic and Innovation projects across functions and businesses are handled by the One Link group. The Steering Council comprises the Associate Vice Presidents, Senior Vice Presidents, Vice Presidents, Presidents and Managing Director & CEO.

CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the CEO/CFO certificate for the financial year 2021-22 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 its meeting held on 10th May, 2022 and is annexed to this Report as Annexure (A).

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 (B).

GENERAL MEETINGS

Details of the last 3 (three) AGMs of the Company and summary of Special Resolution(s) passed therein, if any, are as under:

Financial Year(s)	Date and Time	Venue	Special Resolution(s) passed
2018-19	27th June, 2019 at 11.00 a.m.	Patkar Hall, Nathibai Thackersay Road, New Marine Lines, Mumbai - 400 020	Nil
2019-20	5th August, 2020 at 2.00 p.m.	Conducted through Video Conference/ Other Audio Visual Means. Deemed venue is the Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai - 400 055	Continuation of directorship of Mr. Ashwin Dani as a Non-Executive Director of the Company.
2020-21	29th June, 2021 at 11.00 a.m.		1. Re-appointment of Mr. R Seshasayee as an Independent Director of the Company. 2. Continuation of Directorship of Mr. R Seshasayee as an Independent Director of the Company. 3. Formulation of the Asian Paints Employee Stock Option Plan 2021 and grant of stock options to the eligible employees of the Company under the 2021 Plan. 4. Formulation of the Asian Paints Employee Stock Option Plan 2021 and grant of stock options to the eligible employees of the Company's subsidiaries under the 2021 Plan. 5. Secondary acquisition of equity shares of the Company by the Asian Paints Employees Stock Ownership Trust for the implementation of the Asian Paints Employee Stock Option Plan 2021. 6. Change of place of keeping and inspection of Register and Index of Members, returns, etc.

POSTAL BALLOT

Resolutions passed through Postal Ballot during the financial year 2021-22: Nil

The Company dispatched Postal Ballot Notice dated 1st March, 2022 together with explanatory statement, *inter alia*, for passing of the Special Resolution for appointment of Mr. Milind Sarwate (DIN: 00109854) as an Independent Director of the Company to hold office for 5 (five) consecutive years from 21st October, 2021 to 20th October, 2026.

Mr. Makarand M. Joshi (Membership No.: 5533, COP: 3662), Partner of Makarand M. Joshi & Co., Practicing Company Secretaries, was appointed as the Scrutinizer for carrying out the Postal Ballot voting process through electronic means in a fair and transparent manner.

Procedure adopted for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020 & 20/2021 dated 8th December, 2021, issued by the Ministry of Corporate Affairs ("MCA"), the Company provided electronic voting (Remote e-voting) facility to all its members. The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing electronic voting facility to all its members.

The postal ballot notice was sent to the members in electronic form at their email addresses registered with the depositories/TSR.

The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Voting rights were reckoned on the paid-up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Members were informed that remote e-voting period would commence on Tuesday, 22nd March, 2022 at 9.00 a.m. (IST) and would end on Wednesday, 20th April, 2022 at 5.00 p.m. (IST) and the detailed procedure of casting of votes through remote e-voting formed part of notes to the Notice. The Scrutinizer submitted his report to the CFO & Company Secretary of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the CFO & Company Secretary on Wednesday, 20th April, 2022, as authorised by the Board of Directors of the Company. The results were displayed at the registered office of the Company and on the Company's website at www.asianpaints.com, and were available on the website of the Stock Exchanges and NSDL. The results were also intimated through Press Release in newspapers.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

1. The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

2. Related Party Transactions:

   During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were in the ordinary course of business and at arm's length basis. Prior omnibus approval is obtained for unforeseen related party transactions which would be in the ordinary course of business and on an arm's length basis. Also, the Company did not enter into any material related party transactions. The details of the related party transactions are set out in the notes to financial statements forming part of this Annual Report.

   Further, the related party transactions undertaken by the Company were in compliance with the

provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations.

During the year, SEBI introduced substantial changes in the related party transactions framework, *inter alia*, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties. Considering the changes to the Listing Regulations relating to related party transactions, the Company's 'Policy on dealing with and materiality of related party transactions' was suitably amended to align the same with the new requirements prescribed by SEBI. The said Policy can be accessed on the Company's website at https://www.asianpaints.com/RPTPolicy.html.

Consequently, the Company also amended the 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.

Further, changes to the norms on definition of related parties and transactions with them effective from 1st April, 2023 would also be voluntarily followed by the Company from 1st April, 2022 onwards in the interest of enhanced governance and transparency.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions, if any, entered into by the Company pursuant to the omnibus approval granted.

The Audit Committee, during the financial year 2021-22, 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 Act read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

During the year, no materially significant transaction was entered into by the Company with its related parties that may have a potential conflict with the interests of the Company.

The details of remuneration paid to the employees of the Company, who are relatives of Directors as on 31st March, 2022 is as under:

Name of the Employee	Nature of relationship with Director(s)	Remuneration (in ₹)
Varun Vakil	Relative of Amrita Vakil & Nehal Vakil	82,05,700 *

*excludes eligible payout of deferred incentive.

In terms of Section 177 and other applicable provisions, if any, of the Act read with the Rules issued thereunder and the Listing Regulations, the appointment and remuneration payable to the aforesaid is approved by the Nomination and Remuneration Committee and the Audit Committee and is 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. No loans/advances in the nature of debt was given to firms/companies in which directors are interested.

4. 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 organisation and also safeguards against victimisation of Directors/ employees and business associates who avail of the mechanism.

   The vigil mechanism as envisaged in the Act and the Listing Regulations is implemented through the Code of Conduct and Whistle Blower Policy. 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 the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI 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 Chief Human Resources Officer 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 to the Chairman 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 person was denied access to the Audit Committee of the Company with regards to the above.

5. In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and senior management personnel 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.

6. 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.

7. The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

i. The Independent 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 an Independent Director and his position is separate from that of the Managing Director & CEO.

iii. Quarterly and Half-yearly financial results of the Company including summary of the significant events for the period ended 30th September, are sent to all the shareholders of the Company, 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.

vi. The Company releases audited standalone financial results every quarter.

vii. The Integrated Report has been prepared as per the Integrated Reporting <IR> framework by International Integrated Reporting Council.

   Price Waterhouse Chartered Accountants LLP, has provided a 'limited assurance' on certain Identified Sustainability Indicators based on Global Reporting Initiatives (GRI) Standards, and the same is annexed to this Annual Report.

8. Subsidiary companies:

   The Company does not have any material 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 periodically brings to the notice of the Audit Committee and the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiaries, if any.

   The Policy for determining material subsidiaries has been uploaded on the Company's website at https://www.asianpaints.com/PolicyforMaterialSubsidiaries.html.

9. Website:

   The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at 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.

10. Secretarial Compliance Report:

    SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A 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 thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretary under Form No. MR-3 and is required to be submitted to the Stock Exchanges within 60 days from 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 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 the Listing Regulations, received from Ms. Kumudini Bhalerao (CP No.: 6690), Partner of 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 and/or continuing as Directors of the Company by the SEBI/MCA or any such statutory authority, was placed before the Board of Directors at their meeting held on 10th May, 2022 and is set out as Annexure (C) to this Report.

12. Total fees paid to Statutory Auditors of the Company:

    Total fees of ₹ 3,75,19,787 (Rupees three crores seventy-five lakhs nineteen thousand seven hundred eighty-seven only) for the financial year 2021-22,

was paid by the Company and its subsidiaries, on a consolidated basis, to Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part, for all services taken from them.

13. Disclosure of Pending Cases/Instances of Non-Compliance:

    There were no non-compliances by the Company and no instances of penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

    The Company has been impleaded in certain legal cases related to disputes over title to shares arising in the ordinary course of share transfer operations. However, none of these cases are material in nature, which may lead to material loss or expenditure to the Company.

14. 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. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, for the prevention of sexual harassment which is aimed at providing every woman at the workplace a safe, secure and dignified work environment and constituted an Internal Complaints Committee to deal with complaints relating to sexual harassment at workplace.

    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 off during the financial year 2021-22 are as under:

Number of complaints filed during the financial year	3
Number of complaints disposed off during the financial year	2
Number of complaints pending as at the end of the financial year	1 *

    * One case pending for resolution is not beyond 90 days.

15. 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 organisation as a part of their induction and annually as a part of periodic refresher trainings for all employees.

    The Code of Conduct enjoins that everyone in the organisation must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. 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. The Code of Conduct is available on the website of the Company at https://www.asianpaints.com/CGpolicies.html.

    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 2021-22. A declaration to this effect duly signed by Mr. Amit Syngle, Managing Director & CEO of the Company is annexed as Annexure (D) to this Report.

16. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons:

    In accordance with the SEBI Insider Trading Regulations, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Designated Person ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure"). Further, the Company has established systems and procedures to prohibit insider trading activity.

    The Prevention of Insider Trading Code is reviewed and amended suitably from time to time, to incorporate the amendments carried out by SEBI.

    All compliances relating to Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal onboarded by the Company. The Company periodically circulates the informative emails on Prevention of Insider Trading, Do's and Don'ts, etc. to the employees to familiarise them with the provisions of the Code and educate and sensitize them on various aspects of Code for Prevention of Insider Trading. The management also conducted several trainings and workshops with the Designated Persons to create awareness on various aspects of 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.

    These activities have created substantial awareness amongst the Designated Persons.

    During the year under review, the Audit Committee has reviewed the compliance with the provisions of the SEBI Insider Trading Regulations and has verified that the systems for internal controls are adequate and operating effectively.

    The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board with respect to action taken against such defaulters. The said non-compliances are promptly intimated to the Stock Exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI's Investor Protection and Education Fund.

    The Board have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI Insider Trading Regulations.

    The Code for Prevention of Insider Trading and Code of Fair Disclosure have been uploaded on the Company's website at https://www.asianpaints.com/CGpolicies.html.

17. 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.

18. There are no non-compliances of any requirements of Corporate Governance Report, as per sub-paras (2) to (10) of Schedule V Part C of the Listing Regulations.

MEANS OF COMMUNICATION

19. The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online 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 edition of Free Press Journal & Navshakti 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 at www.asianpaints.com. Quarterly Compliance Reports on Corporate Governance 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 conclusion of investors call for the financial results.

    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, General Manager – Finance and representative of Corporate Communications. The Company promptly uploads on its website transcript and audio recordings of such calls on a voluntary basis.

    During the year under review, the Company held an investor meet to brief the stakeholders on the rationale for the recent acquisitions of the Company which were the next step forward in the Company's foray of being a complete home décor solution provider. The Company also uploaded on its website transcript and audio recordings of the said meet on a voluntary basis.

    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 National Stock Exchange of India Limited (NSE), where equity shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

    e) Exclusive email ID for investors:

    The Company has a designated email id i.e. investor.relations@asianpaints.com exclusively for investor servicing, and the same is prominently displayed on the Company's website.

f) NEAPS (NSE Electronic Application Processing System) & NSE Digital Portal, BSE Corporate Compliance & the Listing Centre:

NEAPS & NSE Digital Portal and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, *inter alia*, shareholding pattern, corporate governance report, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations.

Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

g) Reminders to Investors:

Reminders are, *inter alia*, sent to shareholders for registering their PAN, KYC & Nomination detail 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 (East) Mumbai – 400 055
3.	**ANNUAL GENERAL MEETING**	
	Day & Date	Wednesday, 29th June, 2022
	Time	11.00 a.m. IST
	Venue	Annual General Meeting ("AGM") would be held through Video Conference/ Other Audio Visual Means [Deemed venue for meeting: Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai – 400 055]
4.	**RECORD DATE**	Friday, 10th June, 2022
5.	**FINANCIAL CALENDAR**	
	Financial year	1st April to 31st March
	Tentative schedule for declaration of financial results during the financial year 2022-23	
	Quarter ending 30th June, 2022	26th July, 2022
	Quarter ending 30th September, 2022	20th October, 2022
	Quarter ending 31st December, 2022	19th January, 2023
	Quarter and financial year ending 31st March, 2023	4th May, 2023
6.	**LISTING DETAILS**	
	Name of Stock Exchange(s) & stock codes	**Address**
	BSE Limited (BSE) – 500820	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001
	National Stock Exchange of India Limited (NSE) – ASIANPAINT	Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E), Mumbai – 400 051
7.	**ISIN FOR DEPOSITORIES**	INE021A01026

Payment of Listing Fees: Annual listing fees for the financial year 2022-23 have been paid by the Company to BSE and NSE.

Payment of Depository Fees: Annual Custody/Issuer fees for the financial year 2022-23 have been paid by the Company to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

General Shareholder Information (Contd.)

8. CORPORATE BENEFITS TO INVESTORS

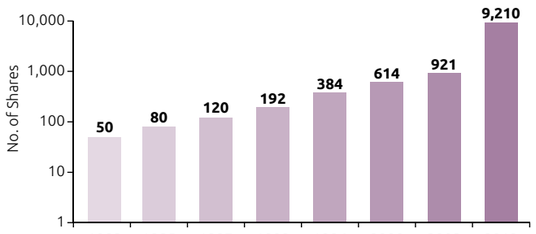
(i) Details of the dividend declared and paid by the Company for the last five years

Year	Percentage (%)	In ₹ per share (Face Value of ₹ 1 each)	Dividend amount (₹ In crores)
2016-17*	1,030	10.30	987.97
2017-18	870	8.70	834.50
2018-19	1,050	10.50	1,007.16
2019-20	1,200	12.00	1,151.04
2020-21	1,785	17.85	1,712.17
2021-22 (Interim)	365	3.65	350.11

Notes:

1. * Includes one-time special dividend of ₹ 2 (Rupees two only) per share of face value of ₹ 1 (Rupee one only) each.
2. The Company has recommended payment of final dividend of ₹ 15.50 (Rupees fifteen and paise fifty only) for the financial year 2021-22, subject to approval of shareholders at the ensuing AGM.

(ii) Bonus issues and stock split



IPO*	Bonus	Bonus	Bonus	Bonus	Bonus	Bonus	Stock Split
	3:5	1:2	3:5	1:1	3:5	1:2	10:1

* Shares of face value of ₹ 10 (Rupees ten only) each issued at a premium of ₹ 13 (Rupees thirteen only) per share.

The above table depicts the increase in the number of Asian Paints shares as a result of the Company's bonus issues over the years and a stock split in 2013 in the ratio of 10:1. For example, if an investor held 50 (fifty) shares in 1982 during Initial Public Offer ("IPO") and continued to hold it, he/she would have 9,210 shares today owing to the bonus share issues and stock split.

Over the course of 40 years since the IPO, the shareholder wealth has grown at a CAGR of ~ 29%.

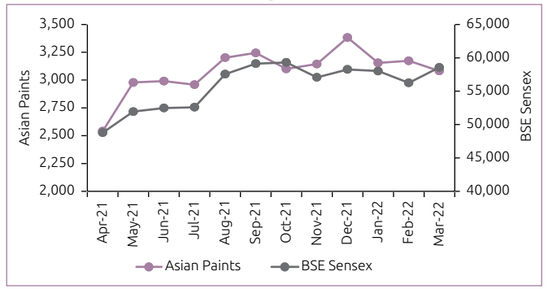
9. MARKET PRICE DATA – THE MONTHLY HIGH AND LOW PRICES OF THE COMPANY'S SHARES AT BSE AND NSE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

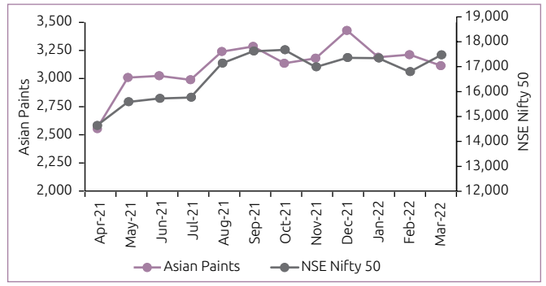
Month(s)	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2021	2,692.40	2,484.05	2,693.50	2,484.50
May, 2021	2,995.00	2,506.35	2,989.95	2,505.60
June, 2021	3,091.00	2,877.40	3,092.85	2,877.15
July, 2021	3,180.00	2,952.00	3,179.50	2,951.90
August, 2021	3,210.00	2,954.50	3,210.00	2,952.55
September, 2021	3,504.05	3,218.15	3,505.00	3,215.00
October, 2021	3,357.05	2,855.60	3,358.90	2,857.25
November, 2021	3,306.95	3,020.00	3,308.35	3,052.00
December, 2021	3,403.55	3,017.65	3,405.00	3,016.45
January, 2022	3,588.05	3,010.70	3,590.00	3,010.75
February, 2022	3,296.05	3,015.00	3,296.90	3,015.00
March, 2022	3,162.70	2,601.00	3,163.30	2,599.35

Source: BSE & NSE websites.

10. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The chart below shows the comparison of the Company's monthly share price movement vis-à-vis the movement of the BSE Sensex and NSE Nifty 50 for the financial year ended 31st March, 2022 (based on the month end closing):

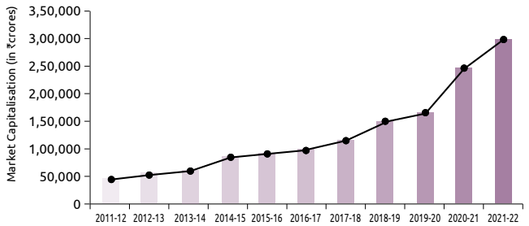




Source: BSE & NSE websites.

11. MARKET CAPITALISATION

The chart below shows the market capitalisation of the Company based on the year end closing prices quoted on BSE:



12. IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, THE REASONS THEREOF

The securities of the Company were not suspended from trading during the year under review.

13. REGISTRAR AND TRANSFER AGENT & SHARE TRANSFER SYSTEM

The name of the Company's Registrar and Transfer Agent, TSR Darashaw Consultants Private Limited, has been changed to TSR Consultants Private Limited ("RTA") with effect from 13th April, 2022.

Shareholder transactions

Transmission, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by the Company's RTA.

In terms of requirements of Regulation 40 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. While the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form:
i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal/ Exchange of securities certificate; iv. Endorsement; v. Sub-division/Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; and viii. Transposition.

The manner and process of making application as per the revised framework and operational guidelines thereto is available on the website of the RTA at https://www.tcplindia.co.in/client-downloads.html and the Company at https://www.asianpaints.com/ShareholderServiceRequest.html.

Requests for dematerialisation of shares are processed by RTA and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates after due verification.

The Board of Directors of the Company have delegated the authority to approve the transmission, dematerialisation of shares, etc., to any two members, jointly, of the Shareholders Committee ("SHC") of the Company including the Company Secretary. A summary of approved transmissions, dematerialisation 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 SHC.

The SHC has been dissolved with effect from 1st April, 2022, and the terms of reference of the SHC shall henceforth be exercised by the Stakeholders Relationship Committee of the Board of Directors of the Company.

Trading in equity shares of the Company is permitted only in dematerialised form.

Updation of PAN, KYC and Nomination details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to *inter alia* furnish PAN, KYC and Nomination details. Physical folios wherein the PAN, KYC and Nomination details are not available on or after 1st April, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. The relevant Circular(s) and necessary forms in this regard have been made available on the website of the Company at https://www.asianpaints.com/ShareholderServiceRequest.html and its RTA at https://www.tcplindia.co.in/client-downloads.html.

Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.

In view of the COVID-19 pandemic and resultant lockdown, all the request(s) received from the shareholders by the Company or its RTA were addressed in accordance with the timelines/ relaxations as provided by the Statutory Authorities, from time to time.

Legal proceedings

There are certain pending cases related to disputes over title to shares in which the Company had been made a party, however, these cases are not material in nature.

14. INVESTOR GRIEVANCE & INVESTOR CONTACTS

The Company has a Board-level Stakeholders Relationship Committee to examine and redress complaints by shareholders and investors. The status of quarterly complaints is reported to the entire Board. The Stakeholders Relationship Committee meets as and when required to resolve shareholder grievances.

The Company attended to most of the investor's grievances received through electronic communications within a period of 7 (seven) days and

postal communication within a period of 12 (twelve) days from the date of receipt of such grievances. The exceptions have been for cases constrained by disputes or legal impediments.

Shareholders may note that the share transfers, dividend payments and all other investor-related activities are attended to and processed at the office of the Company's RTA.

For any grievances/complaints, shareholders may contact the RTA at csg-unit@tcplindia.co.in. For any escalations, shareholders may write to the Company at investor.relations@asianpaints.com.

15. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) ("IEPF Rules"), dividend, if not paid or claimed for a period of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, according to the Act read with the IEPF Rules, all the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year under review, the Company had sent individual notices and issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares/ dividends 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/IEPF.html.

The details of the unclaimed dividends and shares transferred to IEPF during the financial year 2021-22 are as follows:

Particulars	Amount of unclaimed dividend transferred (in ₹)	No. of shares transferred
Final Dividend 2013-14	85,24,804	72,160
Interim Dividend 2014-15	48,73,479	97,077
Total	**1,33,98,283**	**1,69,237**

Note:
Total number of shares outstanding in the demat account of the IEPF Authority as on 31st March, 2022 stands at 11,07,007 shares in comparison to 9,84,680 shares as on 31st March, 2021.

During the financial year 2022-23, the Company would be transferring unpaid or unclaimed final dividend amount for the financial year ended 31st March, 2015 on or before 7th September, 2022 and unpaid or unclaimed interim dividend amount for the financial year ended 31st March, 2016 on or before 27th December, 2022, to the IEPF.

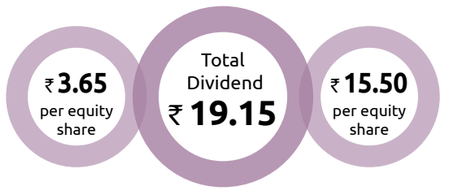
The members who have a claim on the dividends and shares transferred to the IEPF Authority may claim the same by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

Nodal and Deputy Nodal Officer
In accordance with the IEPF Rules, the Board of Directors of the Company have appointed Mr. R J Jeyamurugan, CFO & Company Secretary of the Company as the Nodal Officer and Ms. Saloni Arora, Deputy Company Secretary, as the Deputy Nodal Officer.

Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at https://www.asianpaints.com/IEPF.html.

16. DIVIDEND

Interim Dividend for FY 2021-22
Declaration Date: 21st Oct, 2021
Record Date: 29th Oct, 2021
Payment Date: 10th Nov, 2021



Final Dividend for FY 2021-22*
Recommendation Date: 10th May, 2022
Record Date: 10th Jun, 2022
Payment Date: on or after 1st Jul, 2022

Dividend payout ratio for the financial year 2021-22 is 58.60%

* subject to approval of shareholders at the ensuing 76th AGM.

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). In cases where the core banking account details are not available, the Company will issue the dividend warrants/demand drafts mentioning the existing bank details available with the Company.

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.

Dividend income is taxable in the hands of shareholders with effect from 1st April, 2020 and the Company is required to deduct tax at source ("TDS") 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 ensuing 76th AGM forming part of this Annual Report.

The Company sends TDS certificate to the shareholders at their registered email id or postal address, as the case may be, post payment of the dividend in terms of applicable provisions of the law.

Details of Unclaimed Dividend
The details of the outstanding unclaimed dividend and corresponding due dates for transfer to IEPF as on 31st March, 2022 are as under:

Sr. No.	Particulars of Dividend	Amount (in ₹)	Due dates of transfer to IEPF
1.	Final Dividend 2014-15	1,09,04,639.00	7th September, 2022
2.	Interim Dividend 2015-16	52,74,013.00	27th December, 2022
3.	Final Dividend 2015-16	1,90,41,443.60	2nd September, 2023
4.	Interim Dividend 2016-17	1,08,12,000.50	30th December, 2023
5.	Final Dividend 2016-17	2,94,73,422.75	2nd September, 2024
6.	Interim Dividend 2017-18	1,00,89,159.05	28th December, 2024
7.	Final Dividend 2017-18	2,08,15,859.90	1st September, 2025
8.	Interim Dividend 2018-19	91,80,728.08	26th December, 2025
9.	Final Dividend 2018-19	2,55,02,208.30	31st August, 2026
10.	1st Interim Dividend 2019-20	1,00,33,800.45	26th December, 2026
11.	2nd Interim Dividend 2019-20	2,43,09,106.25	30th April, 2027
12.	Final Dividend 2019-20	38,38,178.00	12th October, 2027
13.	Interim Dividend 2020-21	83,14,674.50	18th January, 2028
14.	Final Dividend 2020-21	3,73,97,255.00	1st September, 2028
15.	Interim Dividend 2021-22	96,82,858.15	21st December, 2028

17. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO THE 'ASIAN PAINTS LIMITED – UNCLAIMED SUSPENSE ACCOUNT'

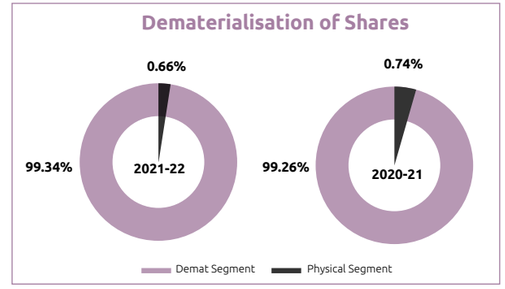
In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations details of equity shares in Asian Paints Limited – Unclaimed Suspense Account are as follows:

	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 1st April, 2021	316	5,64,260
Less	Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	6	28,320
Less	Number of shareholders whose shares got transferred from suspense account to IEPF during the year	38	27,530
Closing Balance	Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31st March, 2022	272	5,08,410

All the corporate benefits 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.

18. DEMATERIALISATION OF SHARES

Break up of shares in physical and demat form as on 31st March, 2022 and 31st March, 2021 are as follows:



The Company's equity shares are actively traded shares on BSE and NSE.

The shareholders holding shares in physical form are requested to dematerialise their shares for safeguarding their holdings and managing the same hassle free.

General Shareholder Information (Contd.)

Shareholders are accordingly requested to get in touch with any of the DP registered with SEBI to open a demat account. The shareholders may also visit website of Depositories viz. NSDL or CDSL for further understanding of the demat procedure.

Reconciliation of share capital audit
As required by the Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted on quarterly basis to BSE and NSE and is also placed before the Board of Directors of the Company.

19. DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on 31st March, 2022 is as follows:

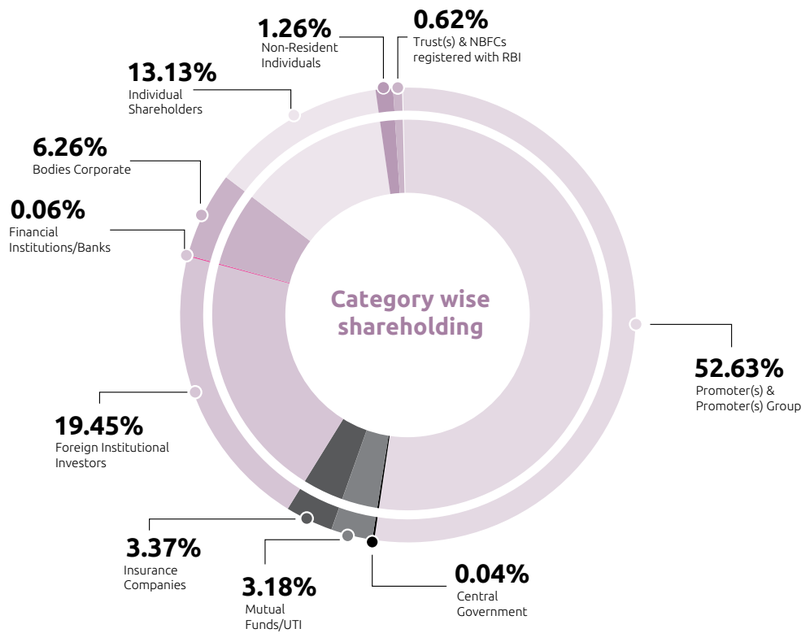
No. of shares	No. of shareholders	% to total	% to total	Shareholding
Upto 50	8,30,945	84.17%	0.94%	89,71,259
51-100	68,712	6.96%	0.55%	52,66,578
101-200	35,188	3.57%	0.55%	52,35,038
201-300	13,037	1.32%	0.34%	32,80,386
301-400	6,056	0.61%	0.22%	21,42,487
401-500	4,742	0.48%	0.23%	22,22,217
501-1,000	8,854	0.90%	0.69%	66,44,583
1,001-5,000	13,277	1.35%	3.47%	3,33,23,610
5,001-10,000	3,370	0.34%	2.69%	2,58,46,999
10,001 & above	2,995	0.30%	90.32%	86,62,64,633
Total	**9,87,176**	**100.00%**	**100.00%**	**95,91,97,790**

Shareholding Pattern

	Category of shareholder	31.03.2022 No. of shares	31.03.2022 % of total no. of shares	31.03.2021 No. of shares	31.03.2021 % of total no. of shares	% change
(A)	**Shareholding of Promoter(s) and Promoter(s) Group**					
	(i) Individuals/Hindu Undivided Family	**10,05,01,601**	**10.48**	10,05,01,572	10.48	0.00
	(ii) Bodies Corporate	**40,34,97,883**	**42.07**	40,50,97,382	42.23	(0.16)
	(iii) Trust	**7,85,700**	**0.08**	7,85,700	0.08	0.00
	Total Shareholding of Promoter(s) and Promoter(s) Group (A)	**50,47,85,184**	**52.63**	**50,63,84,654**	**52.79**	**(0.16)**
(B)	**Public shareholding**					
	1. Institutions					
	(i) Mutual Funds/UTI	**3,04,89,736**	**3.18**	2,83,24,178	2.95	0.23
	(ii) Financial Institutions/Banks	**5,73,722**	**0.06**	2,41,207	0.03	0.03
	(iii) Central Government	**4,03,162**	**0.04**	7,55,587	0.08	(0.04)
	(iv) Insurance Companies	**3,23,11,398**	**3.37**	3,25,41,192	3.39	(0.02)
	(v) Foreign Institutional Investors	**18,65,30,056**	**19.45**	19,54,65,081	20.38	(0.93)
	Sub-Total (B)(1)	**25,03,08,074**	**26.10**	**25,73,27,245**	**26.83**	**(0.73)**
	2. Non-Institutions					
	(i) Bodies Corporate	**6,00,32,192**	**6.26**	5,86,15,872	6.11	0.15
	(ii) Individuals					
	(a) Individual shareholders holding nominal share capital up to ₹ 1 lakh	**11,76,09,621**	**12.26**	11,03,38,374	11.50	0.76
	(b) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	**83,77,394**	**0.87**	86,90,945	0.91	(0.04)
	(iii) Non-Resident Individuals	**1,21,04,118**	**1.26**	1,18,19,535	1.23	0.03
	(iv) NBFCs registered with Reserve Bank of India (RBI)	**6,216**	**0.00**	8,995	0.00	(0.00)
	(v) Trusts	**59,74,991**	**0.62**	60,12,170	0.63	(0.01)
	Sub-total (B)(2)	**20,41,04,532**	**21.27**	**19,54,85,891**	**20.38**	**0.89**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**45,44,12,606**	**47.37**	**45,28,13,136**	**47.21**	**0.16**
	Total (A)+(B)	**95,91,97,790**	**100.00**	**95,91,97,790**	**100.00**	-

Note: The total number of shares of the Promoter(s) & Promoter(s) Group pledged or otherwise encumbered as on 31st March, 2022 are 5,59,24,738 (representing 5.83% of the paid-up capital), in comparison to 4,78,08,322 shares (representing 4.98% of the paid-up capital) as on 31st March, 2021.

Category wise shareholding as on 31st March, 2022



20. OUTSTANDING INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ ADRs/Warrants/Convertible Instruments as on 31st March, 2022.

21. 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 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: Not Applicable

c) Commodity risks faced by the listed entity during the year and how they have been managed: Not Applicable

22. CREDIT RATINGS AND ANY REVISIONS THERETO FOR DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILISATION OF FUNDS, WHETHER IN INDIA OR ABROAD

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended 31st March, 2022.

The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA/Stable, respectively. There was no revision in the said ratings during the year under review.

23. PLANT LOCATIONS

The locations of the Company's paint manufacturing plants in India are given on Page No. 17 of this Annual Report.

General Shareholder Information (Contd.)

24. ADDRESS FOR CORRESPONDENCE

REGISTRAR AND TRANSFER AGENT CONTACT DETAILS

For any queries relating to the shares of the Company, correspondence may be addressed to the Company's RTA at:

TSR Consultants Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg
Vikhroli (West), Mumbai – 400 083
Tel. No.: (022) 6656 8484 Extn.: 411/412/413
Fax No.: (022) 6656 8494
Toll Free No.: 1800-2100-124
Email: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

The details of collection centres are available on the website of RTA at https://www.tcplindia.co.in/office-network.html and is also available on the website of the Company at www.asianpaints.com.

The documents will also be accepted at the Registered Office of the Company:

Asian Paints Limited
CIN: L24220MH1945PLC004598
6A, Shantinagar, Santacruz (East), Mumbai – 400 055
Tel. No.: (022) 6218 1000
Email: investor.relations@asianpaints.com
Website: www.asianpaints.com

Shareholders are requested to quote their folio no./ DP ID & Client ID, email address, telephone number and full address while corresponding with the Company and its RTA.

25. ADDRESS OF THE REDRESSAL AGENCIES FOR INVESTORS TO LODGE THEIR GREIVANCES

Regulatory Authorities:	
Ministry of Corporate Affairs	'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) 2644 9000/4045 9000/ (022) 2644 9950/4045 9950 Fax No.: (022) 2644 9019-22/4045 9019-22 Toll Free Investor Helpline: 1800-227-575 Email: sebi@sebi.gov.in Website: www.sebi.gov.in
Stock Exchanges:	
BSE Limited	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Tel. No.: (022) 2272 1233/4 (022) 6654 5695 Fax No.: (022) 2272 1919 Website: www.bseindia.com
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 Tel. No.: (022) 2659 8100 – 8114 Fax No.: (022) 2659 8120 Website: www.nseindia.com
Depositories:	
National Securities Depository Limited	Trade World, A Wing, 4th Floor Kamala Mills Compound, Lower Parel Mumbai – 400 013 Tel. No.: (022) 2499 4200 Email: info@nsdl.co.in Website: www.nsdl.co.in
Central Depository Services (India) Limited	Marathon Futurex, A-Wing, 25th Floor NM Joshi Marg, Lower Parel Mumbai – 400 013 Toll free No.: 1800-225-533 Email: complaints@cdslindia.com Website: www.cdslindia.com

26. OTHERS

a. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: NIL

b. Investor Charter

In order to facilitate investor awareness for various service requests, SEBI vide its Circular dated 26th November, 2021 had prescribed Investor Charter for RTAs, *inter alia*, detailing the services provided to investors, rights of investors, timelines for various activities of RTAs, Dos and Don'ts for Investors and Grievance Redressal Mechanism.

In this regard, all the registered RTAs were required to take necessary steps to bring the Investor Charter to the notice of existing and new shareholders by way of disseminating it on their websites/through email and displaying at prominent places in offices, etc.

Additionally, to bring transparency in the Investor Grievance Redressal Mechanism, it has been decided that all the registered RTAs shall disclose on their respective websites, the data when the complaint was received by them and redressal thereof, latest by 7th of succeeding month, as per the format provided in the said Circular. The provisions of the said Circular were effective from 1st January, 2022.

The Investor Charter of the Company's RTA is available on their website at https://www.tcplindia.co.in/InvestorCharter.html.

c. Shareholder Initiatives

i. Scheme for dematerialisation of shares

During the year under review, the Company has partnered with HDFC Bank to facilitate its shareholders holding shares in physical form with a facility of opening a demat account without any hassles.

The scheme, *inter alia,* provides for (i) no account opening charges; (ii) waiver of annual maintenance charges in 1st year of account opening; and (iii) waiver of dematerialisation charges.

A communication in this regard has been sent to all the shareholders who were holding shares in physical form. In case, if the shareholders have not received the communication, they are requested to write an email in this regard to the Company at investor.relations@asianpaints.com.

ii. Special remittance of dividend

The Company has on a *suo motu* basis transferred the outstanding dividend(s) to those shareholders whose past dividend(s) were outstanding with the Company and have recently registered their bank mandate with the RTA or DPs, as the case may be.

Further, a communication was sent to concerned shareholders with the details of dividend credited in their account through email or letter, as may be applicable.

d. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

i. Indian address for sending all communications, if not provided so far;
ii. Change in their residential status on return to India for permanent settlement; and
iii. Particulars of their Non-resident rupee account, whether repatriable or not, with a bank in India, if not furnished earlier.

e. Updation of shareholders details:

i. 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.

f. 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.

g. Shareholders are requested to deal only through SEBI registered intermediaries and give clear and unambiguous instructions to their broker/sub-broker/DP.

h. Nomination of shares:

In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the website of the Company at https://www.asianpaints.com/ShareholderServiceRequest.html.

i. Permanent Account Number ("PAN"):

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN Card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

j. 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 the Company like Notice and Outcome of Board meetings, Dividend credit intimations, Notice of AGM and Annual Report are periodically sent electronically to such shareholders who have registered their email address.

In case of any change in relation to the email address, the members are required to intimate the same:

a. For shares held in electronic form: to their respective DP; and
b. For shares held in physical form: to the Company/RTA in prescribed Form No. ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021.

k. 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. If the Company does not resolve the complaint of the shareholders within stipulated time, then they may lodge the complaint with SEBI/Stock Exchanges for further action.

Further, SEBI vide Circular dated 13th August, 2020, has specified standard operating procedure for handling complaints by stock exchanges, accordingly the Company is now required to resolve the complaint within a period of 30 days of receipt of the same.

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
Asian Paints Limited

We hereby certify that on the basis of review of the financial statements and the cash flow statement for the financial year ended 31st March, 2022 and to the best of our knowledge and belief that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
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 financial year ended 31st March, 2022 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 of the Company 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, if any, in internal controls over financial reporting during the financial year ended 31st March, 2022;
2. significant changes, if any, in accounting policies during the financial year ended 31st March, 2022 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 Company's internal control system over financial reporting.

Amit Syngle
Managing Director & CEO

R J Jeyamurugan
CFO & Company Secretary

Place: Mumbai
Date: 10th May, 2022

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY ASIAN PAINTS LIMITED RELATING TO CORPORATE GOVERNANCE REQUIREMENTS

I have examined compliance by Asian Paints Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) relating to Corporate Governance for the year ended on 31 March 2022.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no complaint relating to investor's grievance received by the Company is pending unresolved as on 31 March, 2022.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Place: Pune
Date: 10th May, 2022

UDIN: F001370D000298447
Peer Review Certificate No.: 1206/2021

Annexure C to Report on Corporate Governance for the financial year ended 31st March, 2022

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 of **Asian Paints Limited** (as enlisted in Table A), bearing CIN L24220MH1945PLC004598, having registered office at **6 A, Shanti Nagar, Santacruz (East) 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, based on (i) documents available on the website of the Ministry of Corporate Affairs and Stock Exchanges (ii) Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, 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 financial year ended 31st March, 2022.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Deepak Satwalekar	00009627	30/05/2000
2.	Mr. Manish Choksi	00026496	22/10/2018
3.	Mr. Ashwin Dani	00009126	18/12/2003
4.	Mr. Amit Syngle	07232566	01/04/2020
5.	Mr. Malav Dani	01184336	21/10/2013
6.	Ms. Amrita Vakil	00170725	14/05/2014
7.	Mr. Jigish Choksi	08093304	01/04/2019
8.	Ms. Nehal Vakil	00165627	01/03/2022
9.	Mr. Mahendra Kumar Sharma *	00327684	25/10/2012
10.	Mrs. Vibha Paul Rishi	05180796	14/05/2014
11.	Mr. Seshasayee Ramaswami	00047985	23/01/2017
12.	Mr. Suresh Narayanan	07246738	01/04/2019
13.	Mrs. Pallavi Shroff	00013580	01/04/2019
14.	Mr. Milind Sarwate	00109854	21/10/2021

* Retired from the Company, w.e.f. close of business hours on 31st March, 2022, upon completion of his term of appointment as an Independent Director.

For **Makarand M. Joshi & Co.,**
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN: F006667D000266531

Place: Mumbai
Date: 4th May, 2022

Annexure D to Report on Corporate Governance for the financial year ended 31st March, 2022

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, 2022.

Amit Syngle
Managing Director & CEO

Place: Mumbai
Date: 10th May, 2022

Business Responsibility and Sustainability Report

At Asian Paints, we believe in partnering & empowering our stakeholders and creating a culture of transparency and accountability. We see our responsibility to take the lead in sustainable development not only as a duty to the society but also as an opportunity to do well by doing good. By embracing sustainable development and going beyond minimum information disclosure requirements and regulatory compliance, we aim to protect and deliver value to all our stakeholders.

We welcome the reporting framework 'Business Responsibility and Sustainability Reporting' ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing detailed Environmental, Social and Governance ("ESG") disclosures and we have voluntarily adopted the framework for the financial year 2021-22.

This report also speaks about the Company's ESG approach which propels the business strategy to deliver our purpose of bringing joy to people's lives.

Amit Syngle
Managing Director & CEO

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE COMPANY

1. **Corporate Identity Number (CIN):** L24220MH1945PLC004598
2. **Name of the Company**: Asian Paints Limited
3. **Year of incorporation**: 1945
4. **Registered office address**: 6A, Shantinagar, Santacruz (East), Mumbai – 400 055, Maharashtra, India.
5. **Corporate address:** Same as mentioned in point no. (4).
6. **E-mail:** investor.relations@asianpaints.com
7. **Telephone:** (022) 62181000
8. **Website:** www.asianpaints.com
9. **Financial year reported:** 1st April, 2021 to 31st March, 2022
10. **Name of the Stock Exchange(s) where shares are listed:**

BSE Limited (BSE)
National Stock Exchange of India Limited (NSE)

11. **Paid-up Capital:** ₹ 95,91,97,790 divided into 95,91,97,790 equity shares of ₹ 1 each.
12. **Name and contact details of the person who may be contacted in case of any queries on the BRSR:**

Name	:	R J Jeyamurugan
Designation	:	CFO & Company Secretary
Tel. no.	:	(022) 62181000
E-mail	:	investor.relations@asianpaints.com

13. **Reporting boundary**: The disclosures under this report are made on standalone basis for Asian Paints Limited.

II. PRODUCTS/SERVICES

14. **Details of business activities (accounting for 90% of the turnover):**

Sr. No.	Description of main activity	Description of business activity	% of Turnover of the entity
1.	Sale of products	Manufacture/ Purchase and sale of wide range of paints and home décor products (including bath fittings and sanitary ware)	99.76

15. **Products/Services sold by the entity (accounting for 90% of the entity's turnover):**

Sr. No.	Product/Service	Group*	% of total Turnover contributed
1.	Manufacture of Paints, varnishes, enamels and thinners.	202	97.81

* As per National Industrial Classification – Ministry of Statistics and Programme implementation.

III. OPERATIONS

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Locations	Number of plants	Number of offices*	Total
National	14	206	220
International^	-	-	-

* Includes warehouses and distribution centres.
^ The international operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

17. **Markets served by the entity:**

a. **Number of locations:**

Locations	Number
National (No. of States and Union Territories)	37
International (No. of Countries)	18

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

The contribution of exports as a percentage of total turnover of the Company is 0.72%.

c. **A brief on types of customers.**

Asian Paints Limited, headquartered in Mumbai, is in the business of manufacturing and selling wide range of paints for decorative and industrial use. The Company also offers wide range of wallcoverings, adhesives and services under its portfolio. The Company has entered into the home décor segment offering lightings, furnishings and furniture, along with end to end design to execution services under this segment. The Company is also present in the Home Improvement business offering bath and kitchen products.

The Company caters to a wide range of customers, including homeowners, other businesses, corporates, architects, interior designers, influencers, contractors, wholesalers and distributors.

IV. EMPLOYEES

18. **Details as at 31st March, 2022:**

a. **Employees and workers (including differently abled):**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	5,712	5,198	91	514	9
2.	Other than permanent (E)	5,701	5,386	94.5	315	5.5
3.	**Total employees (D + E)**	**11,413**	**10,584**	**92.7**	**829**	**7.3**
	WORKERS					
4.	Permanent (F)	1,711	1,705	99.6	6	0.4
5.	Other than permanent (G)	12,899	12,103	93.8	796	6.2
6.	**Total workers (F + G)**	**14,610**	**13,808**	**94.5**	**802**	**5.5**

b. **Differently abled employees and workers:**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	1	1	100	-	-
2.	Other than permanent (E)	-	-	0	-	-
3.	**Total differently abled employees (D + E)**	**1**	**1**	**100**	**-**	**-**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	4	4	100	-	-
5.	Other than permanent (G)	10	9	90	1	10
6.	**Total differently abled workers (F + G)**	**14**	**13**	**92.9**	**1**	**7.1**

19. **Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	14*	4	28.6
Key Management Personnel	2*	-	-

* Includes the Managing Director & CEO.

Note: Key Management Personnel are Managing Director & CEO and CFO & Company Secretary.

20. **Turnover rate for permanent employees and workers:**

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees (%)	**14.5**	**23**	**15.3**	9.7	12.5	9.9	13.2	15	13.4
Permanent workers (%)	**1.8**	**-**	**1.8**	2.1	-	2.1	2	-*	2

* There were no female workers in the employment of the Company during the financial year 2019-20.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding/subsidiary/associate companies/joint ventures:

Sr. No.	Name of the holding/ subsidiary/associate companies/joint ventures	Indicate whether holding/ subsidiary/ associate/joint venture	% of shares held by the Company
1.	Asian Paints Industrial Coatings Limited	Subsidiary	100
2.	Maxbhumi Developers Limited	Subsidiary	100
3.	Sleek International Private Limited	Subsidiary	100
4.	Asian Paints International Private Limited	Subsidiary	100
5.	Asian Paints (Nepal) Private Limited	Subsidiary	52.71
6.	Causeway Paints Lanka (Pvt.) Limited	Subsidiary	99.98
7.	Asian Paints (Bangladesh) Limited	Subsidiary	89.78
8.	Asian Paints (Middle East) SPC [formerly, Asian Paints (Middle East) LLC]	Subsidiary	100
9.	Asian Paints (South Pacific) Pte Limited	Subsidiary	54.07
10.	Asian Paints (Solomon Island) Limited	Subsidiary	75
11.	Asian Paints (Vanuatu) Limited	Subsidiary	60
12.	Samoa Paints Limited	Subsidiary	80
13.	SCIB Chemical S.A.E.	Subsidiary	61.31
14.	Berger Paints Bahrain W.L.L.	Subsidiary	100
15.	Berger Paints Emirates LLC	Subsidiary	100
16.	Kadisco Paint & Adhesive Industry S.C.	Subsidiary	51
17.	PT Asian Paints Indonesia	Subsidiary	100
18.	PT Asian Paints Color Indonesia	Subsidiary	100
19.	Enterprise Paints Limited	Subsidiary	100
20.	Nirvana Investments Limited	Subsidiary	100
21.	Universal Paints Limited	Subsidiary	100
22.	AP International Doha Trading W.L.L.	Subsidiary	100
23.	Asian Paints PPG Private Limited	Joint Venture	50
24.	PPG Asian Paints Private Limited	Joint Venture	50

Notes:

1. On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved the Scheme of Amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company. Pursuant to the necessary filings with the Registrar of Companies, Mumbai, the Scheme has become effective from 17th September, 2021, with the appointed date of 1st April, 2019.
2. On 1st April, 2021, the Registrar General of Companies in Sri Lanka approved the Scheme of Amalgamation of Asian Paints (Lanka) Ltd. with Causeway Paints Lanka (Pvt) Ltd., subsidiaries of Asian Paints International Private Limited, wholly owned subsidiary of the Company.

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes

(ii) Turnover : ₹ 25,188.51 crores

(iii) Net worth : ₹ 13,349.09 crores

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct ("NGRBC"):

Stakeholder group from whom complaint is received*	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2021-22		FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	For all the CSR activities undertaken by the Company, need assessment is undertaken and grievances are identified with the help of third party/ implementation agencies. The Company also deployed its local employees who regularly visit the communities and interact with people to gauge and address community concerns.	-	-	-	-
Shareholders	The Company has empowered a Board-level Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders. The status of complaints is reported to the entire Board on quarterly basis. SRC meets atleast twice a year and as and when required to resolve shareholders grievances. Most of the grievances received through electronic communications are attended within a period of seven days and for postal communication within a period of twelve days from the date of receipt of such grievances.	**34**	**0**	15	0
Customers	All the grievances received through various available channels are registered and tracked through the Complaint CRM system. Once the complaint is registered, it is tracked through a unique number. The grievance is resolved through one on one interaction with the customer. Upon the final resolution of the grievance, feedback is taken through call or SMS.	**24,800#**	**1,402@**	31,609	1,586
Workers	https://www.asianpaints.com/EHSpolicy.html	-	-	-	-
Employees	https://www.asianpaints.com/CGpolicies.html	**9**	**2**	4	2

***** For other stakeholder groups (including workers), there are channels available for reporting grievances. During the year, the Company has not received any reportable grievance.

Genuine / agreed customer complaints

@ The customer's complaints open at the close of the year, *inter alia*, are on account of (i) re-opening / non closure of complaints to the satisfaction of the customers (ii) pending customer acknowledgement for closure (iii) resolution in progress and (iv) complaints registered during last week of March, 2022.

24. Overview of the entity's material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or opportunity to our business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Natural Resource availability	Risk and Opportunity	Natural capital being a relevant part of our value creation model, drives us towards meeting our business needs by creating sustainable products and solutions with minimum impact on the natural ecosystem	• Substantially augmented investments in renewable energy to reduce dependence on fossil fuels. Achieved renewable energy footprint of 61.1% in financial year 2021-22; • Engagement with Government bodies and global groups committed to 100% renewable electricity on regular basis; • The Company has invested in rooftop solar projects for captive consumption within the plants and external investments in the form of long-term windmill installations; and • Plant wise plan/actions implemented for alternate sources of water like borewell, tanker water supply, effluent treatment plant water re-use, rainwater usage and achieving water neutrality. The collected rainwater in our factories is treated within the plant and used for paint production process and non-process activities.	Positive: Scope to increase reliability on renewal energy. Negative: Unavailability can impact service to customer.
2.	Environment risk	Risk and Opportunity	Changes in existing regulations/ emerging regulations impacting sourcing of materials, emissions, waste generation, storage and use of material or quality of finished goods	• Being the next level in paint industry (much ahead of the prevalent statutes) in India through benchmarking with the best in the world with respect to emissions, water consumption and waste generation; • Build a stewardship structure with external bodies like Indian Paint Association (IPA) to be a leader in understanding the changes in industries and helping other industries to follow; • Pro-actively work on emerging areas and implement much ahead of statute; and • The Company continues to monitor all emerging regulations, incidents, developments and map it for compliance.	Positive: Scope for building new product portfolio basis the changing regulations and explore new sources of raw materials. Negative: Increased expenses in transiting towards meeting new regulations.

Business Responsibility and Sustainability Report (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Handling Hazardous Material/ Waste	Risk	Handling hazardous material/waste in business operations with care to avoid any threats posed to the health and well-being of our employees and to our surrounding environment	• Adherence to standards pertaining to Occupational Health and Safety, the Company's Environment, Health and Safety ("EHS") Policy and highest operational standards for handling hazardous materials; • Continuous engagement with suppliers for identifying any new threats/better options to mitigate the risks; • Periodic risk assessments using quantitative risk assessment and closure of action plans arising out of such assessments; • Having a comprehensive Emergency Response Plan in place; and • Plant design to adhere to inherent safe design based on various applicable standards.	Negative: Impact on health and well-being of employees at the plants & community near by.
4.	Product & Plastic Packaging	Risk	Several states across India are banning/restricting use of single-use plastic. The onus of collecting and responsibility to dispose of plastic waste generated by packaging has been put on companies	• The Company is putting its efforts to keep pace with the changing regulations around plastic waste management; • Through Extended Producer's Responsibility ("EPR"), the Company has made an attempt and able to collect and recycle more than 3,400 tonnes & 8,800 tonnes of flexible & rigid plastic waste respectively across 23 states in India; and • This has been made possible by harnessing the capacity of waste pickers, collection centres, and recycling/co-processing plants that work in tandem.	Negative: Failure to comply with current or future regulations on plastic packaging or failure to meet commitments on packaging and the environment would attract hefty fines and may even lead to loss of sales.
5.	Safety risk	Risk and Opportunity	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	• Adherence to safety standards, the Company's EHS Policy and highest operational standards for handling hazardous materials at plants; and • Continuous progress in the Behaviour Based Safety ("BBS") journey by all plants.	Positive: Adoption of latest and cutting-edge safety related protocols and measures to create a safe work environment. Negative: Impact on health and well-being of employees at the Company.
6.	Labour unrest	Risk and Opportunity	Disruption in manufacturing due to labour unrest	• Implementing alternative settlements in the plants – productivity measure changed from norm based output to output/group based output in many plants; • Pre-settlement workshops with unions to create a conducive environment for settlement; • Knowledge sharing sessions on labour laws, situations based learnings, employee life cycle documentation, regular IR management and Contract Labour management; and • Physical, Mental and Financial Wellness sessions conducted on regular basis.	Positive: Opportunity to develop stronger relationship and engagement with labour and labour unions. Negative: Labour unavailability can impact manufacturing.
7.	Reputation	Opportunity	Bad publicity arising out of any act/ inaction by the Company on social media or any other platform	• Active monitoring of voices on social media and having a crisis management plan ready; • Actively addressing product complaints; • Ensuring product delivery as promised; • Compliance with all regulatory norms; • Strengthening corporate governance norms, including adherence to the code of conduct by all; and • Sign off for all Product/ Warranty promises to the customer.	Positive: Opportunity to improve brand presence and reputation through proactively managing possible issues.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the following NGRBC principles and core elements:

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	N	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
c. Web link of the policies, if available.	Refer Note 1								
2. Whether the entity has translated the policy into procedures? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Refer Note 2								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI standards, Organisation for Economic Co-operation and Development (OECD), Principle of Corporate Governance, Corporate Governance Voluntary Guidelines, 2009	ISO 14001, GRI standards	Universal Declaration on Human Rights of the United Nations, ISO 45001, British Safety Council, GRI standards	ISO 14001, GRI standards	Universal Declaration on Human Rights of the United Nations, GRI standards	ISO 14001, IGBC, GRI standards	Universal Declaration on Human Rights of the United Nations, GRI standards	GRI standards, CSR disclosures pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended	ISO 14001, GRI standards
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Board of Directors of the Company during the financial year approved and adopted vision and mission statements of the ESG imperatives for the Company as stated in the ESG strategy section of this Annual Report.								

Business Responsibility and Sustainability Report (Contd.)

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board of Directors of the Company has empowered the Stakeholders Relationship Committee to provide direction to the management and exercise oversight on the implementation of targets committed under ESG.								
Governance, Leadership and Oversight									
7. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company and Stakeholders Relationship Committee oversee the implementation of the Business Responsibility policies.								
8. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Stakeholders Relationship Committee of the Board of Directors of the Company is responsible for providing direction to the management on formulation of ESG strategy and monitoring the Company's progress and performance on its long-term ESG commitments and targets.								

9. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/any other Committee. P1	P2	P3	P4	P5	P6	P7	P8	P9	Frequency (Annually/Half yearly/Quarterly/any other – please specify) P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	Yes									Half yearly/Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with all the applicable statutory requirements.									Quarterly								

10. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.* — Yes, Price Waterhouse Chartered Accountants LLP, has provided a 'limited assurance' on certain Identified Sustainability Indicators based on GRI Standards.

*Further a part of the oversight of the internal financial controls in the Company, the Management and Audit Committee reviews the adherence to the stated policies in the company. The Internal Audit Function assists the Audit Committee with the above.

Note 1:

Principle(s)	Applicable Policies	Link for policies
Principle 1: Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable	Code of Conduct to Regulate, Monitor and Report Trading by Designated Person, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy on dealing with and materiality of Related Party Transactions, Whistle Blower Policy	https://www.asianpaints.com/CGpolicies.html
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Environment, Health and Safety Policy	https://www.asianpaints.com/EHSpolicy.html
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains	Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, Code of Conduct & Internal HR Policies for Employees	https://www.asianpaints.com/CGpolicies.html
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders	CSR Policy, Customer Policy, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.	https://www.asianpaints.com/CSRPolicy.html https://www.asianpaints.com/CustomerPolicy.html
Principle 5: Businesses should respect and promote human rights	Code of Conduct for Employees	https://www.asianpaints.com/CGpolicies.html
Principle 6: Businesses should respect and make efforts to protect and restore the environment	Environment, Health and Safety Policy	https://www.asianpaints.com/EHSpolicy.html
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	NA	NA
Principle 8: Businesses should promote inclusive growth and equitable development	CSR Policy	https://www.asianpaints.com/CSRPolicy.html
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Customer Policy	https://www.asianpaints.com/CustomerPolicy.html

Note 2:

The policies followed by the Company as applicable to value chain partners and are listed on the Company's website. The value chain partners are expected to follow the applicable policies.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P7
The entity does not consider the principles material to its business (Yes/No)	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
It is planned to be done in the next financial year (Yes/No)	

The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Paint Industry and other matters affecting the Company, we work through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. and/or directly engage with the statutory authorities on regulatory policies. There are specified officials in the Company who are authorized to communicate with the industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the principles and core elements with key processes and decisions.

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/Principles covered under the training and its impact	% age of persons in respective category covered by the awareness Programmes
Board of Directors (BOD) and Key Managerial Personnel (KMPs)	6 (as part of board meetings)	Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs. Topics covered includes: 1) Corporate Governance 2) Companies Act 3) SEBI Listing Requirements 4) Environmental & Safety matters	100
Employees Other than BOD and KMPs	5,583 sessions	Session have been conducted covering following topics: 1. Values-based capability building programme 2. Code of conduct for employees 3. Well-being (both financial and physical) and Safety related sessions. 4. Session on Code of Conduct to Regulate, Monitor, and Report Trading by Designated Person.	90+ of intended target audience
Workers	1,000 sessions	Session have been conducted covering following topics: 1. Health and Safety related training and awareness sessions 2. Code of conduct for employees	90+ of intended target audience

Note: Health and Safety related training and awareness sessions are being conducted and provided to the workers at regular intervals.

2. During the financial year 2021-22, there were no instances of any material (monetary and non-monetary) fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors/ KMPs) levied by the regulators/law enforcement agencies/ judicial institutions.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The existing policy like Code of Conduct (including Whistle Blower Policy), rules and regulations adopted by the Company are in conformity with the legal and statutory framework on anti-bribery and anti-corruption legislation prevalent in India.

The Policy reflects the commitment of the Company and its management for maintaining highest ethical standards while undertaking open and fair business practices and culture, and implementing and enforcing effective systems to detect, counter and prevent bribery and other corrupt business practices.

5. There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/employees/workers.

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2021-22	FY 2020-21
	Number	Number
Number of complaints received in relation to issues of Conflict of Interest of the Directors	1*	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	Nil	Nil

*The Company had received a protected disclosure from an individual (not related to the Company), alleging impropriety with respect to certain related party transactions entered into by the Company. The complaint was investigated in accordance with the Company's whistle blower policy and after undertaking a detailed review of the transactions, the said complaint was closed as the enquiry concluded that the transactions were undertaken in compliance with law, and there was no basis for the allegations made.

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators:

1. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company receives an annual declaration from its Board of Directors and senior management personnel on the entities they are interested in, and ensures requisite approvals as required under the applicable laws are taken prior to entering into transactions with each entities.

The policy is available on the Company's website at https://www.asianpaints.com/CGpolicies.html.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Environmental and Social impact assessment is one of the key inputs for the new product development/ process changes. Capital expenditure and R&D spends incurred by the Company embeds cost incurred to mitigate environmental & social hazards. These are inseparable cost of the projects and hence separately identifying such cost is not feasible.

Increasing share of renewable energy in overall energy portfolio is a flagship initiative which demonstrated our commitment towards sourcing clean energy and transition to low carbon operation having a direct impact on the environment.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company focuses on eliminating/ minimizing restricted raw materials from their products. The aim is not just to make the world more beautiful, but also safer, through a systematic approach to paints and painting services.

The Company has a strong process to control the entry of hazardous material into products. The Company had created a green roadmap in 2011, where it had been decided to eliminate all the raw materials that are classified as Group 1 carcinogens, mutagens and reproductive toxins. The Company has also listed all the materials which are classified as highly hazardous materials and created a roadmap to eliminate them in two years. By 2013, the Company had eliminated crystalline silica from the products and restricted Group 1 carcinogens, mutagens and reproductive toxins. Restriction on heavy metals was further strengthened by putting controls to know the presence of heavy metals as contaminants.

The Company has created a strong system and screening protocols for raw material introduction and integrated them into an IT platform. Each raw material in system parlance is treated as a new project and various stage gates and accountabilities have been designed for any raw material development. The new raw material development process including various screening stages has been discussed in the product stewardship section of Natural Capital section of this Annual Report.

b. If yes, what percentage of inputs were sourced sustainably?

All architectural paints which we produce are lead and heavy metal free since the year 2008, and subsequently free from added Respirable Crystalline Silica ("RCS") since the year 2013, which was well before mandated by regulation.

Further, the Company has been continuously making efforts to increase the use of renewable feedstock such as enhanced use of sorbitol and starch-based polymers for architectural paints. This is exemplified through our renewable content share in three large-volume products viz. Ace Exterior Emulsion, Tractor Emulsion Advanced, and Apcolite Enamel. The renewable content in these products has been increased from 20% to 60% from the earlier levels in last 2 years.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life.**

By virtue of being a paint industry, our products, in general, get completely utilized once it reaches consumers. However, we are focused on reducing the generation of dead, damaged, and defective materials on the inventory management front. These stocks are collected back, reprocessed, and utilized to the maximum extent possible.

(a) **Plastics (including packaging):** The primary product of the Company is paint which is applied to surfaces however plastic is the predominant packaging material. Ensuring compliance with the Plastic Waste Management (PWM) Rules 2016, the Company follows the Extended Producer Responsibility (EPR) approach to manage its downstream operations' plastic packaging waste. Further, the Company has increased the use of recycled plastic in a host of product packaging. The total quantity of recycled plastic used in its packaging was 3,647 tonnes in financial year 2021-22. This accounts for 5.4% of total plastic packaging.

(b) **E-waste:** Not Applicable

(c) **Hazardous waste:** Not Applicable

(d) **Other Waste:** Not Applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to the Company. As a leading manufacturer in the paints industry, it is a business imperative that the Company ensures safe disposal of the pre-consumer and post-consumer packaging. The Company has been ensuring the collection and safe disposal of its packaging waste through the EPR approach since 2018. In financial year 2021-22, the Company collected and recycled off, or safely disposed off over 3,400 tonnes and 8,800 tonnes of flexible plastic waste and rigid plastic waste, respectively, across 23 states.

Leadership Indicators:

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The Company has conducted LCA for its 9 leading products through an independent external agency. The Environment Product Declarations ("EPD") covers all the 9 paint products of Asian Paints out of which 7 are water-based (4 of which are exterior paint and 3 are interior paint products), 1 is solvent based and 1 is distemper.

The LCA was achieved through conducting the 'Life Cycle Assessment' as per ISO 14040/44 standard. The LCA is conducted in accordance with Product Category Rules (PCR) UN CPC 3511. The PCR is for the assessment of the environmental performance of UN CPC 3511 - Paints and varnishes and related products. This PCR complies and has been developed in accordance with the General Program Instruction of the International EPD System, version 2.01 dated 18th September, 2013. It is based on the requirements and guidelines given in "PCR Basic Module, CPC Division 35: Other chemical products; manmade fibers", version 1.0, dated 30th November, 2010.

The LCA model for Company represents a cradle-to-Grave system. The scope covers the ecological information to be divided into Production Phase, Use Phase and End-of-Life Phase. The production phase includes the raw material extraction, production of the raw materials, auxiliary material production, upstream transportation, manufacturing process of the final product and its packaging. The use phase includes the dilution water consumption during its application on the wall and the Volatile Organic Compounds ("VOCs") emissions to air after the application of paint on wall surface. The End-of-Life phase includes the incineration of packaging waste/ materials after use, with energy recovery.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

The Company has constantly set standards to remain a leader in product stewardship arena and invest in unprecedented innovation that offers unique value to consumers while enhancing product safety and sustainability. The theme of product stewardship has evolved over the years and continuous efforts of the Company have enabled to make positive environmental impacts through its product innovation techniques. The efforts are aided by LCA studies of products that enable us to identify hotspots and thus opportunities for improvement. Some of the key initiatives undertaken in this regard are as follows:

I. Rutile grade of titanium dioxide is a key contributor to the cradle-to-grave product carbon footprint. Over the years, the Company has focused on improving the scattering efficiency of the rutile through multiple formulation and process innovations. There were continued efforts to enhance spacing of rutile in paint film and use of effective dispersion and stabilization techniques. All these efforts helped to avoid 17,700 metric tonnes of CO_2 in the financial year.

II. The Company is constantly changing and improving its paint formulations to offer low-VOC paints that ensure health and environmental benefits while providing higher performance levels. Further, Green Seal and Green Assure products are low VOC products as VOC is one of the important criteria to comply with these certification standards. Details related to Green Assure and Green Seal products are provided in the product stewardship section of Natural Capital of this Annual Report. This section also includes details of GreenPro certification which assess the product at different life cycle stages.

III. The Company is focusing on sustainability through increasing the durability of its products. SmartCare waterproofing and Ultima Protek range demonstrates our efforts in this direction wherein the durability of these products are more than 10 years. Further, the Company has a host of products with the durability of more than 5 years such as Apex Advance Dust Proof, Apex Dust proof, Apex Shyne Dust proof, Aspira, Smartcare Damp proof & Smartcare Damp proof Advance.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Resource efficiency forms an integral part of our environmental strategy. Through our continuous efforts, we strive to meet the needs of our customers. In doing so, we optimise our resource management approach to efficiently utilise the raw materials and minimise material waste. To ensure the availability of raw materials required for our business operations, we make optimum use of our resources and adopt ways to reuse, recycle and reintroduce excess material in our production process without compromising the quality of our products and solutions. This is illustrated as follows:

I. **Wash water:** During water-based paint processing, significant amount of wash water is produced while cleaning the processing vessels and liquid material transfer lines. If left unused, these contribute to waste sludge generation during treatment in our Effluent Treatment Plant. The Company upgrades and automated its wastewater handling systems to have capability of re-using these in specific paint processing steps. In financial year 2021-22, the Company utilized 28763 MT of wash water in the products, resulting in avoidance of freshwater consumption and generation of waste sludge through such wash waters.

II. **Waste solvent reuse:** The Company has been successfully able to recover and reuse waste solvent in the products. To reduce the need for distillation and hence sludge generation, the Company has started ensuring shade-wise segregation of waste solvent from product streams. This helped the Company to ensure the utilization of waste solvent in products after necessary quality checks in place of fresh solvents. In financial year 2021-22, the Company was able to reuse 716 MT of solvent in products. In addition to this, the Company also used recovered solvent for cleaning purposes.

III. **Economy Grade Paint:** In case of materials where source segregation or development of reuse scheme is not possible, the Company collects and uses these materials in producing an economy grade paint. Such materials include material from strainer cleanings, retention samples, transfer pump seal or gland leakages and intermediaries generated at different sources etc. The Company has been able to segregate, reprocess and produce 1282 MT of Economy Grade Paint in financial year 2021-22 compared to 929 MT in financial year 2020-21.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Values in metric tonnes	FY 2021-22			FY 2020-21		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (Including Packaging)	13.2	441.1	2,625.6	17.6	114.4	2,018.1
E-Waste	0	0	7.8	0	9.3	2.8
Hazardous Waste	0	26.2	1,163.8	0	48.9	1,110.6

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic waste as part of EPR	100% of Multi-Layer Plastic packaging 15.6% of Non-Multi-Layer Plastic packaging

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators:

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	5,198	5,198	100	5,198	100	-	-	5,198	100	1,173	23
Female	514	514	100	514	100	514	100	-	-	386	75
Total	**5,712**	**5,712**	**100**	**5,712**	**100**	**514**	**9**	**5,198**	**91**	**1,559**	**27**
Other than permanent employees											
Male	5,386	5,386	100	5,386	100	-	-	-	-	-	-
Female	315	315	100	315	100	315	100	-	-	-	-
Total	**5,701**	**5,701**	**100**	**5,701**	**100**	**315**	**6**	**-**	**-**	**-**	**-**

Notes:
1. Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
2. Day-care facilities are available on the Company premises (including plants) as per provisions of the Factories Act, 1948.

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,705	1,705	100	1,705	100	-	-	1,485	87	59	3
Female	6	6	100	6	100	6	100	-	-	6	100
Total	**1,711**	**1,711**	**100**	**1,711**	**100**	**6**	**0.4**	**1,485**	**87**	**65**	**4**
Other than permanent workers											
Male	12,103	12,103	100	12,103	100	-	-	-	-	1,466	12
Female	796	796	100	796	100	796	100	-	-	114	14
Total	**12,899**	**12,899**	**100**	**12,899**	**100**	**796**	**6.2**	**-**	**-**	**1,580**	**12**

Notes:
1. Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
2. Day-care facilities are available on the Company premises (including plants) as per provisions of the Factories Act, 1948.

2. Details of retirement benefits, for current and previous financial year: -

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees*	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	NA	100	100	NA
Gratuity	100	100	NA	100	100	NA
ESI	100	100	Yes	100	100	Yes

* Eligible as per statute

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?

The Company is in process of making all the required premises accessible for differently abled employees & workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, color, origin, nationality, disability, religion, race, caste, gender, sex and sexual orientation. We believe that Diversity and Inclusivity (D&I) at workplace is an instrument for economic growth, sustainable competitive advantage and societal progress. The Company's Code of Conduct for employees specifically calls out for no discrimination on any grounds. The Code of Conduct can be accessed at the following link on our website at https://www.asianpaints.com/CGpolicies.html

The Company is in the process of formulating a documented policy on Equal Employment Opportunity in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016, read with the Rights of Persons with Disabilities Rules, 2017, and the Transgender Persons (Protection of Rights), 2019, read with the Transgender Persons (Protection of Rights) Rules, 2020.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to Work Rate	Retention Rate	Return to Work Rate	Retention Rate
Male (%)	100	92.3	100	100
Female* (%)	100	95.7	NA	NA
Total (%)	**100**	**92.5**	**100**	**100**

* For permanent female workers, none of the workers availed parental leave in this financial year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Transparency and openness are organizational values and are practised across all levels. Employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. Employees can reach out independently to the Human Resource Function if they so choose to. The Company has an open-door approach, wherein any employee irrespective of hierarchy has access to the senior management. In addition, our whistle blower policy allows all our employees to report any kind of suspected or actual misconduct in the organisation in an anonymous manner. Stakeholders other than permanent employees of the Company can raise their grievances via e-mail to the concerned person/management.

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and Internal Complaints Committee has also been set up to redress any such complaints received. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

The Company has Safety Committees at plants to handle grievances related to safety. There are also the Apex Safety Committees at the plant-level and the Departmental Safety Committees at the department level. Further, the Company has developed a process 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees, who can report or remove themselves from situations they believe could cause injury.

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees /workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees /workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total permanent employees						
Male	**5,198**	**263**	**5**	5,353	265	5
Female	**514**	**13**	**3**	528	13	2
Total permanent workers						
Male	**1,705**	**1,617**	**95**	1,763	1,702	97
Female	**6**	**0**	**0**	0	0	0

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	**5,198**			**3,836**	**58**	5,353			3,182	48
Female	**514**	*		**359**	**70**	528	*		312	65
Total	**5,712**			**4,195**	**59**	**5,881**			**3,494**	**49**
Workers										
Male	**1,705**	**473**	**28**	**194**	**11**	1,763	400	23	152	9
Female	**6**	**0**	**0**	**0**	**0**	0	0	0	0	0
Total	**1,711**	**473**	**28**	**194**	**11**	**1,763**	**400**	**23**	**152**	**9**

* The Company provides regular trainings on Health & Safety to all its employees. The Company aims to provide highest quality training and minimising workplace accidents, without focussing upon the number of hours spent in the training. This data will be available from financial year 2022-23 onwards.

9. Details of performance and career development reviews of employees and workers.

100% of the eligible employees and workers have received performance and career development reviews.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes, the Occupational Health and Safety Management System has been implemented in all owned manufacturing facilities and Research & Technology Laboratory. The Company's health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. Also, the decorative paint manufacturing plants are British Safety Council ("BSC") five-star certified.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

i. Hazard Identification and Risk Assessment ("HIRA") is used for routine and non-routine activities.

ii. Hazard and Operability Study ("HAZOP") is being used for identifying hazard related to chemical processes.

iii. Chemical Risk Assessment is used for identifying health hazards during handling of chemicals.

iv. Manual Material Handling Assessment Chart ("MAC") tool to identify hazards during manual material handling activities.

v. Fire Risk assessment is used for handling fire related risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

Yes, the workers through internal platform can report work related hazards. All the work hazards reported are monitored and actioned upon through Department Safety Committee which in turn is supplemented by Apex Committee. A process of 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees' is in place to report or remove themselves from situations they believe could cause injury, has been developed.

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services?

Yes, all employees are covered under Company's health insurance and personal accident policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	**0.05**	0
	Workers	**0.55**	0.72
Total recordable work-related injuries (per one million-person hours worked)	Employees	**0.14**	0.21
	Workers	**1.82**	2.42
No. of fatalities	Employees	**0**	0
	Workers	**0**	0
No. of high consequence work-related injury or ill-health (excluding fatalities)	Employees	**1**	0
	Workers	**0**	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company's plants, facilities and manufacturing equipment are designed based on careful consideration of statutory requirements, for healthy and safety workplace, applicable Indian and International Standards. One of the key focus areas remain safety of employees and investing in technologies and processes to avoid and minimize the manual interfaces with machines. At the design stage of any process, focus is on providing engineering controls to control the various hazards during manufacturing. Further, all new plants are highly automated with conveyors and robotics palletisation to reduce manual material handling.

The health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety. The management system is also designed to cater to the five star Integrated Audit by British Safety Council which is a leading global recognition in the field of Occupational Health and Safety Systems.

The Company has a systematic processes for identification of work-related hazards. On Annual basis, the Company provide training on Health Identification and Risk Assessment to all concerned employees. The Company has in place a mechanism for identification of fire hazards, preparation of action plan for control system and plans to mitigate or eliminate hazards. The evaluation of these risks is based on processes of risk assessment for activities, building, equipment, chemical and fire risks.

13. No grievances have been received from the employees and workers on working conditions and health & safety measures during the financial year 2021-22 & 2020-21.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 ISO 45001 audit was carried out at all manufacturing plants. British Safety Council Five Star Rating audit was carried out at Patancheru, Kasna and Khandala plant.
Working Conditions	100 The Company has conducted monitoring studies through external industrial hygiene vendors for work area monitoring, illumination survey, noise monitoring, ventilation studies, etc.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

For the safety related incidents a root cause analysis is done by the team which is monitored and reviewed by the central quality & safety team. Corrective measures in various forms based on the root cause is taken (like elimination of man machine interaction, inadequate guarding). The corrective action is shared in the form of horizontal deployment with all the manufacturing locations for assessment and implementation.

Leadership Indicators:

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No)?

Yes

2. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	**1**	0	**1**	0
Workers	**0**	0	**0**	0

Note: There was an incident wherein an employee working at the Turbhe, R &T center of the Company in the wood finish area sustained injury to his right hand finger while switching off pug mill machine. As a part of his treatment, tip of the upper phalanx of right-hand fore finger was ampullated. The employee resumed work after receiving the necessary treatment and certification of fitness.

3. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators:

1. Describe the processes for identifying key stakeholder groups of the entity.

At Asian Paints, stakeholders play an integral role in our journey and we recognise the need to partner with them and understand their concerns to deliver the ambitious targets which we have set for ourselves as a part of the organisational vision. Our multi-stakeholder model aims to understand the requirement of our stakeholders and we attempt to respond to them through various initiatives and programmes.

Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analysing the impact of each stakeholder groups on our business and vice versa. Based on the exercise carried out, we prioritised our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organisational strategy.

We have identified the key stakeholders group and each stakeholder continues to contribute in their own way in creating a shared value.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

The key stakeholder group identified by the Company includes Customers, Employees, Investors, Communities, Vendors, Government & Regulatory Bodies, Influences. The Company engages with its stakeholders to identify material issues that are both operational as well as strategic in nature. The purpose of such engagement is to identify material issues that could impact the economic, social and environmental performance of the Company.

For further details on the same, please refer to stakeholder engagement section of this Annual Report.

Leadership Indicators:

1. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Our Corporate Social Responsibility (CSR) approach is designed to bring about holistic development of communities. We strongly believe that CSR should not be a one-time engagement; rather, it has to bring about a social transformation in the life of our disadvantaged, vulnerable and marginalized stakeholders. All our CSR initiatives are strategically designed and monitored for tangible progress and achievement of targeted outcomes.

We proactively bring our employees into the volunteering space, making Asian Paints an integral part of every community that is our neighbour, and our CSR projects deliver significant outcomes.

The Company's manufacturing facilities engage in CSR initiatives and these projects primarily focus on the following areas: As a responsible organization focused on inclusive growth, your Company has steadfastly followed a proactive approach towards CSR. The Company has been engaged in focused initiatives aimed at uplift of the communities residing in the vicinity of its facilities. In line with the Company's CSR philosophy, the Company undertook several initiatives during the year towards building a sustainable CSR model.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company in consultation with the stakeholders has identified material environmental and social topics. Material topics were shortlisted and prioritized based on their impact on the stakeholder and the business. The details on the same have been provided in the stakeholder engagement section and materiality section of this Annual Report.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company engages with various communities in different areas that serve the vulnerable/ marginalised stakeholder groups. For further details kindly refer the stakeholder engagement section of this Annual Report.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)
Permanent employees	5,712	5,364	94%

Notes:

1. The trainings on human rights are a part of the Code of Conduct and recorded data is available for the financial year 2021-22 only.
2. For other categories of employees and workers, the Code of Conduct policy is available for their reference on the Company's website and on the Company's intranet portal. They are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with: all applicable laws; rules and regulations; and all applicable policies and procedures adopted by the Company.

2. Details of minimum wages paid to employees and workers.

The Company is providing more than the statutorily required minimum wages to all its employees and workers whether permanent or temporary and ensures equal remuneration for equal work.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category (In ₹)	Number	Median remuneration/salary/ wages of respective category (In ₹)
Board of Directors (BOD)*	10	54,60,000	4	45,00,000
Key Managerial Personnel (KMP)*	2	8,40,47,984	0	NIL
Employees other than BOD and KMP	5,196	14,23,476	514	10,92,208
Workers	1,705	7,03,188	6	2,39,844

* Includes the Managing Director & CEO.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the Chief Human Resources Officer of the Company is responsible for addressing any human right issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights principles as enshrined in the United Nations Global Compact ("UNGC") are embedded in our core values and system. We have framework that focuses on good governance, our commitment to abiding by each law, ensuring timely payment of employee salaries, and providing equal opportunities without exception.

Any grievances are routed to Human Resource function and in certain cases to the Ethics Committee. Necessary action is taken in line with underlying polices and regulations applicable to the workplace. The closure is intimated to the aggrieved person.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22		FY 2020-21	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	3	1*	1	Nil
Discrimination at workplace	Nil		Nil	
Child Labour				
Forced Labour/Involuntary Labour				
Wages				
Other human rights related issues.				

* The case pending for resolution is not beyond 90 days.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Presiding officer of the Internal Complaints Committee ("ICC") is Senior Manager or above with minimum 2-3 years of experience in the Company. Presiding officers have the experience as well perspective from Company's context on the course of action required in sexual harassment cases.

The decision on the action to be taken against the employee in POSH case is in consultation with the External ICC member. She has the expertise and the experience of dealing with similar cases across various companies and severity of action to be taken on case to case basis. Overall, the ICC ensures that Principle of Natural Justice is followed in the entire process.

Whistle blower policy provides for the following protection:

- Whistle blower complaint is a protected disclosure and the Complainant can choose to remain anonymous.
- The investigating officer has to protect the identity of the whistle blower.
- The whistle blower is protected against any adverse action not limited to harassment, unfair termination of employment, demotion, suspension and biased behavior on account of whistle blower.

8. Do human rights requirements form part of your business agreements and contracts?

All the business agreement and contracts which are entered into by the Company with any party include relevant clauses on the affirmation of applicable regulatory requirements which include human rights.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100
Forced/involuntary Labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators:

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During the reporting period, no business processes have been modified or introduced for addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is committed to protecting and respecting Human Rights and remedying rights violations in case they are identified; for example, issues relating to human trafficking, forced labour, child labour, freedom of association, right to collective bargaining, equal remuneration and discrimination. Providing equal employment opportunity, ensuring distributive, procedural, and interactional fairness, creating a harassment-free, safe environment and respecting fundamental rights are some of the ways in which we ensure the same.

As an equal opportunity employer, we do not discriminate on the basis of race, colour, religion, sex, national origin, gender identity, gender expression, sexual orientation or disability status.

The Company is in the advanced stages of assessment of all its facilities to ensure that the infrastructure therein is enabling for all its employees (including persons with disability).

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

(In Giga Joules)

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	**3,16,810.16**	2,63,467.1
Total fuel consumption (B)	**2,20,335.4**	2,04,050.93
Energy consumption through other sources (C)	**0**	0
Total energy consumption (A+B+C)	**5,37,145.52**	**4,67,518.04**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	**21.33 GJ/₹ cr**	25.24 GJ/₹ cr

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Reasonable Assurance for specific electricity consumption and renewable energy consumption related information.

2. Does the entity have any sites/facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable, as the Company does not fall in the category of industries mandated under PAT scheme.

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water	**-**	-
(ii) Groundwater	**41,119**	41,581
(iii) Third party water	**7,25,930**	5,80,664
(iv) Seawater/ desalinated water	**-**	-
(v) Others	**1,71,281**	1,53,720
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**9,39,000**	7,75,965
Total volume of water consumption (in kilolitres)	**9,39,000**	7,75,965
Water intensity per rupee of turnover (Water consumed / turnover)	**37.28 kl/₹ cr**	41.91 kl/₹ cr
Water intensity (per kl of production)	**0.77**	0.80

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Assurance for information relating to specific non-process water consumption and limited assurance for water withdrawal.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

All our decorative manufacturing sites are Zero Liquid Discharge facilities. Recognizing the importance of water as a resource, we undertake several initiatives to optimize the consumption and reduce resultant wastewater generation through our reuse or recycle schemes. Such wastewater is further recovered and used back in process. The details of such initiatives can be found under Water Management & Waste water Management heads in the Natural Capital section of this Annual Report.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter*	Unit	FY 2021-22	FY 2020-21
NOx	NOx (g)	**1,34,97,891**	1,20,40,372
SOx	SO_2 (g)	**60,00,545**	25,73,569
Particulate matter (PM)	SPM (g)	**48,34,001**	31,75,980

***** Other air emissions i.e. Persistent Organic Pollutants (POP), Volatile Organic Compounds (VOC), Hazardous Air Pollutants (HAP), are not being monitored currently.

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Limited Assurance for the information reported SOx, NOx and SPM.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions	Metric tonnes of CO_2 equivalent	**12,407**	11,601
Total Scope 2 emissions	Metric tonnes of CO_2 equivalent	**36,340**	32,507
Total Scope 1 and Scope 2 emissions per rupee of turnover	CO_2e/ ₹ cr	**1.94**	2.38
Total Scope 1 and Scope 2 emissions intensity	CO_2e/ kl	**0.0402**	**0.0452**

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP, provides Assurance for scope 1 and scope 2 absolute values.

7. Does the entity have any project related to reducing Green House Gas (GHG) emission? If yes, then provide details.

Aligning emissions management strategy with the global goals of minimizing carbon footprint and mitigating climate change risks, the Company has streamlined its processes to move closer to this common goal. Reducing GHG emissions is not only a business imperative for Asian Paints, but also forms a vital part of its environmental strategy going forward. With the use of Renewable Energy sources, alternate fuel, and energy efficiency efforts, the Company has been able to reduce emissions.

Reduction in electricity consumption:

The Company is committed to energy conservation and ensure efficient energy usage at all its operational facilities. Energy management forms a vital part of the Company's approach towards sustainable operations. Facilities operate with an aim to reduce energy consumption in the processes which has a direct impact on carbon emissions. These efforts have resulted in 37% reduction in specific electricity consumption compared to the baseline of financial year 2013-14.

Renewable Electricity:

Renewable electricity 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 electricity now accounts for 61.1% of the total electricity consumption in financial year 2021-22.

Process Improvement:

Cycle time reduction

Process efficiency at Asian Paints is one of the key focus areas to achieving overall sustainability agenda.

In line with this, the Company has been putting efforts into freeing up the capacity through cycle time reduction across intermediate and product streams. Cycle time reduction in the manufacturing of paints and intermediates translates to lower energy consumption. Several cross-functional initiatives were taken up this year to reduce cycle time in water-based and solvent-based paints, emulsion polymers, resins and colourants. These initiatives were largely around reaction engineering at lower temperature/ heat, functional additives that reduce processing time, optimizing the reaction conditions, use of alternate raw materials and optimizing the testing time. Through these efforts, the Company was able to reduce the cycle time of paints, polymers and colourants by 3.1 – 7.7%.

8. Details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	**3,079.93**	2,150.18
E-waste (B)	**7.82**	12.05
Bio-medical waste (C)	**0.36**	0.31
Construction and demolition waste (D)	**2,108.50**	0
Battery waste (E)	**96.8**	29.83
Radioactive waste (F)	-	-
Other Hazardous waste (G) (such as process waste, waste residue, chemical slude etc.)	**1,272.64**	1,233.47
Other Non-hazardous waste generated (H) (such as metal waste, wooden waste, paper waste etc.)	**4,425.86**	3,521.03
Total (A + B + C + D + E + F + G + H)	**10,991.91**	**6,946.87**

Note: As a part of Integrated Report, Price Waterhouse Chartered Accountants LLP provides Assurance on hazardous & non-hazardous waste generated.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste generation being an inevitable part of manufacturing process, efforts have been taken to create value from waste. With an aim to divert a significant quantum of waste from going to the landfills, the Company has adopted systems and procedures that helps repurpose used material and reintroduce excess material into the production process. The Company follows the '3R' strategy of Reduce, Reuse and Recycle for our waste management. The Company follows legally prescribed procedures and applies environmentally sound disposal techniques for disposing hazardous waste whereas the non-hazardous waste is sold to authorised recyclers.

Safety and environmental sustainability are integral parts of strong product development processes established by the Company. These processes are built on advanced IT platforms which enable Company's state-of-the-art Research & Technology Centre at Mumbai to screen and prevent entry of potentially hazardous raw materials right at the development stage. All our products does not contain carcinogens, mutagens, or reprotoxic.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details.

Not Applicable

11. Details of Environmental Impact Assessments ("EIA") of projects undertaken by the entity based on applicable laws, in the current financial year.

EIA notification mandates is to undertake EIA study for establishment or expansion of integrated paint manufacturing facility. During the financial year 2021-22, no environmental impact assessments of projects undertaken.

12. Is the entity compliant with the applicable environmental law/ regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act,1974, Air (Prevention and Control of Pollution) Act 1981, Environment Protection Act, 1986 and rules thereunder (Yes/No). If not, provide details of all such non-compliances.

Yes, the Company is in compliance with all the environment related applicable legislations. However, the Company had received show cause notices with respect to furnishing of the documents or data, inspection etc. however, no significant non-compliances were reported by the authorities.

Leadership Indicators:

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

(In Giga Joules)

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	**1,95,303.53**	1,49,584.48
Total fuel consumption (B)	**-**	-
Energy consumption through other sources (C)	**-**	-
Total energy consumed from renewable sources (A+B+C)	**1,95,303.53**	1,49,584.48
Total electricity consumption (D)	**1,21,506.66**	1,13,882.62
Total fuel consumption (E)	**2,20,335.36**	2,04,050.93
Energy consumption through other sources (F)	**-**	-
Total energy consumed from non-renewable sources (D+E+F)	**3,41,842.02**	**3,17,933.55**

Note: Independent assurance for total energy consumption has not been carried out. As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides Reasonable Assurance for specific electricity consumption and renewable electricity related information.

2. Provide the following details related to water discharged.

All decorative manufacturing sites are zero liquid discharge facilities. First effort is to reduce effluent generation followed by reusing the generated effluent back in the process. The effluents that cannot be reused are recycled in effluent treatment plant and advanced treatment systems. This recycled water is then utilised to fulfil both process and non-process requirements

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Patancheru

(ii) Nature of operations: Integrated Paint Manufacturing

(iii) Water withdrawal, consumption and discharge* in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	**-**	-
(ii) Groundwater	**25,537**	20,093
(iii) Third party water	**19,753.00**	22,695.00
(iv) Seawater / desalinated water	**-**	-
(v) Others	**-**	-
Total volume of water withdrawal (in kilolitres)	**45,290**	**42,788**
Total volume of water consumption (in kilolitres)	**45,290**	**42,788**
Water intensity per rupee of turnover (Water consumed / turnover)	**2.44**	1.69
	kl/₹ cr	kl/₹ cr

* All decorative manufacturing sites are zero liquid discharge facilities.

Note: As a part of our annual Sustainability Report, Price Waterhouse Chartered Accountants LLP provides limited assurance for the total volume of Water Withdrawal.

4. Please provide details of total Scope 3 emissions & its intensity.

As of now, the Company have not done scope 3 inventory baselining. However, basis Life Cycle Assessment ("LCA") studies, the Company has identified hotspots related to Green House Gas ("GHG") emissions and has made efforts to reduce overall footprint. Optimising rutile is the outcome of our efforts to reduce our upstream GHG emission.

Rutile grade of titanium dioxide is a key contributor to the cradle-to-gate product carbon footprint. Over the years, we have focused on improving the scattering efficiency of the rutile through multiple formulations and process innovations. There were continued efforts this year to enhance the spacing of rutile in paint film and use effective dispersion and stabilization techniques. All these efforts helped us to avoid 17,700 metric tonnes of CO_2e in the financial year.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The said disclosure is not applicable to the Company. We operate from sites which are located in industrial areas and don't fall close to ecologically sensitive areas. However, we have been undertaking biodiversity initiatives, details of which can be referred in Natural Capital section of this Annual Report.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiatives undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative.
1.	Optimisation of rutile in the formulation	Please refer Product Stewardship section in Natural Capital	Avoidance of 17,700 metric tonnes of CO_2e in the financial year
2.	Cycle time reduction	Please refer Product Stewardship section in Natural Capital	We were able to reduce the cycle time of paints, polymers and colourants by 3.1 – 7.7%
3.	Use of recycle content in plastic packaging	Please refer Material Management section in Natural Capital	3,647 tonnes of recycled content in plastic packaging in financial year 2021-22
4.	Water replenishment and conservation outside factory premises	Please refer Water Management section in Natural Capital	In the financial year 2021-22, the Company has replenished 282% of the total water that was used at the manufacturing sites

Sr. No	Initiatives undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative.
5.	Self-Cleaning Filter Machine	At Patancheru, the self-cleaning filter was introduced in place of the sparkler filter	Estimated reduction of hazardous waste by 160 Kg/month at the trial stage
6.	Engineering interventions to reduce hazardous waste	At Mysuru plant, the Company mitigated the issue of pump seal leakage by piloting replacement with different type of pump. This along with host of other initiatives undertaken at the site, resulted in a reduction of 40 MT in hazardous waste generation from production block. Similar initiatives were also undertaken at Vishakhapatnam plant.	Approx. 40MT reduction of hazardous waste

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Emergency plan is prepared at all plants and mock drills are conducted in once in six months.

Following are the major components of the emergency plan

- All probable hazards, their place, potential, damaging capacity and areas in case of all accidents, dangerous occurrence, emergencies and disasters happening in or affecting the jurisdiction at any time detailed emergency response for each hazard scenario.
- Emergency response team on site consisting of site main controller, incident controller, firefighting team, first aiders, communications team, power and utility teams.
- Responsibilities and functions of key member's emergency response team and alternates.
- Emergency control centre and minimum infrastructure required in emergency control centre.
- List of Regulatory agencies with names and telephone Numbers.
- List of Telephone numbers of Local Hospitals and telephone numbers

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/associations.

The Company is affiliated with four (4) trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations(State/National)
1.	The Confederation of Indian Industry (CII)	National
2.	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
3.	The Public Affairs Forum of India	National
4.	India Paint Association (IPA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse order was received by the Company from regulatory authorities during the financal year 2021-22, hence no corrective action was required to be taken.

The Competition Commission of India (Commission) had passed a *prima facie* Order dated 14th January, 2020, directing the Director General (DG) to cause an investigation against the Company, under the provisions of Section 26(1) of the Competition Act, 2002. Based on this Order, the DG initiated an investigation against the Company and on 17th December, 2021, submitted a consolidated Investigation Report to the Commission. The report in no way affects the going concern status of the Company. The Commission has now scheduled the matter for hearing.

Leadership Indicators:

1. Details of public policy positions advocated by the entity:

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 authorized for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

The Company through the IPA has represented and worked towards the benefit and inclusive development policies for the Paint Industry as a whole. The Company's scientists participate actively in meetings with statutory agencies like BIS (Bureau of Indian standards), Chemical Division Council and help evolving new standards for finished products and raw materials for human safety and environmental protection. On other matters relating to the Company, either directly or through industry associations advocates on such laws.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency? (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
CSR - Colour Academy	The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021	22.01.2021	Yes	Yes	https://www.asianpaints.com/AnnualReports.html

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Grievance Redressal Mechanism (GRM) is an important aspect of assuring our strong relation with the community as it provides us social license the to operate and execute the community initiative projects. As part of our grievance redressal mechanism, we have deployed our local employees who regularly visit the community and interact with people to gauge and address community concerns. Based on these interactions, we have not encountered any specific grievances from the community at present.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs (%)	15	17

* The Company gives priority to suppliers in local community for sourcing of input material, baring specialty chemicals which are procured from buyers who may not be available in local vicinity.

Leadership Indicators:

1. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount Spent (in ₹ crores)
1.	Andhra Pradesh	Visakhapatnam	2.66

2. Details of beneficiaries of CSR Project:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects*	% of beneficiaries from vulnerable and marginalized groups
1.	Health & Hygiene	2,70,000+	Covers all beneficiaries within 20km distance from the Manufacturing plant.
2.	Colour Academy	3,75,000+	Colour Academies work on imparting skill education and enhancing productivity of the people in paint application/plumbing/carpentry trade etc.

* No breakup of marginalised community is available at present.

Note: The Annual Report on CSR activities undertaken by the Company during the financial year ended 31st March, 2022 is given in Annexure (D) to the Boards Report which forms part of this Annual Report.

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators:

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company treats customer complaints with utmost importance and believe that it needs to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily.

   The Company ensures to keep the customer informed loop throughout the entire process of complaint resolution and focus on resolving retail customer complaints within five working days, which includes calling the customer within four hours, connecting with the customer within two days, and providing the final resolution to the customer. These timelines are relevant to our décor category's customer/ applicator/trade expectations. The Company also maintains multiple points of communication with the customer, that is through SMS/Email/WhatsApp, to keep the customer informed of all actions taken on the complaint.

   Unique situations give rise to unique solutions. During the pandemic, the Company accepted the challenge of managing an unprecedented set of circumstances and explored the possibility of managing customer complaints remotely. This was done via digital conversations through audio/video.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a Percentage to total turnover
Environmental and Social Parameters relevant to the product	100
Safe and Responsible Usage	100
Recycling and/or safe disposal	100

3. **Number of consumer complaints in respect of the data privacy, advertising, cyber security, restrictive trade practices.**

   The Company has not received any consumer complaints with respect to data privacy, advertising, cyber security, restrictive trade practices, and unfair trade practices during the financial year 2021-22 and 2020-21. A complaint filed by the Company's competitor in financial year 2019-20 is pending with the Competition Commission of India. For further details on the same, please refer Note No. 38 of Standalone Financial Statements.

4. **Details of instances of product recalls on account of safety issues:**

   There have been no instances of product recall (voluntary or forced) on account of safety issues during the financial year 2021-22.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a policy on cyber security and risk related to data privacy, which is available on the Company's website at https://www.asianpaints.com/TermsandConditions.html.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Not Applicable

Leadership Indicators:

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The platforms used for the information are Website, Integrated Annual Report, Social Media platforms and Media advertisement/publications.

   Information relating to all the products and services provided by the Company are available on the Company's website at https://www.asianpaints.com/ProductInformationSheets.html .

2. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, 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.

   The Company places customer delight at centre of all its business endeavours and has taken several initiatives in this regard including setting up a Customer Centricity Department which carries out consumer survey/consumer satisfaction trends regularly. The Company also conducts annual customer experience surveys for all our products and services and measures the percentage of customers who would promote the products and services to other customers through the Net Promoter Score ("NPS") method. The NPS method of customer feedback covers most of the customer interaction points, including retail experiences, direct to home painting and colour consultancy service.

3. **Provide the following information relating to data breaches:**

a. **Number of instances of data breaches along-with impact:** The Company has not had any known incident data breaches during the financial year 2021-22.

b. **Percentage of data breaches involving personally incidents information of customer:** Nil

Independent Auditor's 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 2022, 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, 2022, 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 1.3 (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, testing of cut-offs and performing 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 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 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 accounts.

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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

As stated in Note 30 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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

Rupen K. Bhatt
Partner
Membership No: 046930
UDIN: 22046930AIRNOZ1411

Place: Mumbai
Date: May 10, 2022

Annexure "A" to The Independent Auditor's 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, 2022 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, 2022, 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

Rupen K. Bhatt
Partner
Membership No: 046930
UDIN: 22046930AIRNOZ1411

Place: Mumbai
Date: May 10, 2022

Annexure "B" to The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment 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) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements filed by the Company with the bank are in agreement with the audited books of account of the Company of the respective quarters.

(iii) (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence sub-clauses iii (a), (d), (e), (f) under clause (iii) of the Order are not applicable.

(b) The investments made, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(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) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2022, for a period of more than six months from the date they became payable.

Annexure "B" to The Independent Auditor's Report (Contd.)

(b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (₹ in crores)	Amount Unpaid (₹ in crores)
Income Tax	IT Matters under dispute	CIT (A)	A.Y. 2018-19	77.69	64.11
		CIT (A)	A.Y. 2017-18	77.18	37.96
		CIT (A)	A.Y. 2016-17	67.40	51.23
		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
		Assessing Officer	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	253.30	160.31
Sales tax	Assessment Dues	Assessing Authority	F.Y. 1997-98 F.Y. 2000-01 F.Y. 2002-03 F.Y. 2004-05 to F.Y. 2017-18	68.93	67.97
		First Appellate level	F.Y. 1997-98 to F.Y. 1998-99 F.Y. 2000-01 to F.Y. 2017-18	79.24	71.08
		Second Appellate level	F.Y. 2003-04 to F.Y. 2004-05 F.Y. 2013-14 F.Y. 2017-18	0.05	0.01
		Tribunal	F.Y. 1991-92 F.Y. 1993-94 F.Y. 1996-97 to F.Y. 2003-04 F.Y. 2005-06 to F.Y. 2013-14 F.Y. 2016-17	16.13	10.05
		High court	F.Y. 1993-94 F.Y. 2000-01 to F.Y. 2005-06 F.Y. 2007-08	1.79	0.92
			Total	166.14	150.03
Central Excise Act, 1944 Finance Act, 1994 and Customs Act 1962	Assessment dues	Adjudicating Authority	F.Y. 2020-21	1.32	-
		First Appellate	F.Y. 1986-87 F.Y. 1996-97 F.Y. 2005-06 to F.Y. 2011-12 F.Y. 2013-14 to F.Y. 2016-17 F.Y. 2018-19 to F.Y. 2020-21	7.65	7.10
		Tribunal	F.Y. 2005-06 to F.Y. 2016-17 F.Y. 2018-19 FY 2020-21	6.81	5.11
Employee Provident Fund Act	PF contribution	High court	FY 2006-07 to FY 2007-08 FY 2017-18	0.39	0.39
		Commission	FY 2017-18	1.18	1.18
Minimum Wages Act	Wage Payments	High Court	FY 2002-03	2.73	2.59
Municipal Corporation Act	Property Tax	Panchayat	FY 2019-20 to 2021-22	0.34	0.34
		High Court	FY 2008-09	0.21	0.16
		Municipal Corporation	FY 2013-14	0.33	-
	Octroi	Municipal Corporation	FY 1991-92 to 1997-98	0.89	-
			FY 2012-13 to FY 2013-14	0.68	-
Employee State Insurance Act	ESI Contributions	High Court	FY 2002-03 to FY 2007-08	0.02	0.02

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) during the year and hence reporting under clause (x)(b) of the Order is not applicable to Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration, the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2022.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order are not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930
UDIN: 22046930AIRNOZ1411

Place: Mumbai
Date: May 10, 2022

Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-Current assets			
Property, Plant and Equipment	2A	**3,689.63**	3,971.80
Right of Use Asset	2B	**786.20**	714.79
Capital work-in-progress	3	**225.47**	118.56
Goodwill	4A	**35.36**	35.36
Other Intangible Assets	4B	**42.75**	41.52
Investments in Subsidiaries and Associates	5	**1,095.56**	1,015.57
Financial Assets			
Investments	5	**550.69**	984.95
Other Financial Assets	6	**470.61**	579.23
Income Tax Assets (Net)	7	**144.58**	132.84
Other Non-current assets	8	**119.56**	39.44
		7,160.41	**7,634.06**
Current assets			
Inventories	9	**5,277.61**	3,124.61
Financial Assets			
Investments	5	**2,164.34**	3,178.81
Trade Receivables	10	**2,915.77**	1,809.75
Cash and Cash Equivalents	11A	**276.04**	113.27
Other Balances with Banks	11B	**32.53**	21.64
Other Financial Assets	6	**1,645.41**	1,252.27
Other Current Assets	8	**436.22**	446.41
		12,747.92	**9,946.76**
Total Assets		**19,908.33**	**17,580.82**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	**95.92**	95.92
Other Equity	13	**13,253.17**	11,993.27
		13,349.09	**12,089.19**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	**16.16**	14.31
Lease Liabilities	15	**518.80**	468.73
Other Financial Liabilities	16	**1.14**	1.09
Provisions	17	**168.29**	163.51
Deferred Tax Liabilities (Net)	18C	**205.30**	265.19
Other Non-current Liabilities	19	**2.11**	3.41
		911.80	**916.24**
Current Liabilities			
Financial Liabilities			
Borrowings	14	**-**	7.89
Lease Liabilities	15	**179.22**	157.22
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	**56.04**	53.55
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	**3,441.25**	2,760.75
Other Financial Liabilities	16	**1,524.78**	1,276.65
Other Current liabilities	19	**307.22**	173.73
Provisions	17	**38.08**	57.91
Income Tax Liabilities (Net)	21	**100.85**	87.69
		5,647.44	**4,575.39**
Total Equity and Liabilities		**19,908.33**	**17,580.82**
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Financial Statements	2-48		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

Mumbai
10th May, 2022

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Notes	Year 2021-22	Year 2020-21
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	22A	**24,935.57**	18,252.46
Revenue from Sale of Services	22A	**66.52**	27.60
Other Operating Revenue	22A	**186.42**	236.80
Other Income	23	**451.89**	366.02
Total Income (I)		**25,640.40**	**18,882.88**
EXPENSES			
Cost of Materials Consumed	24A	**13,838.90**	8,524.17
Purchases of Stock-in-Trade	24B	**2,978.69**	1,649.06
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	24C	**(1,208.63)**	(90.70)
Employee Benefits Expense	25	**1,310.14**	1,128.66
Other Expenses	26	**3,681.62**	2,812.89
Total Expenses (II)		**20,600.72**	**14,024.08**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**5,039.68**	**4,858.80**
Finance Costs	27	**70.25**	71.66
Depreciation and Amortisation Expense	28	**721.56**	697.47
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**4,247.87**	**4,089.67**
Exceptional Items	43	**53.73**	-
PROFIT BEFORE TAX		**4,194.14**	**4,089.67**
Tax Expense	18		
(1) Current Tax		**1,107.29**	1,052.72
(2) Short tax provision for earlier years		**3.16**	6.46
(3) Deferred Tax		**(51.02)**	(21.31)
Total Tax Expense		**1,059.43**	**1,037.87**
PROFIT AFTER TAX		**3,134.71**	**3,051.80**
OTHER COMPREHENSIVE INCOME (OCI)			
A Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of the defined benefit plans		**4.39**	(5.32)
(ii) Income tax (expense)/benefit on remeasurement of defined benefit plans		**(1.11)**	1.34
(b) (i) Net fair value (loss)/gain on investments in equity instruments through OCI		**(82.31)**	57.26
(ii) Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI		**9.59**	(4.88)
B Items that will be reclassified to Profit or Loss			
(i) Net fair value (loss)/gain on investments in debt instruments through OCI		**(3.26)**	2.41
(ii) Income tax benefit/(expense) on net fair value gain on investments in debt instruments through OCI		**0.39**	(0.28)
Total Other Comprehensive Income (A+B)		**(72.31)**	**50.53**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,062.40**	**3,102.33**
Earnings per equity share (Face value of ₹ 1 each)	40		
(1) Basic (in ₹)		**32.68**	**31.82**
(2) Diluted (in ₹)		**32.68**	**31.82**
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Financial Statements	2-48		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

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Chairman
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DIN: 00109854

Mumbai
10th May, 2022

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2022

A) EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the reporting year	95.92	95.92
Changes in Equity Share capital to prior period errors	-	-
Restated balance at the beginning of the current reporting period	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

(₹ in Crores)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income (OCI)			Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Remeasurement of defined benefit plans	Share based payment reserve	Treasury shares	Trust reserve	Debt instruments through OCI	Equity instruments through OCI	
Balance as at 1st April, 2020 (A)	**44.38**	**0.50**	**4,166.74**	**4,994.52***	**(21.08)**	**-**	**-**	**-**	**2.48**	**168.63**	**9,356.17**
Additions during the year :											
Profit for the year	-	-	-	3,051.80	-	-	-	-	-	-	3,051.80
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	(3.98)	-	-	-	-	-	(3.98)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	52.38	52.38
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	2.13	-	2.13
Total Comprehensive Income for the year 2020-21 (B)	**-**	**-**	**-**	**3,051.80**	**(3.98)**	**-**	**-**	**-**	**2.13**	**52.38**	**3,102.33**
Reductions during the year :											
Dividends (Refer note 30)	-	-	-	(465.23)	-	-	-	-	-	-	(465.23)
Total (C)	**-**	**-**	**-**	**(465.23)**	**-**	**-**	**-**	**-**	**-**	**-**	**(465.23)**
Balance as at 31st March, 2021 (D) = (A+B+C)	**44.38**	**0.50**	**4,166.74**	**7,581.09**	**(25.06)**	**-**	**-**	**-**	**4.61**	**221.01**	**11,993.27**
Additions during the year :											
Profit for the year	-	-	-	3,134.71	-	-	-	-	-	-	3,134.71
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	3.28	-	-	-	-	-	3.28
Net fair value (loss) on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	(72.72)	(72.72)
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	(2.87)	-	(2.87)
Total Comprehensive Income for the year 2021-22 (E)	**-**	**-**	**-**	**3,134.71**	**3.28**	**-**	**-**	**-**	**(2.87)**	**(72.72)**	**3,062.40**
Reductions during the year :											
Dividends (Refer note 30)	-	-	-	(1,740.95)	-	-	-	-	-	-	(1,740.95)
Share based payment expense	-	-	-	-	-	13.40	-	-	-	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	0.05	-	-	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(75.00)	-	-	-	(75.00)
Total (F)	**-**	**-**	**-**	**(1,740.95)**	**-**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**(1,802.50)**
Balance as at 31st March, 2022 (D+E+F)	**44.38**	**0.50**	**4,166.74**	**8,974.85**	**(21.78)**	**13.40**	**(75.00)**	**0.05**	**1.74**	**148.29**	**13,253.17**

*Refer note 39(a) on Amalgamation and Acquisitions

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)

See accompanying notes to the Financial Statements (Refer note 2-48)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930
Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

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Chairman
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DIN: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22		Year 2020-21	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	**4,194.14**		4,089.67	
Adjustments for:				
Depreciation and amortisation expense	**721.56**		697.47	
Interest income	**(71.92)**		(40.90)	
Dividend income	**(27.35)**		(16.45)	
Finance costs	**70.25**		71.66	
Allowance for doubtful debts and advances	**36.40**		27.90	
Bad debts written off	**-**		0.56	
Deferred income arising from government grant	**(1.76)**		(2.28)	
Net unrealised foreign exchange loss/ (gain)	**4.82**		(16.73)	
Gain on sale of property, plant and equipment (net)	**(40.36)**		(18.37)	
Net gain on modification/ termination of leases	**(3.53)**		(1.72)	
Net gain arising on financial assets measured at fair value through profit or loss (FVTPL)	**(76.09)**		(92.28)	
Share based payment expense (net)	**8.52**		-	
Provision for expected credit loss (Refer note 43)	**53.73**		-	
Operating Profit before working capital changes	**4,868.41**		**4,698.53**	
Adjustments for :				
(Increase) in trade receivables	**(1,141.62)**		(724.39)	
(Increase) in financial assets	**(158.99)**		(242.74)	
(Increase) in inventories	**(2,153.00)**		(297.14)	
(Increase) in other assets	**(11.81)**		(234.99)	
Increase in trade payables	**593.44**		960.72	
Increase in other financial liabilities	**232.16**		190.10	
Increase in other liabilities and provisions	**140.75**		123.47	
Cash generated from Operating activities	**2,369.34**		**4,473.56**	
Income tax paid (net of refund)	**(1,109.03)**		(1,014.98)	
Net Cash generated from Operating activities		**1,260.31**		**3,458.58**
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, plant and equipment and other intangible assets	**(402.91)**		(211.32)	
Sale of Property, plant and equipment (including advances)	**27.29**		25.56	
Payment for acquiring right of use assets	**(12.14)**		(7.14)	
Investment in subsidiary	**(79.99)**		-	
Purchase of non-current investments - others	**-**		(0.50)	
Sale of non-current investments	**146.46**		272.32	
Purchase of term deposits	**(1,048.19)**		(897.11)	
Proceeds from maturity of term deposits	**897.11**		458.01	
Sale / (Purchase) of current investments (net)	**61.03**		(139.34)	
Interest received	**56.20**		46.91	
Dividend received from subsidiary	**-**		8.64	
Dividend received from others	**15.16**		7.81	
Net Cash used in Investing activities		**(339.98)**		**(436.16)**

Cash Flow Statement (Contd.)

for the year ended 31st March, 2022

(₹ in Crores)

Particulars		Year 2021-22		Year 2020-21	
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of non-current borrowings	**(7.89)**		(5.90)	
	Proceeds from non-current borrowings	**-**		1.96	
	Acceptances (net)	**86.12**		115.17	
	Repayment of lease liabilities	**(183.24)**		(158.71)	
	Finance costs paid	**(68.41)**		(69.36)	
	Purchase of Treasury Shares by ESOP Trust (net)	**(74.95)**		-	
	Dividend paid	**(1,740.95)**		(466.06)	
	Net Cash used in Financing activities		**(1,989.32)**		**(582.90)**
(D)	**NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]**		**(1,068.99)**		2,439.52
	Add: Cash and cash equivalents as at 1st April		**3,133.58**		694.06
	Cash and cash equivalents as at 31st March		**2,064.59**		**3,133.58**

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)

Particulars		As at 31.03.2022	As at 31.03.2021
(b)	**Cash and Cash Equivalents comprise of**		
	Cash on hand	**0.03**	0.02
	Balances with Banks:		
	- Current Accounts	**220.94**	81.62
	- Cash Credit Account	**8.34**	12.27
	Cheques, draft on hand	**46.73**	19.36
	Cash and cash equivalents (Refer note 11A)	**276.04**	**113.27**
	Add: Investment in liquid mutual funds [Refer note 5(D)(ii)]	**1,788.55**	3,020.31
	Cash and cash equivalents in Cash Flow Statement	**2,064.59**	**3,133.58**
	Significant accounting policies and Key accounting estimates and judgements (Refer note 1) **See accompanying notes to the Financial Statements** (Refer note 2-48)		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
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DIN: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Notes to the Financial Statements

for the year ended 31st March, 2022

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.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs; following Balance Sheet line items in the previous year have been regrouped:

a. Security deposits - earlier disclosed under the head of 'Loans' are shown under 'Other Financial Assets'

b. Current portion of long-term borrowings - earlier disclosed under the head of 'Other Financial Liabilities' is shown under 'Borrowings'

Other new disclosures are given together with related notes.

1.2. 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.

1.3. 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 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.

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.

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 décor services / 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.

Advance from customers is recognized under other liabilities and released to revenue on satisfaction of performance obligation.

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.

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 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.

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.

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 5. Impairment policy applicable on such investments is explained in note 1.3(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 utilised. 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 utilised.

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 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) Employee Share based Payments:

The Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expenses on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

The Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries. The said recovery is netted off from the Employee benefits expense.

t) Treasury shares:

The Company has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognized at cost and is disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognized the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

u) 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 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 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.

v) 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 utilised for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

w) 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.

x) 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.

y) 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.

z) 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.

aa) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.

bb) Exceptional items:

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the Statement of Profit and Loss account.

1.4. 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 in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected 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 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 37, 'Employee benefits'.

f) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant

date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 37(3).

g) 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.

h) 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.

NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value	Net carrying value
	As at 01.04.2021	Additions during the year	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Additions during the year	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Freehold Land*	341.19	4.71	0.04	345.86	-	-	-	-	345.86	341.19
Buildings	1,360.71	12.29	1.57	1,371.43	222.34	55.66	1.19	276.81	1,094.62	1,138.37
Plant and Equipment	3,867.73	165.49	5.25	4,027.97	1,565.95	390.03	3.97	1,952.01	2,075.96	2,301.78
Scientific Research :										
Buildings	71.28	-	-	71.28	12.30	2.74	-	15.04	56.24	58.98
Equipment	71.39	1.90	0.32	72.97	40.41	7.39	0.32	47.48	25.49	30.98
Leasehold Improvements	0.27	0.04	-	0.31	0.05	0.03	-	0.08	0.23	0.22
Furniture and Fixtures	72.25	13.74	1.07	84.92	41.05	8.75	0.96	48.84	36.08	31.20
Vehicles	3.04	-	0.03	3.01	1.64	0.49	-	2.13	0.88	1.40
Office Equipment	70.87	8.53	3.31	76.09	46.47	9.52	3.23	52.76	23.33	24.40
Leasehold improvements	8.92	-	-	8.92	8.31	0.61	-	8.92	-	0.61
Information Technology Hardware	174.91	12.99	1.58	186.32	132.24	24.72	1.58	155.38	30.94	42.67
Total	**6,042.56**	**219.69**	**13.17**	**6,249.08**	**2,070.76**	**499.94**	**11.25**	**2,559.45**	**3,689.63**	**3,971.80**

(₹ in Crores)

	Gross carrying value				Depreciation/Amortisation				Net carrying value	Net carrying value
	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Freehold Land*	340.99	0.20	-	341.19	-	-	-	-	341.19	340.99
Buildings	1,353.74	9.48	2.51	1,360.71	160.67	62.83	1.16	222.34	1,138.37	1,193.07
Plant and Equipment	3,742.43	128.55	3.25	3,867.73	1,191.10	377.46	2.61	1,565.95	2,301.78	2,551.33
Scientific Research :										
Buildings	71.28	-	-	71.28	9.56	2.74	-	12.30	58.98	61.72
Equipment	69.93	1.60	0.14	71.39	32.28	8.27	0.14	40.41	30.98	37.65
Leasehold Improvements	0.27	-	-	0.27	0.02	0.03	-	0.05	0.22	0.25
Furniture and Fixtures	66.99	5.45	0.19	72.25	32.62	8.59	0.16	41.05	31.20	34.37
Vehicles	2.96	0.08	-	3.04	1.10	0.54	-	1.64	1.40	1.86
Office Equipment	67.62	5.82	2.57	70.87	38.44	10.49	2.46	46.47	24.40	29.18
Leasehold improvements	8.92	-	-	8.92	6.86	1.45	-	8.31	0.61	2.06
Information Technology Hardware	169.66	11.11	5.86	174.91	112.68	25.37	5.81	132.24	42.67	56.98
Total	**5,894.79**	**162.29**	**14.52**	**6,042.56**	**1,585.33**	**497.77**	**12.34**	**2,070.76**	**3,971.80**	**4,309.46**

Title deeds of all immovable properties are in the name of the Company. The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 32 (b).

*Refer note 39(a) on Amalgamation and Acquisitions

NOTE 2B : RIGHT OF USE ASSETS

(₹ in Crores)

Movement in net carrying amount	2021-22				2020-21			
	Leasehold Land	Building	Vehicles	Total	Leasehold Land	Building	Vehicles	Total
Net Carrying Amount								
Balance at 1st April	146.56	566.87	1.36	714.79	148.35	576.04	2.24	726.63
Additions	-	304.28	0.28	304.56	-	184.75	0.41	185.16
Depreciation	1.79	197.07	0.72	199.58	1.79	173.24	0.86	175.89
Deletions	-	33.45	0.12	33.57	-	20.68	0.43	21.11
Balance at 31st March	**144.77**	**640.63**	**0.80**	**786.20**	**146.56**	**566.87**	**1.36**	**714.79**

All lease agreements are duly executed in favour of the Company.

NOTE 3: CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-In-Progress ageing schedule

(₹ in Crores)

CWIP	Amount in Capital work-in-progress for a period of				As at 31.03.2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	214.57	4.98	2.97	2.95	225.47

(₹ in Crores)

CWIP	Amount in Capital work-in-progress for a period of				As at 31.03.2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	73.87	15.29	24.64	4.76	118.56

There are no capital work-in-progress where completion is overdue against original planned timelines or where estimated cost exceeded its original planned cost as on 31st March, 2022 and 31st March, 2021.

NOTE 4 : INTANGIBLE ASSETS (ACQUIRED SEPARATELY)

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.2021	Additions during the year	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Additions during the year	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022
A. GOODWILL									
Goodwill (Refer note below)	35.36	-	-	**35.36**	-	-	-	**-**	**35.36**
Total (A)	**35.36**	**-**	**-**	**35.36**	**-**	**-**	**-**	**-**	**35.36**
B. OTHER INTANGIBLE ASSETS									
Trademark	1.39	5.00	-	**6.39**	0.96	1.09	-	**2.05**	**4.34**
Computer Software	194.00	18.27	-	**212.27**	152.92	20.94	-	**173.86**	**38.41**
Scientific Research :									
Computer Software	0.17	-	-	**0.17**	0.16	4.35	-	**0.17**	**-**
Total (B)	**195.56**	**23.27**	**-**	**218.83**	**154.04**	**22.04**	**-**	**176.08**	**42.75**
Total (A+B)	**230.92**	**23.27**	**-**	**254.19**	**154.04**	**22.04**	**-**	**176.08**	**78.11**

(₹ in Crores)

	Gross carrying value				Amortisation				Net carrying value
	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Additions during the year	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
A. GOODWILL									
Goodwill (Refer note below)	35.36	-	-	35.36	-	-	-	-	35.36
Total (A)	**35.36**	**-**	**-**	**35.36**	**-**	**-**	**-**	**-**	**35.36**
B. OTHER INTANGIBLE ASSETS									
Trademark	0.94	0.45	-	1.39	0.94	0.02	-	0.96	0.43
Computer Software	179.47	14.61	0.08	194.00	129.21	23.78	0.07	152.92	41.08
Scientific Research :									
Computer Software	0.16	0.01	-	0.17	0.15	0.01	-	0.16	0.01
Total (B)	**180.57**	**15.07**	**0.08**	**195.56**	**130.30**	**23.81**	**0.07**	**154.04**	**41.52**
Total (A+B)	**215.93**	**15.07**	**0.08**	**230.92**	**130.30**	**23.81**	**0.07**	**154.04**	**76.88**

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 32 (b).

Notes to the Financial Statements (Contd.)

NOTE 4 : 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 31.03.2022	As at 31.03.2021
Bath Fittings Business	**35.36**	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, 2022 and 31st March, 2021, goodwill in respect of Bath Fittings Business was not impaired.

Key Assumptions used for value in use calculations are as follows:

	As at 31.03.2022	As at 31.03.2021
Compounded average net sales growth rate for five-year period (Previous year - five year)	**29%**	25%
Growth rate used for extrapolation of cash flow projections beyond the five- year period (Previous year- five year)	**4%**	4%
Discount rate	**12.25%**	12.25%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessment 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.

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 demand condition. The weighted average growth rates used are consistent with industry reports.

NOTE 5 : INVESTMENTS

(₹ in Crores)

	Nos.#	Face value (₹)	Non-Current		Current	
			As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
A. Investments in Equity Instruments						
(a) Unquoted equity shares						
(i) Subsidiaries (measured at cost, Refer note 1.3(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**	706.44	**-**	-
(c) Asian Paints (Nepal) Private Limited	32,54,310	NPR 10	**0.12**	0.12	**-**	-
(d) Maxbhumi Developers Limited	4,19,000	10	**15.55**	15.55	**-**	-
Less: Impairment loss			**(3.50)**	(3.50)	**-**	-
			12.05	**12.05**	**-**	**-**
(e) Sleek International Private Limited (85,827 shares acquired during the year for cash)	2,90,100 (2,04,273)	10	**329.60**	249.61		
Less: Impairment loss			**(95.00)**	(95.00)	**-**	-
			234.60	**154.61**	**-**	**-**
(f) Asian Paints PPG Private Limited	52,43,961	10	**30.47**	30.47	**-**	-
			1,014.13	**934.14**	**-**	**-**
(ii) Associate (measured at cost, Refer note 1.3(i))						
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)			**1,095.56**	**1,015.57**	**-**	**-**
(iii) Other equity shares measured at FVTPL			**1.07**	1.07	**-**	-
Total Unquoted equity shares			**1,096.63**	**1,016.64**	**-**	**-**
(b) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	**383.75**	461.65	**-**	-
Housing Development Finance Corporation Limited	4,65,000	2	**111.15**	116.16	**-**	-
Apcotex Industries Limited	34,180	2	**1.23**	0.61	**-**	-
Total Quoted equity shares			**496.13**	**578.42**	**-**	**-**
Total Investments in Equity Instruments other than Investments in subsidiaries and associate (a(iii) + b)		**A**	**497.20**	**579.49**	**-**	**-**
B. Investments in Unquoted Government securities measured at amortised cost		**B**	*	*	**-**	**-**
*[₹ 39,500/- (As at 31st March, 2021 - ₹ 39,500)]						
C. Investments in Quoted Debentures or Bonds measured at FVTOCI			**53.49**	81.35	**25.31**	28.33
Total Investments in Debentures or Bonds - Quoted		**C**	**53.49**	81.35	**25.31**	28.33
D. Investments in Quoted Mutual Funds measured at FVTPL						
(i) Investments in Fixed Maturity Plans			**-**	324.11	**350.48**	130.17
(ii) Investments in Liquid Mutual Funds			**-**	-	**1,788.55**	3,020.31
Total Investments in Mutual Funds - Quoted		**D**	**-**	**324.11**	2,139.03	**3,150.48**
Total Investments (A+B+C+D)			**550.69**	**984.95**	**2,164.34**	**3,178.81**
Aggregate amount of quoted investments - At cost			**90.75**	**375.70**	**2,041.09**	3,119.32
Aggregate amount of quoted investments - At market value			**549.62**	**983.88**	**2,164.34**	**3,178.81**
Aggregate amount of unquoted investments			**1,096.63**	**1,016.64**	**-**	**-**
Aggregate amount of impairment in value of investments			**98.50**	**98.50**	**-**	**-**

Amount in bracket relates to FY 2020-21

Notes to the Financial Statements (Contd.)

NOTE 6 : OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Security deposits - Unsecured & considered good	55.14	57.06	12.61	14.77
Royalty receivable from subsidiary and associate companies (Refer note 41)	-	-	84.47	62.98
Less: Allowance for doubtful debts and advances	-	-	(4.13)	(4.13)
			80.34	58.85
Due from subsidiary companies (Refer note 41)	-	-	35.78	21.04
Less: Allowance for doubtful debts and advances	-	-	(2.96)	(2.75)
	-	-	32.82	18.29
Dividend receivable from subsidiary (Refer note 41)	-	-	12.19	-
Due from associate companies (Refer note 41)	-	-	0.68	0.79
Subsidy receivable from state governments	407.32	521.56	232.19	18.08
Less: Allowance for expected credit loss (Refer note 43)	(41.61)	-	(12.12)	-
	365.71	521.56	220.07	18.08
Term deposits held as margin money against bank guarantee and other commitments	0.09	0.07	-	-
Term deposits with more than 12 months of original maturity	48.19	-	1,030.07	913.85
Interest accrued on investments in debentures or bonds measured at FVTOCI	-	-	2.72	3.99
Quantity discount receivable	-	-	235.65	221.14
Forward exchange contract (net)	-	-	-	0.88
Retention monies receivable from Customers	1.48	0.54	0.01	1.63
Other receivables	-	-	18.25	-
Total	**470.61**	**579.23**	**1,645.41**	**1,252.27**

NOTE 7 : INCOME TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Advance payment of Income tax (net)	144.58	132.84	-	-
Total	**144.58**	**132.84**	**-**	**-**

NOTE 8 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Capital advances	72.04	13.91	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	47.52	25.53	152.31	93.31
ii) Balances with government authorities	-	-	276.66	342.47
iii) Advances to employees	-	-	1.12	3.08
iv) Duty credit entitlement	-	-	0.21	1.05
	47.52	25.53	430.30	439.91
(c) Other receivables	-	-	4.58	6.50
(d) Contract assets	-	-	1.34	-
Total	**119.56**	**39.44**	**436.22**	**446.41**

NOTE 9 : INVENTORIES (At lower of cost and net realisable value)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	1,390.86	812.62
Raw materials-in-transit	553.31	225.46
	1,944.17	1,038.08
(b) Packing materials	85.21	68.86
(c) Work-in-progress	177.42	120.57
(d) Finished goods	2,261.57	1,406.75
Finished goods-in-transit	-	0.71
	2,261.57	1,407.46
(e) Stock-in-trade (acquired for trading)	613.14	318.98
Stock-in-trade (acquired for trading) in-transit	44.63	41.12
	657.77	360.10
(f) Stores, spares and consumables	151.47	129.00
Stores, spares and consumables-in-transit	-	0.54
	151.47	129.54
Total	**5,277.61**	**3,124.61**

The cost of inventories recognised as an expense during the year is disclosed in Note 24.

The cost of inventories recognised as an expense (net of reversals) includes ₹ 42.75 crores (Previous year ₹ 14.58 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

NOTE 10 : TRADE RECEIVABLES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Trade receivables - Unsecured*		
(a) Considered good	2,915.77	1809.75
(b) Considered doubtful	94.38	58.19
	3,010.15	1,867.94
Less: Allowance for doubtful debts	(94.38)	(58.19)
Total	**2,915.77**	**1,809.75**

*Trade Receivables includes dues from subsidiary and associate companies (Refer note 41).

Trade Receivables ageing schedule

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2022
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Unsecured								
(a) Undisputed, considered good	0.26	2,737.74	148.22	29.55	-	-	-	2,915.77
(b) Undisputed, considered doubtful	-	0.17	0.99	5.46	16.53	12.14	12.28	47.57
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.90	6.92	9.50	11.63	8.12	9.74	46.81
	0.26	2,738.81	156.13	44.51	28.16	20.26	22.02	3,010.15
Less : Allowance for doubtful debts								94.38
Total								2,915.77

NOTE 10 : TRADE RECEIVABLES (CONTD.)

Trade Receivables ageing schedule (Contd.)

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2021
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Unsecured								
(a) Undisputed, considered good	8.14	1,654.01	135.21	12.39	-	-	-	1,809.75
(b) Undisputed, considered doubtful	-	0.85	0.63	2.36	24.59	11.01	10.58	50.02
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.06	0.91	0.03	3.89	0.89	2.39	8.17
	8.14	**1,654.92**	**136.75**	**14.78**	**28.48**	**11.90**	**12.97**	**1,867.94**
Less : Allowance for doubtful debts								58.19
Total								**1,809.75**

NOTE 11 : CASH AND BANK BALANCES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(A) Cash and Cash Equivalents		
(i) Balances with Banks		
(a) Current Accounts	**220.94**	81.62
(b) Cash Credit Account #	**8.34**	12.27
(ii) Cheques, drafts on hand	**46.73**	19.36
(iii) Cash on hand	**0.03**	0.02
Total	**276.04**	**113.27**
(B) Other Balances with Banks		
(i) Unpaid dividend and sales proceeds of Fractional Bonus Shares account *	**23.47**	21.64
(ii) Earmarked balances for CSR (Refer note 44)	**9.06**	-
Total	**32.53**	**21.64**

Secured by hypothecation of inventories, trade receivables and other current assets carrying interest rate @ 7.05% p.a (as at 31st March, 2021 the rate was 7.05% p.a.). Quarterly statements of current assets filed by the Company with Bank are in agreement with the books of accounts. The Company has not used borrowings for purpose other than specified purpose of the borrowing.

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

NOTE 12 : EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
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**

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

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

Fully paid Equity Shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the reporting year	**95,91,97,790**	**95.92**	95,91,97,790	95.92
Changes in Equity Share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the current reporting period	**95,91,97,790**	**95.92**	95,91,97,790	95.92
Changes in Equity Share capital during the year	**-**	**-**	-	-
Balance at the end of the reporting 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 31.03.2022		As at 31.03.2021	
	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	**5,53,39,068**	**5.77%**	5,53,39,068	5.77%
2. Sattva Holding and Trading Private Limited	**5,47,89,183**	**5.71%**	5,63,88,682	5.88%

@ 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 21st October, 2021 declared an interim dividend of ₹ 3.65 (Rupees three and paise sixty-five only) per equity share of the face value of ₹ 1 each. The Board of Directors at its meeting held on 10th May, 2022 have recommended a payment of final dividend of ₹ 15.50 (Rupees fifteen and paise fifty only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2022. If approved, the total dividend (interim and final dividend) for the financial year 2021-22 will be ₹ 19.15 (Rupees nineteen and paise fifteen only) per equity share of the face value of ₹ 1 each (₹ 17.85 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Smiti Holding And Trading Company Private Limited	**5,53,39,068**	**5.77%**	5,53,39,068	5.77%	0.00%
Sattva Holding And Trading Private Limited	**5,47,89,183**	**5.71%**	5,63,88,682	5.88%	-2.84%
Geetanjali Trading And Investments Private Limited	**4,57,06,140**	**4.77%**	4,57,06,140	4.77%	0.00%
Elcid Investments Limited	**2,83,13,860**	**2.95%**	2,83,13,860	2.95%	0.00%

Notes to the Financial Statements (Contd.)

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Gujarat Organics Ltd.	**2,31,50,730**	**2.41%**	2,31,50,730	2.41%	0.00%
Sudhanava Investments And Trading Company Private Limited	**1,90,01,760**	**1.98%**	1,90,01,760	1.98%	0.00%
Rupen Investment & Industries Private Limited	**1,88,49,825**	**1.97%**	1,88,49,825	1.97%	0.00%
Satyadharma Investments And Trading Company Private Ltd.	**1,83,34,280**	**1.91%**	1,83,34,280	1.91%	0.00%
Castle Investment & Industries Private Limited	**1,54,57,470**	**1.61%**	1,54,57,470	1.61%	0.00%
Lyon Investment & Industries Private Limited	**1,43,42,060**	**1.50%**	1,43,42,060	1.50%	0.00%
Nehal Abhay Vakil	**1,28,05,610**	**1.34%**	23,71,280	0.25%	440.03%
Dipika Amar Vakil	**1,27,86,340**	**1.33%**	20,26,130	0.21%	531.07%
Jaldhar Investments And Trading Company Private Limited	**1,24,28,250**	**1.30%**	1,24,28,250	1.30%	0.00%
Abhay Arvind Vakil	**1,24,18,060**	**1.29%**	2,32,88,200	2.43%	-46.68%
Tru Trading And Investments Pvt Limited	**1,21,76,500**	**1.27%**	1,21,76,500	1.27%	0.00%
Nehal Trading And Investments Private Limited	**1,11,02,530**	**1.16%**	1,11,02,530	1.16%	0.00%
Asteroids Trading And Investments Private Limited	**1,08,18,530**	**1.13%**	1,08,18,530	1.13%	0.00%
Jalaj Trading & Investment Company Private Limited	**1,07,76,697**	**1.12%**	1,07,76,697	1.12%	0.00%
Unnati Trading And Investments Private Limited	**1,04,72,600**	**1.09%**	1,04,72,600	1.09%	0.00%
Doli Trading And Investments Private Limited	**93,63,440**	**0.98%**	93,63,440	0.98%	0.00%
Centaurus Trading And Investments Pvt Ltd	**74,08,940**	**0.77%**	74,08,940	0.77%	0.00%
Suptaswar Investments And Trading Company Limited	**65,58,310**	**0.68%**	65,58,310	0.68%	0.00%
Lambodar Investments And Trading Company Limited	**60,15,130**	**0.63%**	60,15,130	0.63%	0.00%
Murahar Investments And Trading Company Limited	**57,43,670**	**0.60%**	57,43,670	0.60%	0.00%
Hiren Holdings Private Limited	**41,52,310**	**0.43%**	41,52,310	0.43%	0.00%
Satyen Ashwin Gandhi	**37,25,940**	**0.39%**	37,25,940	0.39%	0.00%
Hiren Ashwin Gandhi	**37,06,265**	**0.39%**	37,06,265	0.39%	0.00%
Malav A Dani	**33,05,510**	**0.34%**	33,05,510	0.34%	0.00%
Hasit A Dani	**31,50,800**	**0.33%**	31,50,800	0.33%	0.00%
Vivek Abhay Vakil	**31,26,760**	**0.33%**	31,26,760	0.33%	0.00%
Varun Amar Vakil Karta for Vakil HUF	**31,03,290**	**0.32%**	31,03,290	0.32%	0.00%

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Vishal Shailesh Choksi	**29,51,220**	**0.31%**	29,51,220	0.31%	0.00%
Bhairavi Abhay Vakil	**26,82,810**	**0.28%**	22,47,000	0.23%	19.40%
Shailesh Chimanlal Choksi	**25,91,210**	**0.27%**	25,91,210	0.27%	0.00%
Amrita Amar Vakil	**25,66,680**	**0.27%**	2566,680	0.27%	0.00%
Manish Mahendra Choksi	**23,81,040**	**0.25%**	23,81,040	0.25%	0.00%
Varun Amar Vakil	**22,30,590**	**0.23%**	22,30,590	0.23%	0.00%
Prafullika Shailesh Choksi	**21,42,560**	**0.22%**	21,42,560	0.22%	0.00%
Varun Amar Vakil Karta for Amar Arvind Vakil HUF	**21,12,190**	**0.22%**	21,12,190	0.22%	0.00%
Elf Trading And Chemical Manufacturing Private Limited (formerly known as Elf Trading and Chemical Manufacturing Limited)	**21,08,160**	**0.22%**	21,08,160	0.22%	0.00%
Vivek Abhay Vakil Karta for Abhay Arvind Vakil HUF	**20,76,820**	**0.22%**	20,76,820	0.22%	0.00%
Jigish Shailesh Choksi	**19,95,180**	**0.21%**	19,95180	0.21%	0.00%
Rupal Anant Bhat	**19,23,770**	**0.20%**	19,23,770	0.20%	0.00%
Shailesh Chimanlal Choksi Karta for Shailesh Chimanlal Choksi HUF	**17,49,690**	**0.18%**	17,49,690	0.18%	0.00%
Mahendra Chimanlal Choksi	**16,56,380**	**0.17%**	16,56,380	0.17%	0.00%
Jalaj A Dani	**16,00,200**	**0.17%**	16,00,200	0.17%	0.00%
Asha Subhash Gujarathi	**14,23,400**	**0.15%**	14,23,400	0.15%	0.00%
Ashwin Suryakant Dani	**11,24,870**	**0.12%**	11,24,870	0.12%	0.00%
Rita Mahendra Choksi	**9,80,000**	**0.10%**	9,80,000	0.10%	0.00%
Rayirth Holding And Trading Company Private Limited	**9,65,910**	**0.10%**	9,65,910	0.10%	0.00%
Rupen Ashwin Choksi	**9,28,607**	**0.10%**	9,28,607	0.10%	0.00%
Ashish Ashwin Choksi	**8,80,840**	**0.09%**	8,80,840	0.09%	0.00%
Ashwin Suryakant Dani Karta for Ashwin Suryakant Dani HUF	**8,45,000**	**0.09%**	8,45,000	0.09%	0.00%
Urvashi Ashwin Choksi	**8,38,110**	**0.09%**	8,38,110	0.09%	0.00%
ACC AP TRUST	**7,85,700**	**0.08%**	7,85,700	0.08%	0.00%
Rhea Manish Choksi	**7,02,000**	**0.07%**	7,02,000	0.07%	0.00%
Mahendra Chimanlal Choksi Karta for Mahendra Chimanlal Choksi HUF	**5,39,800**	**0.06%**	5,39,800	0.06%	0.00%
Ina Ashwin Dani	**5,15,920**	**0.05%**	5,15,920	0.05%	0.00%
Ami Manish Choksi	**4,72,200**	**0.05%**	4,72,200	0.05%	0.00%
Vita Jalaj Dani	**4,35,260**	**0.05%**	4,35,260	0.05%	0.00%
Ishwara Hasit Dani	**4,10,710**	**0.04%**	41,0,710	0.04%	0.00%

Notes to the Financial Statements (Contd.)

NOTE 12 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year (Contd.)

Promoter Name	As at 31.03.2022		As at 31.03.2021		% change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Richa Manish Choksi	1,80,450	0.02%	1,80,450	0.02%	0.00%
Mudit Jalaj Dani	1,59,800	0.02%	1,59,800	0.02%	0.00%
Amar Arvind Vakil	1,58,770	0.02%	1,09,18,980	1.14%	-98.55%
Smiti Jalaj Dani	1,39,110	0.01%	1,39,110	0.01%	0.00%
Binita Ashish Choksi	1,31,700	0.01%	1,31,700	0.01%	0.00%
Anay Rupen Choksi	1,30,500	0.01%	1,30,500	0.01%	0.00%
Aashay Ashish Choksi	1,25,380	0.01%	1,25,380	0.01%	0.00%
Vikatmev Containers Ltd	1,11,600	0.01%	1,11,600	0.01%	0.00%
Nysha Rupen Choksi	1,02,750	0.01%	1,02,750	0.01%	0.00%
Druhi Ashish Choksi	1,00,000	0.01%	1,00,000	0.01%	0.00%
Ashwin Ramanlal Gandhi	91,860	0.01%	91,860	0.01%	0.00%
Meghna Satyen Gandhi	75,000	0.01%	75,000	0.01%	0.00%
Vaibhavi Hiren Gandhi	75,000	0.01%	75,000	0.01%	0.00%
Shubhlakshmi Hasit Dani	59,529	0.01%	59,500	0.01%	0.05%
Hasit Ashwin Dani Karta for Hasit Ashwin Dani HUF	48,000	0.01%	48,000	0.01%	0.00%
Chandanben Chhotalal Shah	20,000	0.00%	20,000	0.00%	0.00%
Dani Finlease Private Limited (formerly known as Dani Finlease Limited)	10,930	0.00%	10,930	0.00%	0.00%
Manish Mahendra Choksi Karta for Manish Mahendra Choksi HUF	7,500	0.00%	7,500	0.00%	0.00%
Ashish Ashwin Choksi Karta for Ashish Ashwin Choksi HUF	5,620	0.00%	5,620	0.00%	0.00%
Ragini Varun Vakil	5,000	0.00%	5,000	0.00%	0.00%
Total	**50,47,85,184**		**50,63,84,654**		

e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

Treasury shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	-	-	-	-
Add: Purchased during the year	223,240	75.00	-	-
Less: Exercised/Sold during the year	-	-	-	-
At the end of the year	223,240	75.00	-	-

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Company from secondary market. The shares purchased by the ESOP Trust are disclosed as Treasury Shares (Refer note 37(3)).

NOTE 13 : OTHER EQUITY

(₹ in Crores)

	Reserves and Surplus							Items of Other Comprehensive Income (OCI)			Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit plans	Share based payment reserve	Treasury shares	Trust reserve	Debt instruments through OCI	Equity instruments through OCI	
Balance as at 1st April, 2020 (A)	**44.38**	**0.50**	**4,166.74**	**4,994.52***	**(21.08)**	**-**	**-**	**-**	**2.48**	**168.63**	**9,356.17**
Additions during the year:											
Profit for the year	-	-	-	3,051.80							3,051.80
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	(3.98)	-	-	-	-	-	(3.98)
Net fair value gain on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	52.38	52.38
Net fair value gain on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	2.13	-	2.13
Total Comprehensive Income for the year 2020-21 (B)	**-**	**-**	**-**	**3,051.80**	**(3.98)**	**-**	**-**	**-**	**2.13**	**52.38**	**3,102.33**
Reductions during the year:											
Dividends (Refer note 30)	-	-	-	(465.23)	-	-	-	-	-	-	(465.23)
Total (C)	**-**	**-**	**-**	**(465.23)**	**-**	**-**	**-**	**-**	**-**	**-**	**(465.23)**
Balance as at 31st March, 2021 (D) = (A+B+C)	**44.38**	**0.50**	**4,166.74**	**7,581.09**	**(25.06)**	**-**	**-**	**-**	**4.61**	**221.01**	**11,993.27**
Additions during the year:											
Profit for the year	-	-	-	3,134.71	-	-	-	-	-	-	3,134.71
Items of OCI for the year, net of tax											
Remeasurement of the defined benefit plans	-	-	-	-	3.28	-	-	-	-	-	3.28
Net fair value (loss) on investments in equity instruments through OCI	-	-	-	-	-	-	-	-	-	(72.72)	(72.72)
Net fair value (loss) on investments in debt instruments through OCI	-	-	-	-	-	-	-	-	(2.87)	-	(2.87)
Total Comprehensive Income for the year 2021-22 (E)	**-**	**-**	**-**	**3,134.71**	**3.28**	**-**	**-**	**-**	**(2.87)**	**(72.72)**	**3,062.40**
Reductions during the year:											
Dividends (Refer note 30)	-	-	-	(1,740.95)	-	-	-	-	-	-	(1,740.95)
Share based payment expense	-	-	-	-	-	13.40	-	-	-	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	0.05	-	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(75.00)	-	-	-	(75.00)
Total (F)	**-**	**-**	**-**	**(1,740.95)**	**-**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**(1,802.50)**
Balance as at 31st March, 2022 (D+E+F)	**44.38**	**0.50**	**4,166.74**	**8,974.85**	**(21.78)**	**13.40**	**(75.00)**	**0.05**	**1.74**	**148.29**	**13,253.17**

*Refer note 39(a) on Amalgamation and Acquisitions

NOTE 13 : OTHER EQUITY (CONTD.)

Description of nature and purpose of each reserve

General Reserve - General reserve is created from time to time by way of transfer of 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 -

a. 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.

b. 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.

Remeasurement of defined benefit plans -This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind AS 19 that have been recognized in other comprehensive income.

Share based payment reserve - This represents the fair value of the stock options granted by the Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilised on exercise of the options.

Treasury shares - This represents cost incurred by the Company to purchase its own equity shares from secondary market through the Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

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.

Trust Reserve - This represents net income of the ESOP trust.

NOTE 14 : BORROWINGS*

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Secured				
Deferred payment liabilities :				
Loan from State of Haryana #	**16.16**	14.31	**-**	7.89
Total	**16.16**	**14.31**	**-**	**7.89**

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. The Company has received total interest free loan of ₹ 37.02 crores (Previous year - ₹ 37.02 crore) for the period from April 2010 to March 2015. 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, 2022, the Company has repaid loan of ₹ 17.20 crores (Previous year - ₹ 9.31 crores).

* Default in terms of repayment of principal and interest - NIL.

NOTE 15 : LEASE LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Lease liabilities	518.80	468.73	179.22	157.22
Total	**518.80**	**468.73**	**179.22**	**157.22**

The maturity analysis of lease liabilities is disclosed in Note 29(C)(3).

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Investor Education and Protection Fund #				
Unpaid/Unclaimed dividend	**-**	-	**23.47**	21.64
(b) Others (Refer note 35)				
Retention monies relating to capital expenditure	**1.14**	1.09	**22.41**	19.08
Payable towards capital expenditure	**-**	-	**36.64**	34.92
Payable towards services received	**-**	-	**585.46**	421.29
Payable towards stores, spares and consumables	**-**	-	**13.43**	15.69
Payable to employees [including ₹ 6.66 crores due to Managing Director (as at 31st March, 2021 ₹ 4.58 crores)]	**-**	-	**206.97**	195.56
Payable towards other expenses [including ₹4.72 crores due to Non-Executive Directors (as at 31st March, 2021 ₹ 4.70 crores)]	**-**	-	**635.48**	568.47
Forward exchange contract (net)	**-**	-	**0.92**	-
	1.14	**1.09**	**1,501.31**	**1,255.01**
Total	**1.14**	**1.09**	**1,524.78**	**1,276.65**

 # Investor Education and Protection Fund ('IEPF')- As at 31st March, 2022 and 31st March, 2021, 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 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Provision for Employee Benefits (Refer note 37)				
Provision for Compensated absences	**165.91**	156.23	**21.96**	19.22
Provision for Gratuity	**-**	-	**1.46**	21.98
Provision for Pension	**1.18**	1.29	**0.27**	0.34
Provision for Post retirement medical and other benefits	**1.20**	5.99	**1.46**	1.65
	168.29	**163.51**	**25.15**	**43.19**
(b) Others (Refer note 33)				
Provision for Excise	**-**	-	**1.50**	2.24
Provision for Central Sales Tax / VAT	**-**	-	**11.43**	12.48
	-	**-**	**12.93**	**14.72**
Total	**168.29**	**163.51**	**38.08**	**57.91**

NOTE 18 : INCOME TAXES

(₹ in Crores)

	Year 2021-22	Year 2020-21
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	**1,107.29**	1,052.72
In respect of short tax provision for earlier years	**3.16**	6.46
Deferred tax:		
In respect of current year	**(51.02)**	(21.31)
Income tax expense recognised in the Statement of Profit and Loss	**1,059.43**	**1,037.87**
(ii) Income tax expense recognised in OCI		
Deferred tax:		
Income tax (expense) /benefit on remeasurement of defined benefit plans	**(1.11)**	1.34
Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI	**9.59**	(4.88)
Income tax benefit/(expense) on net fair value gain on investments in debt instruments through OCI	**0.39**	(0.28)
Income tax benefit / (expense) recognised in OCI	**8.87**	**(3.82)**
B. RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT FOR THE YEAR IS AS UNDER :		
Profit before tax	**4,194.14**	**4,089.67**
Income tax expense calculated at 25.168%	**1,055.58**	1,029.29
Tax effect on non-deductible expenses	**20.81**	19.80
Effect of Income which is taxed at special rates	**(10.35)**	(7.51)
Effect of Income which is exempted from tax	**(5.14)**	(5.46)
Others	**(4.64)**	(4.71)
Total	**1,056.26**	**1,031.41**
Short tax provision for earlier years	**3.16**	6.46
Tax expense as per Statement of Profit and Loss	**1,059.43**	**1,037.87**

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law.

C. THE MAJOR COMPONENTS OF DEFERRED TAX (LIABILITIES)/ASSETS ARISING ON ACCOUNT OF TIMING DIFFERENCES ARE AS FOLLOWS:

As at 31st March, 2022

(₹ in Crores)

	Balance Sheet 01.04.2021	Profit and loss 2021-22	OCI 2021-22	Balance Sheet 31.03.2022
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(297.03)	**28.38**	**-**	**(268.65)**
Provision for expense allowed for tax purpose on payment basis (Net)	35.82	**(1.21)**	**-**	**34.61**
Provision for Expected credit losses and fair valuation of subsidy receivable from state governments	-	**21.35**	**-**	**21.35**
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.90)	**-**	**0.39**	**(0.51)**
Remeasurement of the defined benefit plans through OCI	8.48	**-**	**(1.11)**	**7.37**
Difference in carrying value and tax base of investments measured at FVTPL	(22.47)	1.37	-	(21.10)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(13.59)	-	9.59	(4.00)
Difference in Right-of-use asset and lease liabilities	24.50	1.13	-	25.63
Deferred tax (expense)/benefit		**51.02**	**8.87**	
Net Deferred tax liabilities	**(265.19)**			**(205.30)**

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, 2021

(₹ in Crores)

	Balance Sheet 01.04.2020	Profit and loss 2020-21	OCI 2020-21	Balance Sheet 31.03.2021
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and Income Tax Act,1961.	(316.33)	19.30	-	(297.03)
Provision for expense allowed for tax purpose on payment basis (Net)	30.64	5.18	-	35.82
Allowance for doubtful debts and advances	0.27	(0.27)	-	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act,1961 over 5 years)	0.43	(0.43)	-	-
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.62)	-	(0.28)	(0.90)
Remeasurement of the defined benefit plans through OCI	7.14	-	1.34	8.48
Difference in carrying value and tax base of investments measured at FVTPL	(17.19)	(5.28)	-	(22.47)
Difference in carrying value and tax base of investments in equity instruments measured at FVTOCI	(8.71)	-	(4.88)	(13.59)
Difference in Right-of-use asset and lease liabilities	21.69	2.81	-	24.50
Deferred tax (expense)/benefit		**21.31**	**(3.82)**	
Net Deferred tax liabilities	**(282.68)**			**(265.19)**

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.

NOTE 19 : OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Revenue received in advance				
Advance received from customers	-	-	49.87	16.00
(b) Others				
Statutory dues payable	-	-	255.48	140.39
Deferred income arising from government grant (Refer note 14)	2.11	3.41	1.30	1.76
Others (Deferred revenue arising from sale of services, etc.)	-	-	0.57	0.58
Other advance	-	-	-	15.00
	2.11	**3.41**	**257.35**	**157.73**
Total	**2.11**	**3.41**	**307.22**	**173.73**

NOTE 20 : TRADE PAYABLES

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Trade Payables (including Acceptances)*		
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME) (Refer note 35)	**56.04**	53.55
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	**3,441.25**	2,760.75
Total	**3,497.29**	**2,814.30**

*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 ₹ 317.78 crores (Previous year - ₹ 231.66 crores).

Trade payable ageing schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2022
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	**52.61**	**3.43**	**-**	**-**	**-**	**56.04**
Other than MSME	**3,101.00**	**338.53**	**0.60**	**0.38**	**0.74**	**3,441.25**
Disputed Dues - MSME	**-**	**-**	**-**	**-**	**-**	**-**
Disputed Dues - Other than MSME	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,153.61**	**341.96**	**0.60**	**0.38**	**0.74**	**3,497.29**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2021
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	49.52	4.03	-	-	-	53.55
Other than MSME	2,609.12	150.26	0.63	0.45	0.29	2,760.75
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Other than MSME	-	-	-	-	-	-
Total	**2,658.64**	**154.29**	**0.63**	**0.45**	**0.29**	**2,814.30**

NOTE 21 : INCOME TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax (net)	**100.85**	87.69
Total	**100.85**	**87.69**

NOTE 22A : REVENUE FROM OPERATIONS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Revenue from sale of products	**24,935.57**	18,252.46
Revenue from sale of services	**66.52**	27.60
Other operating revenue *	**186.42**	236.80
Total	**25,188.51**	**18,516.86**

* The Company's manufacturing facilities at Maharashtra and Andhra Pradesh are eligible to receive incentive in form of refund of SGST, refund of stamp duty and refund of/ exemption from payment of electricity duty as per the Industrial Promotion Schemes of the respective State Governments and Memorandum of Understanding signed with the respective State Governments. During the year, ₹ 119.41crores (Previous year - ₹ 182.44 crores) is accrued under the head "Other operating revenue" (Refer note 43).

NOTE 22B : REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
A. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES		
Revenue from sale of products		
Paints, décor and related products	**24,582.94**	18,009.26
Bath Fittings and related products	**352.63**	243.20
Revenue from sale of services		
Painting, décor and related services	**66.52**	27.60
Other operating revenues		
Processing and service income	**35.00**	33.53
Scrap sales	**32.01**	20.83
Other Income (Refer note 23(c)(ii))		
Royalty received from subsidiary and associate companies	**73.07**	62.07
Total	**25,142.17**	**18,396.49**
B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY		
Home market	**24,929.20**	18,277.74
Exports	**212.97**	118.75
Total	**25,142.17**	**18,396.49**

NOTE 22C: RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Gross Revenue	**29,661.72**	21,520.03
Less: Discounts	**4,519.55**	3,123.54
Net Revenue recognised from Contracts with Customers	**25,142.17**	**18,396.49**

The amounts receivable from customers become due after expiry of credit period which on an average ranges around from 30 to 45 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 and services. 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 and sale of service contracts are measured as per output method.

The Company has recognized revenue of ₹ 14.61 crores (31st March 2021: ₹ 4.90 crores) from the amounts included under advance received from customers at the beginning of the year.

Notes to the Financial Statements (Contd.)

NOTE 23 : OTHER INCOME

(₹ in Crores)

	Year 2021-22	Year 2020-21
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	**7.65**	7.96
Other financial assets carried at amortised cost	**64.27**	32.94
	71.92	**40.90**
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI*	**15.16**	7.81
Dividends from subsidiary companies (Refer note 41)	**12.19**	8.64
	27.35	**16.45**
(c) Other non-operating income		
(i) Insurance claims received	**2.24**	8.65
(ii) Royalty received from subsidiary and associate companies	**73.07**	62.07
(iii) Net gain arising on financial assets measured at FVTPL#	**76.09**	92.28
(iv) Others	**114.11**	107.15
	265.51	**270.15**
(d) Other gains and losses		
Net foreign exchange gain	**43.22**	18.43
Net gain on sale of property, plant and equipment	**40.36**	18.37
Net gain on modification/ termination of leases	**3.53**	1.72
	87.11	**38.52**
Total	**451.89**	**366.02**

* Relates to investments held at the end of reporting period
# Includes gain on sale of financial assets measured at FVTPL for ₹ 27.23 crores (Previous year - ₹ 1.89 crores).

NOTE 24 (A) : COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2021-22	Year 2020-21
Raw Materials Consumed		
Opening Stock (including goods-in-transit)	**1,038.08**	864.26
Add : Purchases	**12,595.76**	7,208.71
	13,633.84	**8,072.97**
Less: Closing Stock (including goods-in-transit)	**1,944.17**	1,038.08
	11,689.67	**7,034.89**
Packing Materials Consumed		
Opening Stock	**68.86**	46.89
Add : Purchases	**2,165.58**	1,511.25
	2,234.44	**1,558.14**
Less : Closing Stock	**85.21**	68.86
	2,149.23	**1,489.28**
Total Cost Of Materials Consumed	**13,838.90**	**8,524.17**

NOTE 24 (B) : PURCHASES OF STOCK-IN-TRADE

NOTE 24 (C) : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK IN PROGRESS

(₹ in Crores)

	Year 2021-22	Year 2020-21
NOTE 24 (B) : PURCHASES OF STOCK-IN-TRADE	**2,978.69**	**1,649.06**
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)	**1,407.46**	1,345.36
Work-in-Progress	**120.57**	81.67
Stock-in-trade- acquired for trading (including goods-in-transit)	**360.10**	370.40
Total	**1,888.13**	**1,797.43**
Stock at the end of the year		
Finished Goods (including goods-in-transit)	**2,261.57**	1,407.46
Work-in-Progress	**177.42**	120.57
Stock-in-trade- acquired for trading (including goods-in-transit)	**657.77**	360.10
Total	**3,096.76**	**1,888.13**
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress	**(1,208.63)**	**(90.70)**

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Salaries and wages	**1,143.82**	988.40
Contribution to provident and other funds (Refer note 37)	**62.32**	60.13
Staff welfare expenses	**95.48**	80.13
Share based payment expenses (Refer note 37(3))	**8.52**	-
Total	**1,310.14**	**1,128.66**

NOTE 26 : OTHER EXPENSES

(₹ in Crores)

	Year 2021-22	Year 2020-21
Consumption of stores, spares and consumables	**68.21**	52.28
Power and fuel	**104.66**	74.71
Processing charges*	**151.60**	122.76
Repairs and maintenance:		
Buildings	**20.63**	17.50
Machinery	**46.75**	40.11
Other assets	**48.10**	33.17
	115.48	**90.78**
Rates and taxes	**12.79**	12.00
Corporate social responsibility expenses (Refer note 44)	**70.77**	62.98
Commission to Non Executive Directors	**4.72**	4.70
Directors' sitting fees	**1.83**	0.80
Auditor's Remuneration (Refer note 34)	**1.83**	1.68
Freight and handling charges	**1,688.78**	1,222.27
Advertisement expenses	**804.64**	691.85
Bad debts written off	**-**	0.56
Allowance for doubtful debts and advances (net)	**36.40**	27.90
Insurance	**23.24**	21.65
Travelling expenses	**72.46**	36.98
Miscellaneous expenses^	**524.21**	388.99
Total	**3,681.62**	**2,812.89**

^Includes expense relating to leases of low value assets amounting to ₹31.26 crores (Previous year - ₹ 24.96 crores).
*Represents variable lease payments.

NOTE 27 : FINANCE COSTS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	**0.03**	0.03
(b) Interest on bill discounting	**17.67**	10.67
(c) Interest on loan from State of Haryana	**1.85**	2.32
(d) Interest on lease liabilities	**49.40**	49.47
(e) Other interest expense	**1.30**	0.84
Total interest expense for financial liabilities carried at amortised cost	**70.25**	**63.33**
Interest on income tax	**-**	8.33
Total	**70.25**	**71.66**

NOTE 28 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Depreciation of Property, Plant and Equipment (Refer note 2A)	**499.94**	497.77
Depreciation of Right-Of-Use assets (Refer note 2B)	**199.58**	175.89
Amortisation of Other Intangible assets (Refer note 4(B))	**22.04**	23.81
Total	**721.56**	**697.47**

NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

Financial assets/ financial liabilities	Refer Note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	5D	**-**	324.11	**2,139.03**	3,150.48
Investments in unquoted equity shares	5(A)(a)(iii)	**1.07**	1.07	**-**	-
Forward exchange contract (net)	6	**-**	-	**-**	0.88
		1.07	**325.18**	**2,139.03**	**3,151.36**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares #	5(A)(b)	**496.13**	578.42	**-**	-
Investments in quoted debentures or bonds	5C	**53.49**	81.35	**25.31**	28.33
		549.62	**659.77**	**25.31**	**28.33**
Financial assets measured at amortised cost					
Investments in unquoted government securities	5(B)	*	*	**-**	-
Security deposits	6	**55.14**	57.06	**12.61**	14.77
Royalty receivable from subsidiary and associate companies	6	**-**	-	**80.34**	58.85
Due from subsidiary companies	6	**-**	-	**32.82**	18.29
Due from associate companies	6	**-**	-	**0.68**	0.79
Dividend receivable from subsidiary	6	**-**	-	**12.19**	-
Subsidy receivable from state government	6	**365.71**	521.56	**220.07**	18.08
Term deposits held as margin money against bank guarantee and other commitments	6	**0.09**	0.07	**-**	-

NOTE 29(A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crores)

Financial assets/ financial liabilities	Refer Note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Term deposits with more than 12 months original maturity	6	**48.19**	-	**1,030.07**	913.85
Interest accrued on investments in debentures or bonds measured at FVTOCI	6	**-**	-	**2.72**	3.99
Quantity discount receivable	6	**-**	-	**235.65**	221.14
Retention monies receivable from Customers	6	**1.48**	0.54	**0.01**	1.63
Trade Receivables	10	**-**	-	**2,915.77**	1,809.75
Cash and Cash Equivalents	11A	**-**	-	**276.04**	113.27
Other Bank Balances	11B	**-**	-	**32.53**	21.64
Other Receivables	6	**-**		**18.25**	-
		470.61	**579.23**	**4,869.75**	**3,196.05**
Financial liabilities measured at fair value through profit or loss					
Forward exchange contract (net)	16	**-**	-	**0.92**	-
		-	**-**	**0.92**	**-**
Financial liabilities measured at amortised cost					
Loan from State of Haryana	14	**16.16**	14.31	**-**	7.89
Lease Liabilities	15	**518.80**	468.73	**179.22**	157.22
Unpaid/Unclaimed dividend	16	**-**	-	**23.47**	21.64
Retention monies relating to capital expenditure	16	**1.14**	1.09	**22.41**	19.08
Payable towards capital expenditure	16	**-**	-	**36.64**	34.92
Payable towards services received	16	**-**	-	**585.46**	421.29
Payable towards stores, spares and consumables	16	**-**	-	**13.43**	15.69
Payable to employees	16	**-**	-	**206.97**	195.56
Payable towards other expenses	16	**-**	-	**635.48**	568.47
Trade payables (including Acceptances)	20	**-**	-	**3,497.29**	2,814.30
		536.10	**484.13**	**5,200.37**	**4,256.06**

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/-

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, 2022 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2022	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 5(A)(b))	**496.13**	**496.13**	**-**	**-**
Investments in quoted debentures or bonds (Refer note 5C)	**78.80**	**78.80**	**-**	**-**

NOTE 29(B) : FAIR VALUE MEASUREMENTS (CONTD.)

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities: (Contd.)

As at 31st March, 2022 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2022	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	**2,139.03**	**2,139.03**	**-**	**-**
Investments in unquoted equity shares (Refer note 5(A)(a)(iii))	**1.07**	**-**	**-**	**1.07**
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 16)	**0.92**	**0.92**	**-**	**-**

As at 31st March, 2021 (₹ in Crores)

Financial assets/ financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2021	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 5(A)(b))	578.42	578.42	-	-
Investments in quoted debentures or bonds (Refer note 5C)	109.68	109.68	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	3,474.59	3,474.59	-	-
Investments in unquoted equity shares (Refer note 5(A)(a)(iii))	1.07	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 6)	0.88	0.88	-	-

(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 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, 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. 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.

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

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 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 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	**965.85**	645.61	**180.19**	129.25
EUR	**126.47**	80.81	**13.45**	4.27
SGD	**-**	0.40	**0.11**	0.11
GBP	**7.06**	5.03	**0.06**	0.07
SEK	**0.05**	0.04	**-**	-
JPY	**0.46**	0.49	**-**	-
Others	**1.45**	2.43	**1.50**	0.68
Total	**1,101.34**	**734.81**	**195.31**	**134.38**

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.

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2021-22	Year 2020-21	Year 2021-22	Year 2020-21
+5%	**(23.98)**	(11.24)	**(23.98)**	(11.24)
-5%	**23.98**	11.24	**23.98**	11.24

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, 2022, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 496.13 crores (Previous year - ₹ 578.42 crores). The details of such investments in equity instruments are given in Note 5(A)(b).

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

c) Other Price Risk (Contd.)

The Company is also exposed to price risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March, 2022, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 78.80 crores (Previous year - ₹ 109.68 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 5C.

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, 2022, Other Comprehensive Income for the year ended 31st March, 2022 would increase by ₹ 43.85 crores (Previous year - ₹ 51.11 crores) and decrease by ₹ 46.74crores (Previous year - ₹ 51.11 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2022. 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 and other receivables. The Company's exposure to credit risk is disclosed in note 5 (except equity shares, bonds and debentures) 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 ranges from 30 to 45 days on sales of products. 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.

(₹ in Crores)

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.

(₹ in Crores)

Movement in expected credit loss allowance on trade receivables	31.03.2022	31.03.2021
Balance at the beginning of the year	**58.19**	35.90
Loss allowance measured at lifetime expected credit losses	**36.19**	22.29
Balance at the end of the year	**94.38**	**58.19**

In accordance with Ind AS 109 – Financial Instruments, the Company has re-assessed expected timing of cashflow towards subsidy receivable from the State Governments and has accordingly provided for time value of money. Consequently, an amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years. The Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

NOTE 29(C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

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, 2022					
Borrowings (Refer note 14)	-	19.82	-	**19.82**	16.16
Trade Payables (Refer note 20)	3,497.29	-	-	**3,497.29**	3,497.29
Lease Liabilities (Refer note 15)	223.52	508.43	96.17	**828.12**	698.02
Other financial liabilities (Refer note 16)	1,524.78	1.14	-	**1,525.92**	1,525.92
At 31st March, 2021					
Borrowings (Refer note 14)	7.89	19.82	-	**27.71**	22.20
Trade Payables (Refer note 20)	2,814.30	-	-	**2,814.30**	2,814.30
Lease Liabilities (Refer note 15)	198.27	456.23	90.45	**744.95**	625.95
Other financial liabilities (Refer note 16)	1,276.65	1.09	-	**1,277.74**	1,277.74

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, 2022 and 31st March, 2021, 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

(₹ in Crores)

	Year 2021-22	Year 2020-21
Dividend on equity shares paid during the year		
Final dividend for the FY 2020-21 [₹ 14.50 (Previous year - ₹ 1.50) per equity share of ₹ 1 each]	**1,390.84**	143.88
Interim dividend for the FY 2021-22 [₹ 3.65 (Previous year - ₹ 3.35) per equity share of ₹ 1 each]	**350.11**	321.35
Total	**1,740.95**	**465.23**

Proposed Dividend:

The Board of Directors at its meeting held on 10th May, 2022 have recommended payment of final dividend of ₹ 15.50 (Rupees fifteen and Paise fifty only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2022. The same amounts to ₹ 1,486.76 crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Notes to the Financial Statements (Contd.)

NOTE 31 : KEY FINANCIAL RATIOS

Sr. No.	Ratios	Numerator	Denominator	FY 2021-22	FY 2020-21	% Variance
1	Current ratio	Current Assets	Current Liabilities	**2.26**	2.17	3.83%
2	Debt-equity ratio*	Total Debt (Borrowings)	Total Equity	**0.00**	0.00	-35.24%
3	Debt service coverage ratio	Earning available for debt service #	Finance Costs (excluding cost pertaining to lease liabilities) + Repayment of borrowings	**133.38**	133.55	-0.13%
4	Return on Equity	Profits after tax	Average Total Equity	**24.65%**	28.33%	-13.02%
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	**3.72**	3.39	9.67%
6	Trade receivables turnover ratio	Revenue from Sale of Products and Services	Average Trade receivables	**10.58**	12.53	-15.52%
7	Trade payables turnover ratio	Net Purchases of raw material, packing material and stock-in-trade	Average Trade payables	**5.62**	4.53	24.00%
8	Net capital turnover ratio	Revenue from Operations	Working Capital (Current Assets - Current Liabilities)	**3.55**	3.45	2.90 %
9	Net profit ratio	Profit after tax	Revenue from Operations	**12.44%**	16.48%	-24.49%
10	Return on capital employed	Profit before interest (excluding interest on lease liabilities), exceptional items and tax	Average Capital Employed [Total Equity + Total Debt (Borrowings)]	**33.50%**	38.07%	-12.01%
11	Return on investment	Income during the year	Time weighted average of investment			
a	Return on Mutual Funds			**3.79%**	4.41%	-13.93%
b	Return on Fixed Deposits			**5.28%**	6.04%	-12.57%
c	Return on Bonds@			**3.88%**	10.06%	-61.46%
d	Return on quoted equity investment^			**-11.72%**	12.42%	-193.35%

* Increase in networth has led to improved debt equity ratio

@ Increase in market yield coupled with higher value of bonds nearing maturity

^ Impact of market dynamics

Earning available for Debt Service: Profit after tax + Depreciation and Amortisation Expense + Finance costs (excluding interest on lease liabilities)- Net gain on sale of property, plant and equipment - Net gain on modification/ termination of leases.

NOTE 32 : CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Claims against the Company not acknowledged as debts		
i. Tax matters in dispute under appeal	**416.68**	298.77
ii. Others	**62.52**	57.17

b. Commitments

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
1. Estimated amount of contracts remaining to be executed on capital account and not provided for		
i. Towards Property, Plant and Equipment	**626.12**	87.05
ii. Towards Intangible Assets	**15.27**	14.45
	641.39	**101.50**
2. Letters of Credit and Bank guarantees issued by bankers towards procurement of goods and services and outstanding as at year end	**104.84**	58.92

NOTE 33 : MOVEMENT IN OTHER PROVISIONS

Pursuant to the Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to movement in provisions is as follows:

(₹ in Crores)

	Provision for Excise*		Provision for Sales tax **	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening Balance	**2.24**	2.24	**12.48**	14.41
Additions/Adjustments	**-**	-	**0.25**	1.09
Utilizations	**-**	-	**-**	-
Reversals	**(0.74)**	-	**(1.30)**	(3.02)
Closing Balance	**1.50**	**2.24**	**11.43**	**12.48**

These provisions represent estimates made mainly for probable claims arising out of litigations/disputes pending with authorities under various statutes (Excise duty and 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 other matters disputed at various appellate levels.

NOTE 34 : AUDITOR'S REMUNERATION (EXCLUDING GST)

(₹ in Crores)

	Year 2021-2022	Year 2020-2021
Statutory audit fee	**1.47**	1.23
Taxation Matters	**0.14**	0.13
Certification fees and other services	**0.19**	0.30
For reimbursement of expenses	**0.03**	0.02
Total	**1.83**	**1.68**

NOTE 35 : DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are provided to the extent the Company has received intimation from the "Suppliers" regarding their status thereunder.

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
(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	**110.76***	78.52*
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 ₹ 54.72 crores (Previous year - ₹ 24.97 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 its foreign currency exposures relating to 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 31.03.2022	**24.00**	**18.85**	**144.05**
Forward contract to buy USD - As at 31.03.2021	37.00	29.44	215.24

(b) Exposure in foreign currency - Unhedged

The foreign currency exposure not hedged as at 31st March, 2022 are as under:

Currency	Payable (In millions FC)		Receivable (In millions FC)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	**108.42**	58.86	**23.77**	17.68
EUR	**15.06**	9.42	**1.60**	0.50
SGD	**-**	0.07	**0.02**	0.02
GBP	**0.71**	0.50	**0.01**	0.01
SEK	**0.06**	0.05	**-**	-
JPY	**7.35**	7.35	**-**	-
Others	**0.97**	1.77	**0.51**	0.13

Currency	Payable (₹ in Crores)		Receivable (₹ in Crores)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	**821.80**	430.37	**180.19**	129.25
EUR	**126.47**	80.81	**13.45**	4.27
SGD	**-**	0.40	**0.11**	0.11
GBP	**7.06**	5.03	**0.06**	0.07
SEK	**0.05**	0.04	**-**	-
JPY	**0.46**	0.49	**-**	-
Others	**1.45**	2.43	**1.50**	0.68
	957.29	**519.57**	**195.31**	**134.38**

NOTE 37 : 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 contribution 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.

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

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

a) Defined benefit gratuity plan (Funded) (Contd.)

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, take 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 such long term debt instrument 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, 2022 by M/s Transvalue Consultants.

The following tables summarise the components of defined benefit expense recognised in the Statement of Profit and 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 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(i)	**Opening defined benefit obligation**	**221.08**	191.14	**1.63**	1.58	**1.99**	1.79
(ii)	Current service cost	**19.67**	13.94	**0.24**	0.20	**-**	0.07
(iii)	Interest cost	**15.23**	12.72	**0.11**	0.09	**0.06**	0.12
(iv)	Past Service Cost	**0.92**	9.23	**-**	-	**-**	-
(v)	(Gain) on Curtailments/Settlements	**-**	-	**-**	-	**(1.14)**	-
(vi)	**Sub-total included in Statement of Profit and Loss(ii+iii+iv+v)**	**35.82**	**35.89**	**0.35**	**0.29**	**(1.08)**	**0.19**
(vii)	Actuarial loss from changes in financial assumptions	**(7.88)**	(1.09)	**(0.04)**	(0.01)	**(0.02)**	(0.05)
(viii)	Actuarial gain from changes in demographic assumptions	**-**	-	**-**	-	**0.04**	-
(ix)	Experience adjustment	**3.05**	**13.23**	**(0.15)**	0.13	**(0.01)**	0.11

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(x)	**Sub-total included in Other Comprehensive Income(vii+viii+ix)**	**(4.83)**	**12.14**	**(0.19)**	**0.12**	**0.01**	**0.06**
(xi)	Inter-Company Transfer	**(0.45)**	**(0.01)**	**-**	-	-	-
(xii)	Benefits paid	**(21.53)**	**(18.08)**	(0.34)	(0.36)	**(0.08)**	(0.05)
(xiii)	**Closing defined benefit obligation(i+vi+x+xi+xii)**	**230.09**	**221.08**	**1.45**	**1.63**	**0.84**	**1.99**
(xiv)	**Opening fair value of plan assets**	**199.10**	**180.77**	**-**	**-**	**-**	**-**
(xv)	Expected return on plan assets	**13.68**	**12.06**	**-**	-	**-**	-
(xvi)	**Sub-total included in Statement of Profit and Loss(xv)**	**13.68**	**12.06**	**-**	**-**	**-**	**-**
(xvii)	Actuarial Gains/(Loss)	**(0.62)**	**7.00**	**-**	-	**-**	-
(xviii)	**Sub-total included in Other Comprehensive Income(xvii)**	**(0.62)**	**7.00**	**-**	**-**	**-**	**-**
(xix)	Contributions by employer	**38.00**	**17.35**	**-**	-	**-**	-
(xx)	Benefits paid	**(21.53)**	**(18.08)**	**-**	-	**-**	-
(xxi)	**Closing fair value of plan assets(xiv+xvi+xviii+xix+xx)**	**228.63**	**199.10**	**-**	**-**	**-**	**-**
(xxii)	**Net Liability (xiii-xxi)**	**1.46**	**21.98**	**1.45**	**1.63**	**0.84**	**1.99**
	Expense recognised in:						
(xxiii)	**Statement of Profit and Loss (vi-xvi)**	**22.14**	**23.83**	**0.35**	**0.29**	**(1.08)**	**0.19**
(xxiv)	**Statement of Other Comprehensive Income(x-xvii)**	**(4.21)**	5.14	**(0.19)**	0.12	**0.01**	0.06

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 31.03.2022	Gratuity (Funded Plan) As at 31.03.2021
Government of India securities (Central and State)	**116.32**	105.27
High quality corporate bonds (including Public Sector Bonds)	**88.12**	79.73
Equity shares, Equity mutual funds and ETF	**17.31**	9.39
Cash (including liquid mutual funds)	**0.37**	0.40
Others	**6.51**	4.31

The principal assumptions used in determining gratuity, pension and post-retirement medical benefit obligations for the Company's plans are shown below:

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Discount Rate	**7.27%**	6.87%	**7.27%**	6.87%	**7.27%**	6.87%
Salary Escalation Rate	**All Grades- 9% for first 2 years 8% thereafter**	All Grades- 10% for first year 9% for second year 8% thereafter	**-**	-	**-**	-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has 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.

1) Post-employment benefits : (Contd.)

(₹ in Crores)

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Post-Retirement Medical (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Defined Benefit Obligation – Discount Rate + 100 basis points	**(18.24)**	(16.86)	**(0.08)**	(0.09)	**(0.06)**	(0.23)
Defined Benefit Obligation – Discount Rate - 100 basis points	**20.09**	18.38	**0.09**	0.10	**0.07**	0.24
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	**19.33**	17.74	**-**	-	**-**	-
Defined Benefit Obligation – Salary Escalation Rate - 100 basis points	**(18.10)**	(16.98)	**-**	-	**-**	-

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 10.46 years (Previous year -10.48 years).

The Company expects to make a contribution of ₹ 19.66 crores (Previous year - ₹ 41.65 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, 2022.

The Company contributed ₹ 19.41 crores (Previous Year - ₹ 15.35 crores) towards Asian Paints Office Provident Fund during the year ended 31st March, 2022. The Company contributed ₹ 11.56 crores (Previous Year - ₹ 9.65 crores) towards Asian Paints Factory Employees Provident Fund during the year ended 31st March, 2022.

The details of the Asian Paints Office Provident Fund and plan assets position are given below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of benefit obligation at period end	**405.73**	370.84
Plan assets at period end, at fair value, restricted to	**405.73**	370.84
Asset recognized in Balance Sheet	**-**	-

NOTE 37 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

d) Provident Fund (Contd.)

The details of the Asian Paints Factory Employees Provident Fund and plan assets position are given below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of benefit obligation at period end	**303.28**	290.18
Plan assets at period end, at fair value, restricted to	**303.28**	290.18
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):

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Discounting Rate	**7.27%**	6.87%
Expected Guaranteed interest rate	**8.10%***	8.50%

*Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2021-22 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.30% for FY 2021-22.

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, 2022 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 12.42 crores. (Previous Year- increased by ₹27.90 crores)

(a) Financial Assumptions

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Discount Rate	**7.27%**	6.87%
Salary increases allowing for Price inflation	**All Grades- 9% for first 2 years 8% thereafter**	All Grades- 10% for first year 9% for second year 8% thereafter

(b) Demographic Assumptions

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Mortality	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Employee Turnover	**Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%**	Upto 34yrs - 10.30%, 35-44 yrs - 4.90%, Above 44yrs-1.80%
Leave Availment Ratio	**5%**	5%

3) Employee share based payment plans

During the year ended 31st March, 2022, the Company implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by the shareholders in the Company's 75th AGM held on 29th June, 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Company and its subsidiaries not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Company as on 12th May, 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Company during the tenure of the Plan, subject to compliance with Applicable Law.

The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over

3) Employee share based payment plans (Contd.)

the next 3 years. The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Company as defined under 2021 Plan.

Further, the 2021 Plan replaced the existing Deferred Incentive Scheme (which provided for deferred cash pay-outs based on performance of the employees and satisfaction of vesting conditions). Pursuant to launch of 2021 Plan, the eligible employees were given option to convert existing deferred incentive benefit for FY 2020-21 into ESOPs. Accordingly, stock options were granted to those employees opting for ESOPs.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the statement of changes in equity.

a) Details of stock options granted:

Particulars	Grant 1	Grant 2	Grant 3
Grant Date	16th August, 2021	16th August, 2021	10th February, 2022
Vesting Date	31st March 2024	31st March 2025	31st March 2025
Fair Value at Grant Date (₹)	1,685.13	1,752.87	1,884.83
Exercise Price (₹)*	1,518.70	1,518.70	1,632.53
Options outstanding at the beginning of the year	**-**	**-**	**-**
Options granted during the year	110,514	116,022	4,425
Options exercised during the year	-	-	-
Options forfeited during the year	-	-	-
Options lapsed during the year	2,160	2,718	-
Balance as at year end	**108,354**	**113,304**	**4,425**
Exercisable at period end	-	-	-
Weighted Average remaining contractual life (years)	3	4	4

*Also represents weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options.

b) Fair Value of Stock Options granted:

Fair Value of Stock Options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield		Exercise price
Assumptions:	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of options during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price	Market price at the time of grant of the option (Rs)	50% of Reference Share Price
Grant 1- 16th August 2021	5.07%	3.12 years	34.67%	0.60%	2,987.55	1,518.70
Grant 2 - 16th August 2021	5.50%	4.12 years	32.17%	0.60%	2,987.55	1,518.70
Grant 3 - 10th February, 2022	5.57%	3.63 years	33.93%	0.55%	3,228.35	1,632.53

During the year, the Company has recognized an expense of Rs. 8.52 crores (31st March, 21 - Nil). This is net of reversal of provision of deferred incentive scheme of Rs 2.45 crores and recoveries from subsidiaries of Rs 2.42 crores.

Notes to the Financial Statements (Contd.)

NOTE 38 :

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 had received notices seeking certain information and the Company has provided the same from time to time. The Commission is yet to pass a final order in this regard.

NOTE 39 : AMALGAMATION AND ACQUISITIONS

a) Amalgamation of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited with the Company

On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved Scheme of amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ("Reno"), wholly owned subsidiary of the Company, with the Company. Pursuant to the necessary filings with the Registrars of Companies, Mumbai, the scheme has become effective from 17th September, 2021 with the appointed date of 1st April, 2019. Accordingly, the comparative period has been restated for the accounting impact of amalgamation, as if the amalgamation had occurred from the beginning of the comparative period in accordance with the Scheme.

(₹ in Crores)

Particulars	As at 1st April, 2020
Property, Plant and Equipment	160.86
Capital work-in-progress	7.70
Income Tax Asset (Net)	0.01
Cash and Cash Equivalents	0.13
Other financial assets - Current	0.02
Other financial liabilities - Current	(0.52)
Other liabilities - Current	(0.05)
Total Net Assets	**168.15**
Net Equity	**1.20**
Amounts pertaining to Reno appearing in the Financial Statements of the Company	
Investment in Reno	(161.42)
Loan to Reno	(7.93)

The impact of the amalgamation on the Financial Statements for the current year and previous year is not material. The accounting treatment is in accordance with the approved Scheme and Indian accounting standards.

b) Acquisition of Weatherseal Fenestration Private Limited:

On 1st April, 2022, the Company entered into the Shareholders Agreement and Share Subscription Agreement with the promoters of Weatherseal Fenestration Private Limited (hereinafter referred to as "Weatherseal Fenestration") for, inter alia, infusion of ₹ 19 crores (approx.) for 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to customary closing adjustments and conditions precedent. On fulfillment of such conditions, the acquisition of Weatherseal Fenestration shall be considered as completed and it will become a subsidiary of the Company. Further, in accordance with the Shareholders Agreement and the Share Subscription Agreement, the Company has agreed to acquire further stake of 23.9% in Weatherseal Fenestration from its promoter shareholders, in a staggered manner, over the next 3 years period. There is no impact of the above business acquisitions on the financial statements of the Company.

c) Acquisition of Obgenix Software Private Limited:

On 1st April, 2022, the Company entered into a Share Purchase Agreement and other definitive documents with the shareholders of Obgenix Software Private Limited (popularly known by the brand name of 'White Teak') for the acquisition of 100% of its equity share capital in a staggered manner over the period of next 3 years, subject to certain conditions. The Company has acquired 49% of its equity share capital for a consideration of ₹ 180 crores (approx.) along with an earn out upto a maximum of ₹ 114 crores, payable after a year, subject to achievement of mutually agreed financial milestones. The remaining 51% of the equity share capital would be acquired in a staggered manner. White Teak has become an associate of the Company from the date of acquisition. There is no impact of the above business acquisitions on the financial statements of the Company.

NOTE 40 : EARNINGS PER SHARE

Particulars		Year 2021-2022	Year 2020-2021
a)	Basic earnings per share in rupees (face value – ₹1 per share) (In ₹)	**32.68**	31.82
b)	Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	**32.68**	31.82
c)	Profit after tax as per Statement of Profit and Loss (₹ in crores)	**3,134.71**	3,051.80
	Number of equity shares outstanding during the year used for computing basic earnings per share	**9,59,197,790**	95,91,97,790
	Less: Weighted average shares held by ESOP trust as treasury shares	**1,20,488**	-
d)	Weighted average number of equity shares outstanding during the year used for computing basic earnings per share	**95,90,77,302**	95,91,97,790
	Add: Options granted to employees#	**23,717**	-
e)	Weighted average number of equity shares outstanding during the year used for computing diluted earnings per share	**95,91,01,018**	95,91,97,790

41 stock options are excluded from calculating weighted average number of outstanding equity shares for the purpose of diluted EPS for 31st March, 2022 (Previous year - Nil) as these are anti-dilutive.

NOTE 41 : RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

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*

* The Company intends to cease its operations.

b) Subsidiaries : (where control exists)

Direct Subsidiaries:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
Asian Paints (Nepal) Private Limited	Nepal	**52.71**	52.71
Asian Paints Industrial Coatings Limited	India	**100.00**	100.00
Asian Paints International Private Limited (APIPL)	Singapore	**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 31.03.2022	% of Holding as at 31.03.2021
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	**-**	-
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) SPC ***	Sultanate of Oman	**100.00**	49.00

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

b) Subsidiaries : (where control exists) (Contd.)

i) Subsidiaries of Asian Paints International Private Limited, Singapore (Contd.)

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
SCIB Chemicals S.A.E. #	Egypt	**61.31**	60.00
Samoa Paints Limited	Samoa	**80.00**	80.00
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	**60.00**	60.00
Causeway Paints Lanka (Pvt) Ltd ##	Sri Lanka	**99.98**	100.00
A P International Doha Trading W.L.L ^	Qatar	**100.00**	-

** Asian Paints (Tonga) Limited has ceased its business operations w.e.f. 10th December, 2020 and liquidated all its assets & liabilities. The name of the Company was struck off from the registrar on 29th January, 2021.

*** On 7th April 2021, APIPL entered into a Share Purchase Agreement for purchase of stake of non-controlling interest (51%) in Asian Paints Middle East SPC (earlier known as Asian Paints (Middle East) LLC), Oman, subsidiary of APIPL (by virtue of management control). The said transaction was concluded on 14th April, 2021.

On 31st May 2021, APIPL completed a buyout of 1.31% stake from certain minority shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

On 1st April 2021, the Registrar General of Companies in Sri Lanka approved the scheme of Amalgamation of Asian Paints (Lanka) Limited with Causeway Paints Lanka (Pvt) Ltd.

^ Subsidiary w.e.f 29th July, 2021.

ii) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.2022	% of Holding as at 31.03.2021
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 31.03.2022	% of Holding as at 31.03.2021
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 31.03.2022	% of Holding as at 31.03.2021
Berger Paints Bahrain W.L.L.	Bahrain	**100.00**	100.00

c) Key Managerial Personnel:

Name	Designation
Shri. Amit Syngle	Managing Director & CEO
Shri. R J Jeyamurugan	CFO & Company Secretary

Non-Executive Directors	
Late Shri. Abhay Vakil (upto 2nd November, 2021)	Shri. M.K. Sharma (upto 31st March, 2022)
Ms. Amrita Vakil	Ms. Nehal Vakil (w.e.f. 1st March, 2022)
Shri. Ashwin Dani	Mrs. Pallavi Shroff
Shri. Deepak Satwalekar (Chairman)	Shri. R Seshasayee
Shri. Jigish Choksi	Dr. S. Sivaram (upto 30th September, 2021)
Shri. Malav Dani	Shri. Suresh Narayanan
Shri. Manish Choksi (Vice Chairman)	Mrs. Vibha Paul Rishi
Shri. Milind Sarwate (w.e.f. 21st October, 2021)	

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Disclosure On Related Party Transactions as Required by Ind AS 24 - Related Party Disclosures is given below: (Contd.)

d) Close family members of Key Managerial Personnel who are under the employment of the Company:

Shri. Varun Vakil

e) Entities where Directors/Close family members of Directors have control/significant influence:

Addverb Technologies Pvt. Ltd.	Hitech Specialities Solutions Ltd.	Resins and Plastics Ltd.
Ankleshwar Industrial Development Society	Jalaj Trading And Investment Company Pvt. Ltd.	Ricinash Renewable Materials Pvt. Ltd. ##
Ashwin Suryakant Dani (HUF)	Jaldhar Investments And Trading Company Pvt. Ltd	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd	Lambodar Investments And Trading Company Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Satyadharma Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Shardul Amarchand Mangaldas & Co.
Dani Finlease Pvt. Ltd. @	Navbharat Packaging Industries Pvt. Ltd. *	Stack Pack Ltd. ^
Doli Trading and Investments Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
ELF Trading And Chemicals Mfg. Pvt. Ltd. ^^	Parekh Plast India Ltd. **	Suptaswar Investments And Trading Company Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Piramal Swasthya Management and Research Institute	Tru Trading And Investments Pvt. Ltd.
Gujarat Organics Ltd.	Pragati Chemicals Ltd. #	Unnati Trading And Investments Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Pratham Education Foundation	Vikatmev Containers Ltd.
Hitech Corporation Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	

* change in name w.e.f. 22nd December, 2021 (formerly known as Navbharat Packaging Industries Ltd.).

** till 31st December, 2020

merged with Resins and Plastics Ltd from 1st August, 2020

formerly known as Ricinash Oil Mill Ltd. (till 25th August, 2021) & Ricinash Renewable Materials Ltd (till 7th March, 2022).

^ w.e.f. 20th January, 2021

^^ change in name w.e.f. 22nd December, 2021 (formerly known as ELF Trading And Chemicals Mfg. Ltd.).

@ change in name w.e.f. 7th February, 2022 (formerly known as Dani Finlease Ltd.).

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)

Terms and conditions of transactions with related parties:

1. The Company has been entering into transactions with related parties for its business purposes. Related party vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing and cost advantage. Further related party vendors provide additional advantages in terms of:

   (a) Supplying products primarily to the Company,

   (b) Advanced and innovative technology,

Notes to the Financial Statements (Contd.)

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Terms and conditions of transactions with related parties: (Contd.)

(c) Customization of products to suit the Company's specific requirements, and

(d) Enhancement of the Company's purchase cycle and assurance of just in time supply with resultant benefits– notably on working capital.

2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

3. During the year ended 31st March, 2022, the Company has recorded an amount of ₹ 0.21 crores from Asian Paints (Bangladesh) Ltd (Previous year - ₹ 0.17 crores) and NIL from Kadisco Paints and Adhesive Industry Share Company (Previous Year - ₹ 5.44 crores) as provision for doubtful receivables in Statement of Profit and Loss. As at 31st March, 2022, the provision for doubtful receivables is ₹ 1.65 crores for Asian Paints (Bangladesh) Ltd (Previous year - ₹ 1.44 crores) and ₹ 5.44 crores for Kadisco Paints and Adhesive Industry Share Company (Previous year – ₹ 5.44 crores).

During the year ended 31st March, 2022, the Company has not written off any amount against doubtful receivables (Previous year - NIL).

The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Company.

Compensation of key management personnel of the Company:

(₹ in Crores)

	Year 2021-22	Year 2020-21
Short-term employee benefits	**23.38**	18.50
Post-employment benefits	**0.12**	0.14
Total compensation paid to key management personnel	**23.50**	**18.64**

Details of transactions with and balances outstanding of associate companies:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	**4.71**	**0.71**	6.07	1.96
	Sale of Assets	**-**	**-**	-	-
	Purchase of Goods	**0.26**	**0.21**	0.03	#
	Purchase of Assets	**0.42**	**-**	-	-
	Processing Income	**11.20**	**(0.35)**	12.98	(0.15)
	Royalty Income	**3.25**	**0.50**	3.17	0.40
	Other Non Operating Income	**7.38**	**0.93**	8.76	0.71
	Processing charges	**0.41**	**0.01**	0.15	0.14
	Reimbursement of Expenses - received	**0.19**	**0.08**	0.27	0.23
	Reimbursement of Expenses - paid	**-**	**-**	0.34	-
Revocoat India Private Limited	Other Non Operating Income	**0.19**	**0.02**	0.18	#

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of subsidiary companies:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints PPG Private Limited	Revenue from Sale of Products	**9.03**	**4.11**	5.22	1.68
	Purchase of Goods	**87.22**	**16.91**	26.47	9.69
	Processing Income	**28.18**	**10.11**	24.67	2.68
	Royalty Income	**14.48**	**8.58**	9.51	3.48
	Reimbursement of Expenses - received	**1.96**	**1.47**	1.77	0.57
	Other Non Operating Income	**7.26**	**3.16**	7.12	1.65
	Other Services - paid	**0.05**	**0.04**	0.03	0.03
	Reimbursement of Expenses - paid	**0.88**	**-**	0.24	-
Sleek International Private Limited	Revenue from Sale of Products	**2.05**	**0.75**	0.95	0.19
	Purchase of Goods	**7.23**	**0.01**	1.57	0.55
	Purchase of Assets	**0.51**	**0.07**	-	-
	Royalty Income	**1.14**	**0.33**	0.57	0.15
	Reimbursement of Expenses - received	**12.70**	**5.25**	11.74	3.86
	Other Non Operating Income	**7.17**	**2.92**	6.01	1.80
	Other Services - paid	**1.81**	**0.30**	0.64	0.11
	Reimbursement of Expenses - paid	**0.33**	**0.11**	0.02	0.02
	Trade Advances	**-**	**-**	-	0.08
	Equity Investment	**79.99**	**-**	-	-
Asian Paints Industrial Coatings Limited	Sale of Assets	**-**	**-**	#	-
	Other Non Operating Income	**0.03**	**0.03**	0.03	0.05
	Reimbursement of Expenses - received	**0.04**	**0.04**	-	-
	Reimbursement of Expenses - paid	**-**	**-**	-	-
Maxbhumi Developers Limited	Reimbursement of Expenses - received	**#**	**-**	-	-
Asian Paints (Bangladesh) Limited	Other non operating income	**0.14**	**#**	0.33	0.14
	Reimbursement of Expenses - paid	**0.21**	**0.49**	0.27	0.30
	Reimbursement of Expenses - received	**0.22**	**0.07**	0.23	0.09
	Revenue from sale of products	**10.83**	**2.02**	6.75	2.43
	Royalty Income	**12.69**	**22.36**	9.51	19.28
Asian Paints (Lanka) Limited	Other non operating income	**-**	**-**	#	-
	Reimbursement of Expenses - paid	**-**	**-**	-	0.02
	Reimbursement of Expenses - received	**-**	**-**	0.23	0.13
	Revenue from sale of products	**-**	**-**	3.51	0.68
	Royalty Income	**-**	**-**	2.59	2.61
Asian Paints (Middle East) SPC	Other non operating income	**0.11**	**0.01**	-	-
	Reimbursement of Expenses - paid	**-**	**-**	0.26	0.26
	Reimbursement of Expenses - received	**0.11**	**0.05**	0.21	0.06
	Revenue from sale of products	**2.24**	**0.51**	1.80	1.31
	Royalty Income	**4.85**	**4.85**	4.46	4.46

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of subsidiary companies: (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (Nepal) Private Limited	Other non operating income	**0.20**	**0.24**	0.57	0.69
	Reimbursement of Expenses - paid	**0.32**	**0.29**	0.01	0.01
	Reimbursement of Expenses - received	**0.82**	**0.85**	0.43	0.47
	Revenue from sale of products	**33.26**	**8.35**	13.53	5.09
	Royalty Income	**8.41**	**6.70**	6.19	10.39
	Dividend received	**12.19**	**12.19**	8.64	-
Asian Paints (S.I.) Limited	Royalty Income	**0.32**	**0.07**	0.35	0.09
Asian Paints (South Pacific) Limited	Other non operating income	**#**	**0.01**	-	-
	Reimbursement of Expenses - received	**0.07**	**0.06**	0.07	0.01
	Revenue from sale of products	**#**	**-**	0.05	0.05
	Royalty Income	**2.35**	**0.66**	2.08	0.63
Asian Paints (Tonga) Limited	Royalty Income	**-**	**-**	0.02	#
Asian Paints (Vanuatu) Limited	Royalty Income	**0.15**	**0.03**	0.15	0.04
Asian Paints International Private Limited	Other non operating income	**3.09**	**1.24**	6.03	4.37
	Other Services - paid	**1.54**	**0.71**	1.24	0.52
	Reimbursement of Expenses - paid	**0.08**	**0.07**	0.21	0.21
	Reimbursement of Expenses - received	**5.23**	**4.22**	1.13	0.31
	Royalty Income	**7.99**	**7.95**	7.06	7.07
	Sitting Fees Received (from subsidiaries for nominee directors)	**0.63**	**0.63**	0.61	0.61
Berger Paints Bahrain W.L.L.	Other non operating income	**0.01**	**0.01**	-	-
	Reimbursement of Expenses - received	**0.10**	**0.03**	0.05	0.01
	Revenue from sale of products	**0.45**	**0.13**	0.59	0.35
Berger Paints Emirates LLC	Other Services - paid	**1.01**	**0.50**	0.99	0.32
	Reimbursement of Expenses - paid	**0.04**	**0.07**	0.17	0.04
	Reimbursement of Expenses - received	**1.00**	**0.72**	0.50	0.15
	Revenue from sale of products	**3.18**	**1.35**	2.43	1.21
	Purchase of Assets	**0.12**	**0.12**	-	-
Causeway Paints Lanka (Pvt) Ltd	Other non operating income	**0.16**	**0.17**	0.04	0.02
	Other Services - paid	**0.46**	**0.13**	0.51	0.32
	Reimbursement of Expenses - paid	**0.32**	**0.32**	0.13	0.13
	Reimbursement of Expenses - received	**0.79**	**0.82**	0.38	0.23
	Revenue from sale of products	**20.99**	**19.26**	1.17	0.74
	Royalty Income	**5.30**	**8.46**	1.86	1.92
Kadisco Paint and Adhesive Industry Share Company	Reimbursement of Expenses - paid	**0.16**	**0.16**	-	-
	Reimbursement of Expenses - received	**-**	**-**	0.15	-
	Royalty Income	**-**	**-**	1.38	-

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of subsidiary companies: (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
PT Asian Paints Indonesia	Other non operating income	**0.50**	**0.14**	0.26	0.10
	Reimbursement of Expenses - paid	**0.20**	**0.01**	0.15	0.03
	Reimbursement of Expenses - received	**0.64**	**0.35**	0.47	0.19
	Revenue from sale of products	**1.26**	**0.24**	1.11	0.27
	Royalty Income	**2.12**	**2.12**	1.38	1.38
Samoa Paints Limited	Royalty Income	**0.20**	**0.05**	0.16	0.05
SCIB Chemical S.A.E.	Other non operating income	**0.02**	**0.02**	#	-
	Reimbursement of Expenses - paid	**0.13**	**0.13**	#	#
	Reimbursement of Expenses - received	**0.31**	**0.20**	0.22	0.09
	Revenue from sale of products	**-**	**-**	0.02	#
	Royalty Income	**12.37**	**17.68**	13.08	6.91

The Company has issued letters of awareness to banks/ financial institutions with respect to loans taken by certain international subsidiary companies. There has been no guarantee given or provided to any related party.

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Shri. Amit Syngle	Remuneration ^	**13.75**	**6.66**	10.42	4.58
	Dividend paid	**#**	**-**	#	-
Shri. R J Jeyamurugan	Remuneration ^^	**3.06**	**-**	2.58	-
Late Shri. Abhay Vakil	Retiral benefits	**0.05**	**-**	0.07	-
	Remuneration	**0.42**	**0.34**	0.41	0.34
	Dividend paid	**51.40**	**-**	13.81	-
Ms. Amrita Vakil	Remuneration	**0.46**	**0.34**	0.40	0.34
	Dividend paid	**4.66**	**-**	1.24	-
Shri. Ashwin Dani	Retiral benefits	**0.07**	**-**	0.07	-
	Remuneration	**0.46**	**0.36**	0.46	0.42
	Dividend paid	**3.58**	**-**	0.96	-
Shri. Deepak Satwalekar	Remuneration	**0.57**	**0.40**	0.43	0.34
Shri. Jigish Choksi	Remuneration	**0.44**	**0.34**	0.38	0.34
	Dividend paid	**3.62**	**-**	0.97	-
Shri. Malav Dani	Remuneration	**0.50**	**0.36**	0.41	0.36
	Dividend paid	**6.00**	**-**	1.60	-
Shri. Manish Choksi	Revenue from sale of products	**-**	**-**	#	-
	Remuneration	**0.55**	**0.38**	0.45	0.38
	Dividend paid	**4.34**	**-**	1.16	-
Shri. Milind Sarwate	Remuneration	**0.23**	**0.14**	-	-
	Dividend paid	**#**	**-**	-	-
Shri. M.K. Sharma	Remuneration	**0.61**	**0.40**	0.49	0.40
Ms. Nehal Vakil	Remuneration	**0.07**	**0.03**	-	-
	Dividend paid	**4.42**	**-**	-	-
Mrs. Pallavi Shroff	Remuneration	**0.45**	**0.34**	0.38	0.34
Shri. R Seshasayee	Remuneration	**0.58**	**0.38**	0.45	0.36
	Dividend paid	**#**	**-**	#	-

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel : (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Dr. S. Sivaram	Remuneration	**0.21**	**0.18**	0.41	0.36
Shri. Suresh Narayanan	Remuneration	**0.54**	**0.38**	0.45	0.38
Mrs. Vibha Paul Rishi	Remuneration	**0.48**	**0.35**	0.40	0.34
Shri. Varun Vakil (Close Family Members of KMP)	Remuneration	**0.82**	**-**	0.64	-
	Dividend paid	**4.05**	**-**	1.08	-
Others*	Dividend paid	**101.79**	**-**	28.53	-

^ Remuneration does not include Performance based incentive, Deferred incentive of ₹ 1.13 crores paid in 2021-22 (₹ 1.80 crores paid in 2020-21) for previous years and ₹ 3.59 crores worth of stock options for current year (Previous year ₹ 2.47 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

^^ Remuneration does not include Deferred incentive of ₹ 0.25 crores paid in 2021-22 (₹ 0.15 crores paid in 2020-21) for previous years and ₹ 0.48 crores worth of stock options for current year (Previous year - ₹ 0.48 crores in lieu of eligible deferred incentive) which will be subject to vesting conditions in accordance with the 2021 plan.

* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Addverb Technologies Pvt Ltd.	Other Services - paid	**0.38**	**0.07**	0.75	0.39
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	**-**	**-**	0.27	-
	Other Services - paid	**0.04**	**(0.01)**	-	-
Hitech Corporation Ltd.	Purchase of goods	**513.62**	**2.21**	380.21	1.96
Hitech Specialities Solutions Ltd.	Purchase of goods	**21.76**	**1.80**	0.19	-
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	**8.06**	**0.39**	6.09	0.57
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	**2.58**	**0.11**	0.34	0.15
Parekh Plast India Ltd.	Purchase of goods	**-**	**-**	69.37	-
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	**2.46**	**-**	2.30	-
Pragati Chemicals Ltd.	Purchase of goods	**-**	**-**	0.01	-
Pratham Education Foundation	Corporate Social Responsibility Expenses	**-**	**-**	0.03	-
Resins and Plastics Ltd.	Purchase of goods	**6.21**	**0.74**	7.46	0.35
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	**20.01**	**#**	15.15	0.58
Shardul Amarchand Mangaldas & Co.	Other Services - paid	**2.34**	**0.76**	1.21	0.70
Stack Pack Ltd.	Purchase of goods	**8.91**	**1.40**	0.40	0.34
Vikatmev Containers Ltd.	Purchase of goods	**22.14**	**1.53**	15.60	2.23
	Dividend paid	**0.20**	**-**	-	-

NOTE 41 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors: (Contd.)

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Sattva Holding and Trading Private Limited	Dividend paid	**102.35**	**-**	27.35	-
Smiti Holding And Trading Company Private Limited	Dividend paid	**100.44**	**-**	26.61	-
Others *	Dividend paid	**532.26**	**-**	142.28	-

* Dividend paid to Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Details of transactions with and balances outstanding of Other Entities where significant influence exist:

(₹ in Crores)

Name of the related party	Nature of transaction	Year 2021-22		Year 2020-21	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Asian Paints (India) Limited Employees' Gratuity Fund	Contributions during the year (includes Employees' share and contribution)	**38.00**	**-**	17.35	-
Asian Paints Office Provident Fund	Contributions during the year (includes Employees' share and contribution)	**50.66**	**4.14**	41.66	3.57
Asian Paints Factory Employees' Provident Fund	Contributions during the year (includes Employees' share and contribution)	**34.84**	**2.88**	30.33	2.78
Asian Paints Management Cadres Superannuation Scheme	Contributions during the year (includes Employees' share and contribution)	**0.03**	**-**	0.06	-

The Company pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.
Represents amounts less than ₹ 50,000/-.
All the amounts reported in Note 41 are inclusive of GST wherever applicable.

NOTE 42 : 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/or trading of paints, décor products and related services
Home Improvement	Manufacturing and/or trading of bath fitting products and related services

The measurement principles of segments are consistent with those used in Significant Accounting Policies. There are no inter segment transfer.

Notes to the Financial Statements (Contd.)

NOTE 42 : SEGMENT REPORTING (CONTD.)

(₹ in Crores)

	Year 2021-22			Year 2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
A. SEGMENT REVENUE	**24,828.17**	**360.34**	**25,188.51**	18,269.74	247.12	18,516.86
B. SEGMENT RESULT	**4,360.80**	**3.81**	**4,364.61**	4,270.60	(6.54)	4,264.06
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	**663.11**	**3.32**	**666.43**	634.56	3.16	637.72
Interest Income	**3.17**	**-**	**3.17**	1.07	0.22	1.29
Finance costs	**68.28**	**0.57**	**68.85**	61.10	0.68	61.78
Dividend Income	**-**	**-**	**-**	8.64	-	8.64
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	**4,360.80**	**3.81**	**4,364.61**	4,270.60	(6.54)	4,264.06
Add/(Less):						
Interest Income			**68.75**			39.91
Depreciation and amortisation			**(55.13)**			(59.75)
Net foreign exchange gain			**43.22**			18.43
Dividend received			**27.35**			7.81
Net gain arising on financial assets recognised at FVTPL			**76.09**			92.28
Finance costs			**(1.40)**			(9.88)
Income taxes			**(1,059.43)**			(1,037.87)
Other Un-allocable Expenses net of Un-allocable Income			**(329.35)**			(262.89)
PROFIT AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			**3,134.71**			**3,051.80**

(₹ in Crores)

	As at 31.03.2022			As at 31.03.2021		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
E. OTHER INFORMATION						
Segment assets	**13,722.87**	**312.17**	**14,035.04**	10,577.45	203.89	10,781.34
Un-allocable assets			**5,873.29**			6,799.48
Total assets			**19,908.33**			**17,580.82**
Segment liabilities	**5,972.95**	**95.08**	**6,068.03**	4,877.76	68.71	4,946.47
Un-allocable liabilities			**491.21**			545.16
Total liabilities			**6,559.24**			**5,491.63**
Capital expenditure	**232.76**	**9.28**	**242.04**	159.31	0.99	160.29
Un-allocable capital expenditure			**116.33**			19.78
Total			**358.37**			**180.08**

NOTE 42 : SEGMENT REPORTING (CONTD.)

(₹ in Crores)

	Year 2021-22	Year 2020-21
F. REVENUE FROM OPERATIONS		
India	**25,032.30**	18,448.37
Outside India	**156.21**	68.49
Total Revenue	**25,188.51**	**18,516.86**

(₹ in Crores)

G. RECONCILIATION BETWEEN SEGMENT REVENUE AND REVENUE FROM CONTRACT WITH CUSTOMERS	Year 2021-22			Year 2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
Revenue from sale of products	**24,582.94**	**352.63**	**24,935.57**	18,009.27	243.20	18,252.47
Revenue from sale of services	**66.16**	**0.36**	**66.52**	27.60	-	27.60
Other operating revenues	**59.66**	**7.35**	**67.01**	50.44	3.92	54.36
Add : Items not included in disaggregated revenue						
Subsidy from state government	**119.41**	**-**	**119.41**	182.44	-	182.44
Total Segment Revenue	**24,828.17**	**360.34**	**25,188.51**	**18,269.74**	**247.12**	**18,516.86**
Add : Items not included in segment revenue						
Royalty received from subsidiary and associate companies	**73.07**	**-**	**73.07**	62.07	-	62.07
Less : Items not included in disaggregated revenue						
Subsidy from state government	**119.41**	**-**	**119.41**	182.44	-	182.44
Revenue from contract with customers (Note 22B)	**24,781.83**	**360.34**	**25,142.17**	**18,149.37**	**247.12**	**18,396.49**

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.

NOTE 43 :

The Company has re-assessed expected timing of receipt of cashflow towards subsidy receivable from the State Governments, in accordance with Ind AS 109 – Financial Instruments and has accordingly provided for time value of money in the financial statements. Consequently:

(a) An amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years.

b) Subsidy income under 'Other operating revenue' is lower by ₹ 31.10 crores.

The Company is confident about the ultimate realisation of the dues from the State Governments.

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(₹ in Crores)

A. Gross amount required to be spent by the Company during the year 2021-22 - ₹ 70.77 crores (2020-21 - ₹ 62.95 crores)

B. Amount spent during the year on:

	2021-22			2020-21		
	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	**61.30**	**9.71**	**71.01**	42.48	20.50	62.98
	61.30	**9.71**	**71.01**	**42.48**	**20.50**	**62.98**
C. Related party transactions in relation to Corporate Social Responsibility:			**2.46**			**2.60**

NOTE 44 : CORPORATE SOCIAL RESPONSIBILITY EXPENSES (CONTD.)

(₹ in Crores)

D. Provision movement during the year:	2021-22		2020-21
Opening provision	**0.39**		1.35
Addition during the year	**0.03**		0.39
Utilised during the year	**(0.39)**		(1.35)
Closing provision	**0.03**		**0.39**

E. Amount earmarked for ongoing project:

(₹ in Crores)

	2021-22			2020-21		
	With Company	In Separate CSR Unspent A/c	Total	With Company	In Separate CSR Unspent A/c	Total
Opening balance	**14.78**	**-**	**14.78**	-	-	-
Amount required to be spent during the year	-	-	-	14.78	-	14.78
Transfer to Separate CSR Unspent A/c	**(14.78)**	**14.78**	**-**	-	-	-
Amount spent during the year	-	**(5.72)**	**(5.72)**	-	-	-
Closing balance	**-**	**9.06**	**9.06**	**14.78**	**-**	**14.78**

* Represents actual outflow during the year

There is no unspent amount at the end of the year to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013.

F. Details of excess amount spent

(₹ in Crores)

	Opening Balance	Amount required to be spent during the year	Amount spent during the year**	Closing balance
Details of excess amount spent	0.03	70.77	71.01	0.27

G. Nature of CSR activities undertaken by the Company

The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of :

(i) creating employability & enhancing the dignity of the painter/ carpenter/ plumber community

(ii) focus on water conservation, replenishment and recharge

(iii) enabling access to quality primary health care services

(iv) Disaster relief measures.

NOTE 45A : ITEMS INCLUDED IN FINANCIAL ACTIVITIES

(₹ in Crores)

				Non-cash changes			
	As at 31.03.2021	Cash Flows	Other Changes	Net additions	Fair value changes	Current/ Non-current classification	As at 31.03.2022
Borrowings- Non current (Refer note 14)	14.31	-	-	-	1.85	-	**16.16**
Other Liabilities (Refer note 19)	5.17	-	-	-	(1.76)	-	**3.41**
Borrowings - Current (Refer note 14)	7.89	(7.89)	-	-	-	-	**-**
Lease Liabilities (Refer note 15)	625.95	(183.24)	-	255.31	-	-	**698.02**

(₹ in Crores)

				Non-cash changes			
	As at 31.03.2020	Cash Flows	Other Changes	Net additions	Fair value changes	Current/ Non-current classification	As at 31.03.2021
Borrowings- Non current (Refer note 14)	18.50	1.96	-	-	1.75	(7.89)	14.31
Other Liabilities (Refer note 19)	6.89	-	-	-	(1.72)	-	5.17
Borrowings - Current (Refer note 14)	5.90	(5.90)	-	-	-	7.89	7.89
Lease Liabilities (Refer note 15)	638.65	(158.71)	-	146.01	-	-	625.95

NOTE 45B :

Total cash flows for leases including variable lease payments is ₹ 383.32 crores (Previous year - ₹ 326.07 crores) which includes finance cost on lease liability of ₹ 49.40 crores (Previous year - ₹ 49.47 crores).

NOTE 46: RELATIONSHIP WITH STRUCK OFF COMPANIES

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

(₹ in Crores)

Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2022	As at 31.03.2021
Tirupati Suppliers Pvt Ltd	Receivables	**0.40**	0.40
Citi Square Modular Industries Pvt Ltd	Receivables	**0.09**	0.09
K.A.S. Housing Pvt Ltd	Receivables	**0.01**	0.01
Milestone Market Research And Event Management Pvt Ltd	Payables	**-**	(0.03)
Maxin Hydro Dynamic India Pvt Ltd	Payables	**-**	0.00*
Khatushyam Engineers Pvt Ltd	Payables	**(0.01)**	(0.03)
Gomistri Services Pvt Ltd	Payables	**0.00***	0.00*
S E Security Services Pvt Ltd	Payables	**-**	(0.09)
Safna Consultancy Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Siddha Papers Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Fairtrade Securities Ltd	Unclaimed Dividend	**0.00***	0.00*
Unicon Fincap Pvt Ltd	Unclaimed Dividend	**0.00***	-
Fairgrowth Investments Ltd	Unclaimed Dividend	**0.00***	0.00*
Fairgrowth Financial Services Ltd	Unclaimed Dividend	**0.00***	0.00*
Empyrean Consultant Pvt Ltd	Unclaimed Dividend	**0.00***	-
Salil Archana Invests Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Chinmaya Estates Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Sunhari Trading And Commerce Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Palkhi Investment And Trading Company Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Alliance Invest And Finance Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Pax Holdings Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Smita Commercial Investment Ltd	Unclaimed Dividend	**0.00***	0.00*
Optimist Finvest And Trading Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Kinnari Investments Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Mulraj Holdings & Finance Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
BOI Finance Ltd	Unclaimed Dividend	**0.00***	0.00*

* Amounts are below ₹ 1 Lakh

Below struck off companies are equity shareholders of the Company as on the Balance Sheet date

Name of Struck off Company	Nature of transactions with struck-off Company
Shanti Credit And Holdings Pvt Ltd	Shares held by struck off company
Safna Consultancy Pvt Ltd	Shares held by struck off company
Siddha Papers Pvt Ltd	Shares held by struck off company
Fairtrade Securities Ltd	Shares held by struck off company
Unicon Fincap Private Ltd	Shares held by struck off company
Fairgrowth Investments Ltd	Shares held by struck off company
Fairgrowth Financial Services Ltd	Shares held by struck off company
Empyrean Consultant Pvt Ltd	Shares held by struck off company
Aloke Speciality Machines And Components Pvt Ltd	Shares held by struck off company

None of the above mentioned struck off companies are related party of the Company.

Notes to the Financial Statements (Contd.)

NOTE 47(A): ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

(i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vi) The Company has not traded or invested in crypto currency or virtual currency during the year.

(vii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

NOTE 47(B) : DISCLOSURE AS PER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

There are no loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties as at 31st March, 2022 and 31st March, 2021 (Refer note 39(a))

NOTE 47(C) : 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:

(i) Details of Investments made are given in Note 5(A)(a)(i) and 5(A)(a)(ii).

(ii) There are no guarantees issued or loans given by the Company as at 31st March, 2022 and 31st March, 2021 (Refer note 39(a)).

NOTE 48 :

The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 10th May, 2022.

Independent Auditor's 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, 2022, 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, 2022, 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 1.3(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, testing of cut-offs and performing analytical review procedures.
Impairment of goodwill in Consolidated Financial Statements (Refer note 1.3 (e) and Note 4A of the Consolidated Financial Statements)	
The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of ₹ 242.86 crore Goodwill is tested annually for impairment. 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) The determination of recoverable amount of goodwill based on value in use involves significant estimates and judgement in determining the assumptions such as Revenue growth, operating margins, and in determining the valuation assumptions relating to discount rates applied to estimated future cash flows and long term growth rate. These assumptions are sensitive to reasonable possible changes including economic uncertainties and therefore considered as a key audit matter.	Our audit procedures to the extent the goodwill is recognised in the Standalone Financial Statements of the Parent included as follows, We tested the design, implementation and operating effectiveness of controls over Goodwill impairment review, including those over forecast of future cash flows and the selection of the discount rate and long-term growth rate. We evaluated management's ability to accurately forecast future cash-flows by comparing actual results to management's historical forecasts. We evaluated the reasonableness of future forecast by comparing the forecast to historical financial performance, internal communication to management and Board of Directors. With the assistance of fair value specialists, we evaluated the reasonableness of discount rate and long term growth rate.

Independent Auditor's Report (Contd.)

The Key Audit Matter	How was the matter addressed in our audit
The key assumptions applied in the impairment reviews are described in note 4A of the Consolidated Financial Statements.	We also assessed the sensitivity of the recoverable amount to the changes in the key assumptions used. To the extent, goodwill relates to the subsidiaries, component auditor has tested the ViU calculations / for compliance with generally accepted methodologies, evaluated reasonableness of management's estimates of key assumptions (discount rates, growth rates and operating margins) based on historical performance, their knowledge of the CGUs' operations and environment and general economic forecasts, and performed sensitivity analyses to assess the impact of reasonably possible changes in estimates on the recoverable amount of the CGUs. We reviewed the work performed by 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 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 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 19 subsidiaries, whose financial statements/consolidated financial information reflect total assets of ₹ 3,965.22 crore as at 31st March, 2022, total revenues of ₹ 2,928.87 crore and net cash inflow amounting to ₹ 33.77 crore 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 ₹ 31.57 crore for the year ended 31st March, 2022, 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

1. 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, 2022 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, 2022 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.

      iv. a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material mis-statement.

      v. The final dividend proposed in the previous year, declared and paid by the Parent/ Holding Company during the year is in accordance with section 123 of the Act, as applicable.

      The interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

      As stated in Note 31 to the Financial Statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No 046930
UDIN: 22046930AIRNQS3487

Place: Mumbai
Date: May 10, 2022

Annexure "A" to The Independent Auditor's 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 Company as of and for the year ended 31st March, 2022, 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2022, based on the criteria for internal financial 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 4 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

Rupen K. Bhatt
Partner
Membership No 046930
UDIN: 22046930AIRNQS3487

Place: Mumbai
Date: May 10, 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2A	**4,184.46**	4,476.35
Right of Use Assets	2B	**905.75**	845.55
Capital work-in-progress	3	**426.43**	182.98
Goodwill	4A	**242.86**	302.63
Other Intangible Assets	4B	**185.99**	233.99
Investments in Associates	5	**515.47**	483.90
Financial Assets			
Investments	5	**551.36**	985.78
Trade Receivables	6	**2.40**	2.89
Other Financial Assets	7	**486.05**	594.06
Deferred Tax Assets (Net)	21C	**26.02**	14.28
Income Tax Assets (Net)	9	**172.46**	152.23
Other Non-Current Assets	10	**132.87**	68.38
		7,832.12	**8,343.02**
Current Assets			
Inventories	11	**6,152.98**	3,798.60
Financial Assets			
Investments	5	**2,180.70**	3,267.12
Trade Receivables	6	**3,871.44**	2,602.17
Cash and Cash Equivalents	8A	**621.72**	346.39
Other Balances with Banks	8B	**242.61**	264.36
Other Financial Assets	7	**1,533.50**	1,197.24
Other Current Assets	10	**541.25**	537.23
Assets classified as Held for Sale	12	**8.13**	13.49
		15,152.33	**12,026.60**
Total Assets		**22,984.45**	**20,369.62**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	**95.92**	95.92
Other Equity	14	**13,715.64**	12,710.37
Equity attributable to owners of the Company		**13,811.56**	**12,806.29**
Non-Controlling Interests	14	**387.53**	422.86
		14,199.09	**13,229.15**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	**44.54**	14.53
Lease Liabilities	16	**598.37**	561.36
Other Financial Liabilities	17	**2.18**	3.38
Provisions	18	**218.32**	215.21
Deferred Tax Liabilities (Net)	21C	**348.85**	415.59
Other Non-Current Liabilities	19	**2.11**	4.54
		1,214.37	**1,214.61**

Consolidated Balance Sheet (Contd.)

as at 31st March, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
Current Liabilities			
Financial Liabilities			
Borrowings	15	**731.12**	334.05
Lease Liabilities	16	**212.85**	183.18
Trade Payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	20	**83.58**	91.53
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	20	**4,080.72**	3,287.19
Other Financial Liabilities	17	**1,886.81**	1,594.67
Other Current Liabilities	19	**376.09**	229.58
Provisions	18	**69.70**	84.43
Income Tax Liabilities (Net)	22	**130.12**	121.23
		7,570.99	**5,925.86**
Total Equity And Liabilities		**22,984.45**	**20,369.62**
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Consolidated Financial Statements	2-46		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

Mumbai
10th May, 2022

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

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Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Notes	Year 2021-22	Year 2020-21
REVENUE FROM OPERATIONS			
Revenue from Sale of Products	23A	**28,830.02**	21,440.24
Revenue from Sale of Services	23A	**93.46**	44.96
Other Operating Revenue	23A	**177.80**	227.59
Other Income	24	**380.01**	303.05
Total Income (I)		**29,481.29**	**22,015.84**
EXPENSES			
Cost of Materials Consumed	25A	**16,254.59**	10,317.09
Purchases of Stock-in-Trade	25B	**3,371.13**	1,872.59
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25C	**(1,324.97)**	(92.45)
Employee Benefits Expense	26	**1,786.67**	1,540.75
Other Expenses	27	**4,210.25**	3,219.21
Total Expenses (II)		**24,297.67**	**16,857.19**
EARNING BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (I-II)		**5,183.62**	**5,158.65**
Finance Costs	28	**95.41**	91.63
Depreciation and Amortisation Expense	29	**816.36**	791.27
PROFIT BEFORE SHARE OF PROFIT IN ASSOCIATE AND EXCEPTIONAL ITEMS		**4,271.85**	**4,275.75**
Share of profit in Associate	34	**31.57**	28.60
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**4,303.42**	**4,304.35**
Exceptional items	39	**115.70**	-
PROFIT BEFORE TAX		**4,187.72**	**4,304.35**
Tax Expense	21		
(1) Current Tax		**1,161.53**	1,114.02
(2) Short tax provision for earlier years		**2.82**	7.74
(3) Deferred Tax		**(61.44)**	(24.16)
Total tax expense		**1,102.91**	**1,097.60**
PROFIT AFTER TAX		**3,084.81**	**3,206.75**
OTHER COMPREHENSIVE INCOME (OCI)			
(A) Items that will not be reclassified to Profit or Loss			
(a) (i) Remeasurement of the defined benefit plans	32	**4.59**	(6.24)
(ii) Income tax (expense)/benefit on remeasurement of defined benefit plans		**(0.96)**	1.79
(b) (i) Net fair value (loss)/gain on investments in equity instruments through OCI		**(82.31)**	57.26
(ii) Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI		**9.59**	(4.88)
(c) Share of OCI in associate		**(0.05)**	0.73
(B) Items that will be reclassified to Profit or Loss			
(a) (i) Net fair value (loss)/gain on investment in debt instruments through OCI		**(3.26)**	2.41
(ii) Income tax benefit/(expense) on net fair value gain on investment in debt instruments through OCI		**0.39**	(0.28)
(b) Exchange difference arising on translation of foreign operations		**(153.65)**	(56.47)
Total Other Comprehensive Income (A+B)		**(225.66)**	**(5.68)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,859.15**	**3,201.07**

Consolidated Statement of Profit and Loss (Contd.)

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Notes	Year 2021-22	Year 2020-21
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		**3,030.57**	3,139.29
- Non-controlling interest		**54.24**	67.46
		3,084.81	**3,206.75**
OTHER COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		**(212.31)**	4.13
- Non-controlling interest		**(13.35)**	(9.81)
		(225.66)	**(5.68)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
- Owners of the Company		**2,818.26**	3,143.42
- Non-controlling interest		**40.89**	57.65
		2,859.15	**3,201.07**
Earnings per equity share (Face value of ₹ 1 each)	41		
(1) Basic Earnings per Share (EPS) (₹)		**31.59**	32.73
(2) Diluted Earnings per Share (EPS) (₹)		**31.59**	32.73
Significant accounting policies and Key accounting estimates and judgements	1		
See accompanying notes to the Consolidated Financial Statements	2-46		

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

Mumbai
10th May, 2022

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

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Consolidated Statement of Changes in Equity for the year ended 31st March,2022

A) EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning of the reporting year	95.92	95.92
Changes in Equity Share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	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

(₹ in Crores)

Particulars	Attributable to owners of the Company																	Non-controlling interests	Total
	Reserves and Surplus												Items of Other Comprehensive Income(OCI)				Total attributable to owners of the Company		
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate			
Balance as at 1st April, 2020 (A)	**39.16**	**44.38**	**5.37**	**14.37**	**4,715.75**	**5,222.86**	**(18.22)**	**(17.71)**	**-**	**-**	**-**	**-**	**2.48**	**(142.09)**	**168.63**	**(0.74)**	**10,034.24**	**403.53**	**10,437.77**
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,139.29	-	-	-	-	-	-	-	-	-	-	3,139.29	67.46	3,206.75
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(46.86)	-	-	(46.86)	(9.61)	(56.47)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(4.25)	-	-	-	-	-	-	-	-	-	(4.25)	(0.20)	(4.45)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52.38	-	52.38	-	52.38
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	2.13	-	-	-	2.13	-	2.13
Share of the OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.73	0.73	-	0.73
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**3,139.29**	**(4.25)**	**-**	**-**	**-**	**-**	**-**	**2.13**	**(46.86)**	**52.38**	**0.73**	**3,143.42**	**57.65**	**3,201.07**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(465.23)	-	-	-	-	-	-	-	-	-	-	(465.23)	(38.32)	(503.55)
Equity/other changes in Associate	-	(2.91)	-	-	-	-	-	-	0.85	-	-	-	-	-	-	-	(2.06)	-	(2.06)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.43	-	(0.43)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**-**	**(2.91)**	**-**	**0.43**	**-**	**(465.66)**	**-**	**-**	**0.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(467.29)**	**(38.32)**	**(505.61)**
Balance as at 31st March, 2021 (D) = (A+B+C)	**39.16**	**41.47**	**5.37**	**14.80**	**4,715.75**	**7,896.49**	**(22.47)**	**(17.71)**	**0.85**	**-**	**-**	**-**	**4.61**	**(188.95)**	**221.01**	**(0.01)**	**12,710.37**	**422.86**	**13,133.23**
Balance as at 31st March, 2021 (D)	**39.16**	**41.47**	**5.37**	**14.80**	**4,715.75**	**7,896.49**	**(22.47)**	**(17.71)**	**0.85**	**-**	**-**	**-**	**4.61**	**(188.95)**	**221.01**	**(0.01)**	**12,710.37**	**422.86**	**13,133.23**

Consolidated Statement of Changes in Equity (Contd.) for the year ended 31st March, 2022

Particulars	Attributable to owners of the Company																	Non-controlling interests	Total
	Reserves and Surplus												Items of Other Comprehensive Income(OCI)				Total attributable to owners of the Company		
	Capital Reserve on Consolidation	Capital Reserve	Capital Redemption Reserve	Statutory Reserves	General Reserve	Retained earnings	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate			
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,030.57	-	-	-	-	-	-	-	-	-	-	3,030.57	54.24	3,084.81
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(140.53)	-	-	(140.53)	(13.12)	(153.65)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	3.86	-	-	-	-	-	-	-	-	-	3.86	(0.23)	3.63
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(72.72)	-	(72.72)	-	(72.72)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(2.87)	-	-	-	(2.87)	-	(2.87)
Share of the OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.05)	-	(0.05)
Total Comprehensive Income for the year (E)	**-**	**-**	**-**	**-**	**-**	**3,030.57**	**3.86**	**-**	**-**	**-**	**-**	**-**	**(2.87)**	**(140.53)**	**(72.72)**	**(0.05)**	**2,818.26**	**40.89**	**2,859.15**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(1,740.95)	-	-	-	-	-	-	-	-	-	-	(1,740.95)	(21.85)	(1,762.80)
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	-	(10.54)	-	-	-	-	-	-	-	-	(10.54)	(54.37)	(64.91)
Equity/other changes in Associate	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05	-	0.05
Transfer to Statutory Reserves and General Reserve	-	-	-	0.16	-	(0.16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	-	-	-	13.40	-	-	-	-	-	-	13.40	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	0.05	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)	-	(75.00)
Total (F)	**-**	**-**	**-**	**0.16**	**-**	**(1,741.11)**	**-**	**(10.54)**	**0.05**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**-**	**-**	**(1,812.99)**	**(76.22)**	**(1,889.21)**
Balance as at 31st March, 2022 (D+E+F)	**39.16**	**41.47**	**5.37**	**14.96**	**4,715.75**	**9,185.95**	**(18.61)**	**(28.25)**	**0.90**	**13.40**	**(75.00)**	**0.05**	**1.74**	**(329.48)**	**148.29**	**(0.06)**	**13,715.64**	**387.53**	**14,103.17**

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)
See accompanying notes to the Consolidated Financial Statements (Refer note 2-46)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22	Year 2020-21
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**4,187.72**	4,304.35
Adjustments for :		
Depreciation and amortisation expense	**816.36**	791.27
Gain on sale of property, plant and equipment (net)	**(44.36)**	(18.33)
Net gain on modification/ termination of leases	**(4.27)**	(3.20)
Finance costs	**95.41**	91.63
Allowances for doubtful debts and advances	**57.56**	33.43
Bad debts written off	**2.15**	3.42
Interest income	**(92.72)**	(67.32)
Dividend income	**(15.16)**	(7.81)
Share of profit in Associate [Refer note 34]	**(31.57)**	(28.60)
Impairment loss on Goodwill in Causeway Lanka [Refer note 39]	**13.47**	-
Net gain arising on financial assets measured at fair value through Profit & Loss (FVTPL)	**(76.09)**	(92.28)
Share based payment expense (net)	**10.94**	-
Provision for expected credit loss [Refer note 39]	**53.73**	-
Deferred income arising from government grant	**(1.76)**	(2.28)
Net unrealised foreign exchange loss/(gain)	**57.60**	(12.31)
Effect of exchange rates on translation of operating cashflows	**(71.61)**	(22.44)
Operating Profit before working capital changes	**4,957.40**	**4,969.53**
Adjustments for :		
(Increase) in Inventories	**(2,354.38)**	(408.79)
(Increase) in trade receivables	**(1,326.48)**	(848.57)
Increase in trade payables	**644.02**	1,142.75
(Increase) in financial assets	**(130.62)**	(236.86)
(Increase) in other assets	**(21.21)**	(256.08)
Increase in other financial liabilities	**237.19**	250.07
Increase in other liabilities and provisions	**156.26**	151.02
Cash generated from Operating activities	**2,162.18**	**4,763.07**
Income Tax paid (net of refund)	**(1,175.69)**	(1,079.72)
Net Cash generated from Operating activities	**986.49**	**3,683.35**
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment and other intangible assets	**(538.24)**	(281.87)
Sale of Property, plant and equipment (including advances)	**39.58**	27.61
Payment for acquiring right of use assets	**(12.46)**	(6.84)
Purchase of non-current investments	**-**	(0.50)
Sale of non-current investments	**146.46**	272.32
Sale / (Purchase) of current investments (net)	**61.03**	(139.34)
Net investment in term deposits (having original maturity more than three months)	**(110.21)**	(500.33)
Interest received	**76.99**	73.35
Dividend received	**15.16**	7.81
Net Cash used in Investing activities	**(321.69)**	**(547.79)**

Consolidated Cash Flow Statement (Contd.)

for the year ended 31st March, 2022

(₹ in Crores)

Particulars	Year 2021-22	Year 2020-21
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non-current borrowings	**39.87**	2.14
Repayment of non-current borrowings	**(7.89)**	(14.21)
Proceeds from current borrowings (net)	**292.68**	37.78
Acceptances (net)	**85.35**	115.50
Repayment of lease liabilities	**(221.40)**	(202.95)
Transactions with Non Controlling Interest	**(64.91)**	-
Finance costs paid	**(93.56)**	(89.31)
Purchase of Treasury Shares by ESOP Trust (net)	**(74.95)**	-
Dividend paid (including dividend paid to non-controlling shareholders)	**(1,762.80)**	(499.35)
Net Cash used in Financing activities	**(1,807.61)**	**(650.40)**
(D) NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	**(1,142.81)**	**2,485.16**
Add: Cash and cash equivalents as at 1st April	**3,421.16**	928.75
Net effect of exchange gain on cash and cash equivalents	**4.94**	7.25
Cash and cash equivalents as at 31st March	**2,283.29**	**3,421.16**

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.

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
(b) Cash and Cash Equivalents comprises of :		
Cash on hand	**0.49**	0.74
Balances with Banks:		
- Current Accounts	**486.63**	269.35
- Cash Credit Accounts	**23.52**	29.43
- Deposits with Bank with maturity less than 3 months	**62.71**	26.06
Cheques, drafts on hand	**48.37**	20.81
Cash and cash equivalents [Refer note 8(A)]	**621.72**	**346.39**
Investment in Government Securities [Refer note 5 (B)]	**-**	41.17
Investment in Liquid mutual funds [Refer note-5 (D)(b)]	**1,804.55**	3,067.00
Less: Loan repayable on demand - Cash Credit /Overdraft Accounts [Refer note 15]	**(142.98)**	(33.40)
Cash and cash equivalents in Cash Flow Statement	**2,283.29**	**3,421.16**

Significant accounting policies and Key accounting estimates and judgements (Refer note 1)
See accompanying notes to the Consolidated Financial Statements (Refer note 2-46)

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

Rupen K. Bhatt
Partner
Membership No: 046930

Mumbai
10th May, 2022

For and on behalf of the Board of Directors of **Asian Paints Limited**
CIN: L24220MH1945PLC004598

Deepak Satwalekar
Chairman
DIN: 00009627

Milind Sarwate
Chairman of Audit Committee
DIN: 00109854

Mumbai
10th May, 2022

Amit Syngle
Managing Director & CEO
DIN: 07232566

R J Jeyamurugan
CFO & Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

GROUP 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, 2022.

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.

Pursuant to amendment to the Schedule III of the Companies Act, 2013 issued by the Ministry of Corporate Affairs; following Balance Sheet line items in the current and previous year have been reclassified:

a. Security deposits - earlier disclosed under the head of 'Loans' are shown under 'Other financial liabilities'

b. Current portion of long-term borrowings - earlier disclosed under the head of 'Other financial liabilities' is shown under 'borrowings'

Other new disclosures are given together with related notes.

1.2. 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.

1.3. 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 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 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 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 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 décor services / 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.

Advance from customers is recognized under other liabilities and released to revenue on satisfaction of performance obligation.

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.

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 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 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.

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. Remeasurement 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 deferred incentives, 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 benefits 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) Employee Share based Payments:

The Parent Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date using Black-Scholes model. Such fair value of the equity settled share based payments are amortized on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Parent Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the employee stock option reserve.

The Parent Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries. The said recovery is netted off from the Employee benefits expense.

s) Treasury shares:

The Parent Company has created an ESOP Trust (Asian Paints Employees Stock Ownership Trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Parent Company and the shares held by it is treated by Treasury shares. The ESOP Trust purchases Parent Company's share from secondary market for issuance to the employees on exercise the granted stock options. These shares are recognized at cost and is disclosed as separately as deduction from Other Equity as treasury shares. No gain or loss is recognized in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares. Any consideration paid or received is directly recognized in treasury shares in Other Equity.

t) 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 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 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.

u) 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.

v) 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.

w) 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.

x) 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.

y) 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.

z) 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.

aa) 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 arrangements,
- 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup 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 intragroup 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 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.

bb) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit attributable to the equity shareholders of the Company with the weighted average number of equity shares outstanding during the financial year, adjusted for treasury shares.

Diluted Earnings per share is calculated by dividing net profit attributable to the equity shareholders of the Company with the weighted average number of shares outstanding during the financial year, adjusted for the effects of all dilutive potential equity shares.

cc) Exceptional items:

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Group is treated as an exceptional item in the Statement of Profit and Loss account.

1.4. 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 effected 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 21.

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 benefiting 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 32, 'Employee benefits'.

f. Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on expected exercise behaviour), expected dividends, and the risk free interest rate (based on government bonds). The details of variables used are given in note 32(3).

g. 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.

h. 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.

NOTE 2A : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

	Gross carrying value					Depreciation/Amortisation					Net carrying value
	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022
Land^	434.45	1.75	9.16	0.05	**445.31**	-	-	-	-	**-**	**445.31**
Buildings	1,610.66	(6.37)	14.40	1.59	**1,617.10**	261.28	(1.97)	63.45	1.20	**321.56**	**1,295.54**
Plant and Equipment	4,339.84	(10.45)	212.45	10.61	**4,531.23**	1,824.36	(4.67)	444.04	7.97	**2,255.76**	**2,275.47**
Scientific Research :											
Buildings	71.39	-	-	-	**71.39**	12.32	-	2.74	-	**15.06**	**56.33**
Equipment	71.82	(0.00)	2.02	0.33	**73.51**	40.70	(0.00)	7.42	0.33	**47.79**	**25.72**
Leasehold Improvements	0.27	(0.00)	0.04	-	**0.31**	0.05	-	0.03	-	**0.08**	**0.23**
Furniture and Fixtures	99.31	(0.55)	17.36	3.26	**112.86**	57.94	(0.52)	11.62	2.51	**66.53**	**46.33**
Vehicles	29.75	(4.55)	0.27	1.65	**23.82**	21.16	(3.75)	2.16	0.76	**18.81**	**5.01**
Office Equipment	99.92	(0.98)	13.51	4.28	**108.17**	65.76	(0.58)	13.75	4.17	**74.76**	**33.41**
Leasehold improvements	9.84	0.01	0.10	0.27	**9.68**	9.14	(0.01)	0.68	0.27	**9.54**	**0.14**
Assets Given on Operating Lease: Tinting systems:	5.10	(1.62)	0.03	0.03	**3.48**	3.29	(1.17)	0.40	0.01	**2.51**	**0.97**
Total	**6,772.35**	**(22.76)**	**269.34**	**22.07**	**6,996.86**	**2,296.00**	**(12.67)**	**546.29**	**17.22**	**2,812.40**	**4,184.46**

(₹ in Crores)

	Gross carrying value					Depreciation/Amortisation					Net carrying value
	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021
Land^	375.65	(1.15)	59.95	-	434.45	-	-	-	-	-	434.45
Buildings	1,602.41	(9.09)	20.05	2.71	1,610.66	200.91	(8.92)	70.50	1.21	261.28	1,349.38
Plant and Equipment	4,208.35	(20.91)	162.90	10.50	4,339.84	1,421.42	(19.42)	431.45	9.09	1,824.36	2,515.48
Scientific Research :											
Buildings	71.37	(0.04)	0.06	-	71.39	9.56	0.02	2.74	-	12.32	59.07
Equipment	70.38	(0.03)	1.61	0.14	71.82	32.54	0.01	8.29	0.14	40.70	31.12
Leasehold Improvements	0.27	-	-	-	0.27	-	-	0.05	-	0.05	0.22
Furniture and Fixtures	94.45	(2.44)	8.70	1.40	99.31	49.71	(2.26)	11.80	1.31	57.94	41.37
Vehicles	31.83	(1.05)	1.22	2.25	29.75	20.92	(1.07)	2.81	1.50	21.16	8.59
Office Equipment	98.78	(3.82)	8.48	3.52	99.92	57.74	(3.61)	14.71	3.08	65.76	34.16
Leasehold improvements	10.15	-	0.02	0.33	9.84	7.92	-	1.47	0.25	9.14	0.70
Assets Given on Operating Lease: Tinting systems	4.05	0.31	0.74	-	5.10	2.21	0.45	0.63	-	3.29	1.81
Total	**6,567.69**	**(38.22)**	**263.73**	**20.85**	**6,772.35**	**1,802.93**	**(34.80)**	**544.45**	**16.58**	**2,296.00**	**4,476.35**

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed in Note 37 (b).

^ Includes leasehold land of ₹ 4.56 crores in a subsidiary which is not being amortized as the subsidiary has an option to convert it into freehold on payment of a nominal amount.

NOTE 2B : RIGHT OF USE ASSETS

(₹ in Crores)

Movement in net carrying amount	2021-22					2020-21				
	Leasehold Land	Building	Office Equipments	Vehicles	Total	Leasehold Land	Building	Office Equipments	Vehicles	Total
Net Carrying Amount										
Balance at 1st April	209.44	627.87	0.05	8.19	**845.55**	264.53	644.53	-	11.03	920.09
Additions/Adjustments	-	339.83	-	6.34	**346.17**	-	217.52	0.05	4.91	222.48
Depreciation	4.34	231.28	0.01	5.61	**241.24**	1.41	207.31	-	6.44	215.16
Deletions/Adjustments	3.40	38.42	-	0.31	**42.13**	54.49	27.63	-	0.91	83.03
Translation difference	(2.52)	(0.02)	-	(0.06)	**(2.60)**	0.81	0.76	-	(0.40)	1.17
Balance at 31st March	**199.18**	**697.98**	**0.04**	**8.55**	**905.75**	**209.44**	**627.87**	**0.05**	**8.19**	**845.55**

NOTE 3 : CAPITAL WORK IN PROGRESS

Capital Work-In-Progress (CWIP) ageing schedule

(₹ in Crores)

CWIP	Amount in CWIP for a period of				As at 31.03.2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	358.15	56.19	9.11	2.98	**426.43**
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

CWIP	Amount in CWIP for a period of				As at 31.03.2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	128.68	24.87	24.67	4.76	182.98
Projects temporarily suspended	-	-	-	-	-

CWIP assets where completion is overdue and/or cost has exceeded its original plan

(₹ in Crores)

CWIP	To be completed in				As at 31.03.2022
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion in Bangladesh	178.02	-	-	-	**178.02**

(₹ in Crores)

CWIP	To be completed in				As at 31.03.2021
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion in Bangladesh	-	55.82	-	-	55.82

NOTE 4 : INTANGIBLE ASSETS

(₹ in Crores)

	Gross carrying value					Amortisation					Net carrying value	Net carrying value
	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 01.04.2021	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
4A. GOODWILL (Refer note 2 below)												
Goodwill on Consolidation	307.80	(46.15)	-	-	261.65	-	-	-	-	-	261.65	307.80
Goodwill acquired separately	47.28	-	-	-	47.28	-	-	-	-	-	47.28	47.28
TOTAL (4A)	**355.08**	**(46.15)**	**-**	**-**	**308.93**	**-**	**-**	**-**	**-**	**-**	**308.93**	**355.08**
4B. OTHER INTANGIBLE ASSETS (acquired separately)												
Brand (Refer note 1 below)	120.03	(24.70)	-	-	95.33	-	-	-	-	-	95.33	120.03
Trademark	1.39	-	5.00	-	6.39	0.96	(0.01)	1.09	-	2.04	4.35	0.43
Computer Software	213.85	(0.38)	19.82	0.20	232.89	166.07	(0.34)	23.76	0.19	189.30	43.59	47.78
Others	83.24	(25.34)	-	-	57.90	17.49	(6.28)	3.97	-	15.18	42.72	65.75
Scientific Research :												
Computer Software	0.16	0.01	-	-	0.17	0.16	0.00	0.01	-	0.17	-	-
TOTAL (4B)	**418.67**	**(50.61)**	**24.82**	**0.20**	**392.68**	**184.68**	**(6.63)**	**28.83**	**0.19**	**206.69**	**185.99**	**233.99**
TOTAL (4A+4B)	**773.75**	**(96.76)**	**24.82**	**0.20**	**701.61**	**184.68**	**(6.63)**	**28.83**	**0.19**	**206.69**	**428.85**	**536.62**

(₹ in Crores)

	Gross carrying value					Amortisation					Net carrying value	Net carrying value
	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 01.04.2020	Translation Difference	Additions / Adjustments	Deductions / Adjustments	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
4A. GOODWILL (Refer note 2 below)												
Goodwill on Consolidation	325.16	(17.36)	-	-	307.80	-	-	-	-	-	307.80	325.16
Goodwill acquired separately	47.28	-	-	-	47.28	-	-	-	-	-	47.28	47.28
Total (4A)	**372.44**	**(17.36)**	**-**	**-**	**355.08**	**-**	**-**	**-**	**-**	**-**	**355.08**	**372.44**
4B. OTHER INTANGIBLE ASSETS (acquired separately)												
Brand (Refer note 1 below)	131.99	(11.96)	-	-	120.03	-	-	-	-	-	120.03	131.99
Trademark	0.94	-	0.45	-	1.39	0.94	-	0.02	-	0.96	0.43	-
Computer Software	198.26	0.43	15.36	0.20	213.85	138.51	0.61	27.14	0.19	166.07	47.78	59.75
Others	90.48	(7.24)	-	-	83.24	14.75	(1.75)	4.49	-	17.49	65.75	75.73
Scientific Research :												
Computer Software	0.15	-	0.01	-	0.16	0.15	-	0.01	-	0.16	-	-
Total (4B)	**421.82**	**(18.77)**	**15.82**	**0.20**	**418.67**	**154.35**	**(1.14)**	**31.66**	**0.19**	**184.68**	**233.99**	**267.47**
Total (4A+4B)	**794.26**	**(36.13)**	**15.82**	**0.20**	**773.75**	**154.35**	**(1.14)**	**31.66**	**0.19**	**184.68**	**536.62**	**639.91**

The amount of contractual commitments for the acquisition of intangible assets is disclosed in Note 37 (b).

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.

NOTE 4A : 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 has been allocated as follows:

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Goodwill on Consolidation		
Berger Paints Emirates LLC	**2.82**	2.75
Kadisco Paint and Adhesive Industry S.C.	**28.59**	35.00
Asian Paints (Vanuatu) Limited	**0.97**	0.94
Asian Paints (South Pacific) Pte Limited	**1.97**	1.91
SCIB Chemicals, S.A.E.	**12.67**	12.29
Causeway Paints Lanka (Pvt) Ltd (Refer note 40C)	**72.73**	126.63
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	**242.86**	**302.63**

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 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.

Key Assumptions used for value in use calculations:

	As at 31.03.2022	As at 31.03.2021
Projected revenue growth rate for five-year period (Previous year - five year)	**0% to 56%**	3% to 51%
Growth rate used for extrapolation of cash flow projections beyond the five-year period (Previous year - five year)	**2% to 10%**	2% to 5%
Discount rate	**8% to 29%**	8% to 23%

The Group has recognised an impairment loss of ₹ 13.47 crores during the current year (reported under Paints Segment) in respect of Goodwill on consolidation recognized on acquisition of Causeway Paints Lanka (Pvt) Ltd taking into account the business performance, prevailing business conditions and revised expectations of the future considering ongoing economic crisis in Sri Lanka. The recoverable amount of the CGU is ₹ 262.27 crores, determined based on its value in use considering a discount rate of 20.3%. The same has been disclosed as an exceptional item in Note 39.

As at 31st March, 2022, changes to each of the key assumptions will lead to additional impairment as follows:

	Current assumption	Change in assumption	Additional impairment (₹ in Crores)
Discount rate	20.3%	3% increase	65.99
Revenue Growth rate	20% to 48%	5% decrease	27.39

For other CGUs, management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates- Management estimates discount rates using pre-tax rates that reflect current market assessment 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 CGU 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 demand condition. The weighted average growth rates used are consistent with industry reports.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 5 : INVESTMENTS

(₹ in Crores)

	Nos.	Face value (₹)	Non-Current		Current	
			As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
A. Investments in Equity Instruments						
(a) Quoted equity shares measured at FVTOCI						
Akzo Nobel India Limited	20,10,626	10	**383.75**	461.65	**-**	-
Housing Development Finance Corporation Limited	4,65,000	2	**111.15**	116.16	**-**	-
Apcotex Industries Limited	34,180	2	**1.23**	0.61	**-**	-
Total Quoted equity shares			**496.13**	**578.42**	**-**	**-**
(b) Unquoted equity shares						
(i) Associate (accounted as per equity method, Refer note 1.3.z)						
PPG Asian Paints Private Limited (Refer note 34)	2,85,18,112	10	**515.47**	483.90	**-**	-
			515.47	**483.90**	**-**	-
(ii) Other equity shares measured at FVTPL			**1.07**	1.07	**-**	-
Total Unquoted equity shares (i+ii)			**516.54**	**484.97**	**-**	**-**
Total investments in Equity Instruments (a+b)		A	**1,012.67**	**1,063.39**	**-**	**-**
B. Investments in Unquoted Government securities measured at amortised cost		B	*	*	-	**41.17**
* [₹ 39,500/- (As at 31st March, 2021 - ₹ 39,500)]						
C. Investments in Debentures or Bonds						
a) Investments in Quoted Debentures or Bonds measured at FVTOCI			**53.49**	81.35	**25.31**	28.33
b) Investments in Unquoted Debentures or Bonds measured at amortised cost			**0.67**	0.83	**0.36**	0.45
Total Investments in Debentures or Bonds		C	**54.16**	**82.18**	**25.67**	**28.78**
D. Investments in Quoted Mutual Funds measured at FVTPL						
a) Investments in Fixed Maturity Plans			**-**	324.11	**350.48**	130.17
b) Investments in Liquid Mutual Funds			**-**	-	**1,804.55**	3,067.00
Total Investments in Mutual Funds - Quoted		D	**-**	**324.11**	**2,155.03**	**3,197.17**
Total Investments (A+B+C+D)			**1,066.83**	**1,469.68**	**2,180.70**	**3,267.12**
Total Investments in Associate			**515.47**	**483.90**	**-**	**-**
Total Investments in Other entities			**551.36**	**985.78**	**2,180.70**	**3,267.12**
Aggregate amount of quoted investments - At cost			**90.75**	**375.70**	**2,056.26**	**3,164.44**
Aggregate amount of quoted investments - At market value			**549.62**	**983.88**	**2,180.34**	**3,225.50**
Aggregate amount of unquoted investments			**517.21**	**485.80**	**0.36**	**41.62**

NOTE 6 : TRADE RECEIVABLES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Trade receivables				
(a) Secured, considered good	**-**	-	**54.35**	76.50
(b) Unsecured, considered good*	**2.40**	2.89	**3,817.09**	2,525.67
(c) Unsecured, considered doubtful	**-**	-	**238.95**	185.31
	2.40	**2.89**	**4,110.39**	**2,787.48**
Less : Allowance for unsecured doubtful debts	**-**	-	**(238.95)**	(185.31)
Total	**2.40**	**2.89**	**3,871.44**	**2,602.17**

*Trade Receivables includes dues from associate (Refer note 33)

Trade Receivable ageing schedule

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2022
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables								
(a) Undisputed, considered good	**0.26**	**3,407.68**	**408.52**	**53.78**	**1.51**	**0.66**	**1.43**	**3,873.84**
(b) Undisputed, considered doubtful	**-**	**0.99**	**5.27**	**20.18**	**36.51**	**24.37**	**63.95**	**151.27**
(c) Disputed, considered good	-	-	-	-	-	-	-	
(d) Disputed, considered doubtful	**-**	**0.97**	**10.29**	**9.95**	**20.20**	**14.76**	**31.51**	**87.68**
	0.26	**3,409.64**	**424.08**	**83.91**	**58.22**	**39.79**	**96.89**	**4,112.79**
Less : Allowance for unsecured doubtful debts								**238.95**
Total								**3,873.84**

(₹ in Crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					As at 31.03.2021
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables								
(a) Undisputed, considered good	8.14	2,157.98	379.61	57.80	1.23	0.21	0.09	2,605.06
(b) Undisputed, considered doubtful	-	0.65	6.79	13.87	52.92	26.99	44.85	146.08
(c) Disputed, considered good	-	-	-	-	-	-	-	-
(d) Disputed, considered doubtful	-	0.06	1.50	1.29	6.23	3.09	27.05	39.23
	8.14	**2,158.69**	**387.90**	**72.96**	**60.38**	**30.29**	**71.99**	**2,790.37**
Less : Allowance for unsecured doubtful debts								185.31
Total								**2,605.06**

NOTE 7 : OTHER FINANCIAL ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Security Deposits - Unsecured & considered good	**60.57**	61.89	**14.66**	16.87
Royalty receivable (Refer note 33)	**-**	-	**0.72**	0.47
Due from associate Company (Refer note 33)	**-**	-	**0.68**	0.79
Subsidy receivable from state governments	**407.32**	521.56	**232.19**	18.08
Less: Allowance for expected credit loss (Refer note 39)	**(41.61)**	-	**(12.12)**	-
	365.71	**521.56**	**220.07**	**18.08**
Term deposits held as margin money against bank guarantee and other commitments	**5.29**	5.08	**5.43**	3.23
Interest accrued on investments in debentures or bonds measured at FVTOCI	**-**	-	**2.72**	3.99

Notes to the Consolidated Financial Statements (Contd.)

NOTE 7 : OTHER FINANCIAL ASSETS (CONTD.)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Quantity discount receivable	-	-	**239.98**	225.67
Term deposits with more than 12 months of original maturity^	**53.00**	4.99	**1,030.45**	922.70
Forward exchange contract (net)	-	-	-	0.88
Other receivables	-	-	**18.78**	2.93
Retention monies receivable from Customers	**1.48**	0.54	**0.01**	1.63
Total	**486.05**	**594.06**	**1,533.50**	**1,197.24**

^Fixed deposits in one of the subsidiary amounting to ₹ 5.19 crores (31st March, 2021 : ₹ 13.84 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

NOTE 8 : CASH AND BANK BALANCES

(₹ in Crores)

		Current	
		As at 31.03.2022	As at 31.03.2021
(A)	**CASH AND CASH EQUIVALENTS**		
	(a) Balances with Banks		
	(i) Current Accounts	**486.63**	269.35
	(ii) Cash Credit Account ##	**23.52**	29.43
	(iii) Deposits with original maturity of less than 3 months	**62.71**	26.06
	(b) Cheques, drafts on hand	**48.37**	20.81
	(c) Cash on hand	**0.49**	0.74
Total		**621.72**	**346.39**
(B)	**OTHER BALANCES WITH BANKS**		
	(i) Term deposits with original maturity for more than 3 months but less than 12 months^	**203.92**	238.54
	(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	**29.63**	25.82
	(iii) Earmarked balances for CSR	**9.06**	-
Total		**242.61**	**264.36**

NOTE 9 : INCOME TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Advance payment of Income Tax (net)	**172.46**	152.23	-	-
Total	**172.46**	**152.23**	-	-

NOTE 10 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Capital advances	**75.85**	28.55	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	**50.34**	28.47	**214.24**	149.26
ii) Balances with government authorities	**5.77**	9.83	**307.36**	368.20
iii) Advances to employees	**0.68**	0.75	**7.19**	10.05
iv) Duty credit entitlement	-	-	**0.21**	1.18
	56.79	**39.05**	**529.00**	**528.69**
(c) Other Receivables	**0.23**	0.78	**10.91**	8.54
(d) Contract assets	-	-	**1.34**	-
Total	**132.87**	**68.38**	**541.25**	**537.23**

NOTE 11 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	**1,750.51**	1,097.64
Raw materials-in-transit	**652.63**	314.69
	2,403.14	**1,412.33**
(b) Packing materials	**108.74**	91.90
(c) Work-in-progress	**195.02**	133.46
(d) Finished goods	**2,497.21**	1,596.70
Finished goods-in-transit	**5.13**	0.78
	2,502.34	**1,597.48**
(e) Stock-in-trade (acquired for trading)	**739.20**	382.52
Stock-in-trade (acquired for trading) in-transit	**51.77**	49.90
	790.97	**432.42**
(f) Stores, spares and consumables	**152.77**	130.47
Stores, spares and consumables-in-transit	**-**	0.54
	152.77	**131.01**
Total	**6,152.98**	**3,798.60**

The cost of inventories recognised as an expense during the year is disclosed in Note 25.

The cost of inventories recognised as an expense (net of reversal) includes ₹ 48.83 crores (Previous year : ₹ 15.00 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Freehold Land	**8.03**	13.39
Building	**0.10**	0.10
Total	**8.13**	**13.49**

During the year, one of the subsidiary of the Group has disposed off its Land and Building in Baddi and recorded gain of ₹ 4.14 crores. Impairment loss of ₹ Nil (Previous Year - ₹ 0.37 crores) was recognised during the year with respect to building at Baddi.

Another subsidiary of the Group has sold parcel of a land with no gain/loss.

NOTE 7 : OTHER FINANCIAL ASSETS (CONTD.)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Quantity discount receivable	-	-	**239.98**	225.67
Term deposits with more than 12 months of original maturity^	**53.00**	4.99	**1,030.45**	922.70
Forward exchange contract (net)	-	-	-	0.88
Other receivables	-	-	**18.78**	2.93
Retention monies receivable from Customers	**1.48**	0.54	**0.01**	1.63
Total	**486.05**	**594.06**	**1,533.50**	**1,197.24**

^Fixed deposits in one of the subsidiary amounting to ₹ 5.19 crores (31st March, 2021 : ₹ 13.84 crores) have been pledged as per the terms of underlying guarantees given by the banks on behalf of a former subsidiary.

NOTE 8 : CASH AND BANK BALANCES

(₹ in Crores)

		Current	
		As at 31.03.2022	As at 31.03.2021
(A)	**CASH AND CASH EQUIVALENTS**		
	(a) Balances with Banks		
	(i) Current Accounts	**486.63**	269.35
	(ii) Cash Credit Account ##	**23.52**	29.43
	(iii) Deposits with original maturity of less than 3 months	**62.71**	26.06
	(b) Cheques, drafts on hand	**48.37**	20.81
	(c) Cash on hand	**0.49**	0.74
Total		**621.72**	**346.39**
(B)	**OTHER BALANCES WITH BANKS**		
	(i) Term deposits with original maturity for more than 3 months but less than 12 months^	**203.92**	238.54
	(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	**29.63**	25.82
	(iii) Earmarked balances for CSR	**9.06**	-
Total		**242.61**	**264.36**

NOTE 9 : INCOME TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Advance payment of Income Tax (net)	**172.46**	152.23	-	-
Total	**172.46**	**152.23**	-	-

NOTE 10 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Capital advances	**75.85**	28.55	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	**50.34**	28.47	**214.24**	149.26
ii) Balances with government authorities	**5.77**	9.83	**307.36**	368.20
iii) Advances to employees	**0.68**	0.75	**7.19**	10.05
iv) Duty credit entitlement	-	-	**0.21**	1.18
	56.79	**39.05**	**529.00**	**528.69**
(c) Other Receivables	**0.23**	0.78	**10.91**	8.54
(d) Contract assets	-	-	**1.34**	-
Total	**132.87**	**68.38**	**541.25**	**537.23**

NOTE 11 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	**1,750.51**	1,097.64
Raw materials-in-transit	**652.63**	314.69
	2,403.14	**1,412.33**
(b) Packing materials	**108.74**	91.90
(c) Work-in-progress	**195.02**	133.46
(d) Finished goods	**2,497.21**	1,596.70
Finished goods-in-transit	**5.13**	0.78
	2,502.34	**1,597.48**
(e) Stock-in-trade (acquired for trading)	**739.20**	382.52
Stock-in-trade (acquired for trading) in-transit	**51.77**	49.90
	790.97	**432.42**
(f) Stores, spares and consumables	**152.77**	130.47
Stores, spares and consumables-in-transit	**-**	0.54
	152.77	**131.01**
Total	**6,152.98**	**3,798.60**

The cost of inventories recognised as an expense during the year is disclosed in Note 25.

The cost of inventories recognised as an expense (net of reversal) includes ₹ 48.83 crores (Previous year : ₹ 15.00 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Freehold Land	**8.03**	13.39
Building	**0.10**	0.10
Total	**8.13**	**13.49**

During the year, one of the subsidiary of the Group has disposed off its Land and Building in Baddi and recorded gain of ₹ 4.14 crores. Impairment loss of ₹ Nil (Previous Year - ₹ 0.37 crores) was recognised during the year with respect to building at Baddi.

Another subsidiary of the Group has sold parcel of a land with no gain/loss.

NOTE 8 : CASH AND BANK BALANCES

(₹ in Crores)

		Current	
		As at 31.03.2022	As at 31.03.2021
(A)	**CASH AND CASH EQUIVALENTS**		
	(a) Balances with Banks		
	(i) Current Accounts	**486.63**	269.35
	(ii) Cash Credit Account ##	**23.52**	29.43
	(iii) Deposits with original maturity of less than 3 months	**62.71**	26.06
	(b) Cheques, drafts on hand	**48.37**	20.81
	(c) Cash on hand	**0.49**	0.74
Total		**621.72**	**346.39**
(B)	**OTHER BALANCES WITH BANKS**		
	(i) Term deposits with original maturity for more than 3 months but less than 12 months^	**203.92**	238.54
	(ii) Unpaid dividend and sales proceeds of Fractional Bonus Shares account*	**29.63**	25.82
	(iii) Earmarked balances for CSR	**9.06**	-
Total		**242.61**	**264.36**

NOTE 9 : INCOME TAX ASSETS (NET)

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Advance payment of Income Tax (net)	**172.46**	152.23	-	-
Total	**172.46**	**152.23**	-	-

NOTE 10 : OTHER ASSETS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Capital advances	**75.85**	28.55	-	-
(b) Advances other than capital advances				
i) Advances/claims recoverable in cash or in kind	**50.34**	28.47	**214.24**	149.26
ii) Balances with government authorities	**5.77**	9.83	**307.36**	368.20
iii) Advances to employees	**0.68**	0.75	**7.19**	10.05
iv) Duty credit entitlement	-	-	**0.21**	1.18
	56.79	**39.05**	**529.00**	**528.69**
(c) Other Receivables	**0.23**	0.78	**10.91**	8.54
(d) Contract assets	-	-	**1.34**	-
Total	**132.87**	**68.38**	**541.25**	**537.23**

NOTE 11 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
(a) Raw materials	**1,750.51**	1,097.64
Raw materials-in-transit	**652.63**	314.69
	2,403.14	**1,412.33**
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(c) Work-in-progress	**195.02**	133.46
(d) Finished goods	**2,497.21**	1,596.70
Finished goods-in-transit	**5.13**	0.78
	2,502.34	**1,597.48**
(e) Stock-in-trade (acquired for trading)	**739.20**	382.52
Stock-in-trade (acquired for trading) in-transit	**51.77**	49.90
	790.97	**432.42**
(f) Stores, spares and consumables	**152.77**	130.47
Stores, spares and consumables-in-transit	**-**	0.54
	152.77	**131.01**
Total	**6,152.98**	**3,798.60**

The cost of inventories recognised as an expense during the year is disclosed in Note 25.

The cost of inventories recognised as an expense (net of reversal) includes ₹ 48.83 crores (Previous year : ₹ 15.00 crores) in respect of write down of inventory to net realisable value, slow moving, damaged and obsolete items.

NOTE 12 : ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Freehold Land	**8.03**	13.39
Building	**0.10**	0.10
Total	**8.13**	**13.49**

During the year, one of the subsidiary of the Group has disposed off its Land and Building in Baddi and recorded gain of ₹ 4.14 crores. Impairment loss of ₹ Nil (Previous Year - ₹ 0.37 crores) was recognised during the year with respect to building at Baddi.

Another subsidiary of the Group has sold parcel of a land with no gain/loss.

NOTE 13 : EQUITY SHARE CAPITAL

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
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 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the reporting year	**95,91,97,790**	**95.92**	95,91,97,790	95.92
Changes in Equity Share capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the current reporting period	**95,91,97,790**	**95.92**	95,91,97,790	95.92
Changes in Equity Share capital during the year	**-**	**-**	-	-
Balance at the end of the reporting 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 31.03.2022		As at 31.03.2021	
	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	**5,53,39,068**	**5.77**	5,53,39,068	5.77
2. Satva Holding and Trading Private Limited	**5,47,89,183**	**5.71**	5,63,88,682	5.88

@ 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 21st October, 2021, declared an interim dividend of ₹ 3.65 (Rupees three and paise sixty-five only) per equity share of the face value of ₹ 1 each. The Board of Directors at its meeting held on 10th May, 2022 have recommended a payment of final dividend of ₹ 15.50 (Rupees Fifteen and paise fifty only) per equity share of the face value of ₹ 1 each for the financial year ended 31st March, 2022. If approved, the total dividend (interim and final dividend) for the financial year 2021-22 will be ₹ 19.15 (Rupees Nineteen and paise fifteen only) per equity share of the face value of ₹ 1 each (₹ 17.85 per equity share of the face value of ₹ 1 each was paid as total dividend for the previous year).

NOTE 13 : EQUITY SHARE CAPITAL (CONTD.)

d) Shares held by promoters as defined in the Companies Act, 2013 at the end of the year.

Refer note 12 (d) of Standalone Financial Statements for disclosure on shares held by promoters of the Parent Company.

e) Reconciliation of Treasury shares outstanding at the beginning and at the end of the year

Treasury Shares	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
At the beginning of the year	**-**	**-**	-	-
Add: Purchased during the year	**2,23,240**	**75.00**	-	-
Less: Excercised/Sold during the year	**-**	**-**	-	-
At the end of the year	**2,23,240**	**75.00**	**-**	**-**

In accordance with Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"), the ESOP Trust (Asian Paints Employees Stock Ownership Trust) purchased equity shares of the Parent Company from secondary market. The shares purchased by the ESOP Trust are disclosed as Treasury Shares (Refer note 32(3)).

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NOTE 14 : OTHER EQUITY

(₹ in Crores)

	Attributable to owners of the Company																	
	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	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate			
Balance as at 1st April, 2021 (A)	39.16	41.47	5.37	14.80	4,715.75	7,896.49	(22.47)	(17.71)	0.85	-	-	-	4.61	(188.95)	221.01	(0.01)	12,710.37	422.86	13,133.23
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,030.57	-	-	-	-	-	-	-	-	-	-	3,030.57	54.24	3,084.81
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(140.53)	-	-	(140.53)	(13.12)	(153.65)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	3.86	-	-	-	-	-	-	-	-	-	3.86	(0.23)	3.63
Net fair value (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(72.72)	-	(72.72)	-	(72.72)
Net fair value (loss) on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	(2.87)	-	-	-	(2.87)	-	(2.87)
Share of OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.05)	(0.05)	-	(0.05)
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**3,030.57**	**3.86**	**-**	**-**	**-**	**-**	**-**	**(2.87)**	**(140.53)**	**(72.72)**	**(0.05)**	**2,818.26**	**40.89**	**2,859.15**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(1,740.95)	-	-	-	-	-	-	-	-	-	-	(1,740.95)	(21.85)	(1,762.80)
Effect of stake acquired from non controlling interest	-	-	-	-	-	-	-	(10.54)	-	-	-	-	-	-	-	-	(10.54)	(54.37)	(64.91)
Equity/other changes in Associate	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05	-	0.05
Transfer to Statutory Reserves and General Reserve	-	-	-	0.16	-	(0.16)	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	-	-	-	-	13.40	-	-	-	-	-	-	13.40	-	13.40
Net Income of ESOP Trust for the year	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	0.05	-	0.05
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	-	-	-	-	(75.00)	-	-	-	-	-	(75.00)	-	(75.00)
Total (C)	**-**	**-**	**-**	**0.16**	**-**	**(1,741.11)**	**-**	**(10.54)**	**0.05**	**13.40**	**(75.00)**	**0.05**	**-**	**-**	**-**	**-**	**(1,812.99)**	**(76.22)**	**(1,889.21)**
Balance as at 31st March, 2022 (A+B+C)	**39.16**	**41.47**	**5.37**	**14.96**	**4,715.75**	**9,185.95**	**(18.61)**	**(28.25)**	**0.90**	**13.40**	**(75.00)**	**0.05**	**1.74**	**(329.48)**	**148.29**	**(0.06)**	**13,715.64**	**387.53**	**14,103.17**

1. Description of nature and purpose of each reserve

Capital Reserve -

a. Capital reserve of ₹ 5000/- was created on merger of ' Pentasia Chemicals Ltd ' with the Parent Company, pursuant to scheme of Rehabilitation-cum-Merger sanctioned by Board of Industrial and Financial Reconstruction in the financial year 1995-96.

b. Capital reserve of ₹ 41.47 crores represents ₹ 44.38 crores 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 and ₹ 2.91 crores debited on account of acquistion of business from Whitford India Private Limited by PPG Asian Paints Private Limited ('PPGAP'), Associate Company.

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 effected to transfer certain businesses between the Parent Company, 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.

Remeasurement of the defined benefit plans - This represents the cumulative gains and losses arising on the remeasurement of defined benefit plans in accordance with Ind the AS 19 that have been recognized in other comprehensive income.

Share based Payment Reserve - This represents the fair value of the stock options granted by the Parent Company under the 2021 Plan accumulated over the vesting period. The reserve will be utilized on exercise of the options

NOTE 14 : OTHER EQUITY (CONTD.)

Treasury Shares - This represents cost incurred by the Parent Company to purchase its own equity shares from secondary market through the Parent Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the 2021 Plan.

Trust Reserve - This represents net income of ESOP Trust.

General Reserve - General reserve is created from time to time by way of transfer of 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.

Share of other reserves in Associate - This reserve is created during the year to recognize restricted stock units (RSUs) granted in PPG Asian Paints Private Limited ('PPGAP'), associate entity of the Group.

2. The Group doesn't have any material subsidiary warranting a disclosure in respect of individual subsidiaries.

(₹ in Crores)

	Attributable to owners of the Company																	
	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	Remeasurement of the defined benefit plans	Other Reserves	Share of other reserves in Associate	Share based Payment Reserve	Treasury Shares	Trust Reserve	Debt instruments through OCI	Foreign Currency Translation Reserve	Equity instruments through OCI	Share of OCI in Associate			
Balance as at 1st April, 2020 (A)	39.16	44.38	5.37	14.37	4,715.75	5,222.86	(18.22)	(17.71)	-	-	-	-	2.48	(142.09)	168.63	(0.74)	10,034.24	403.53	10,437.77
Additions during the year :																			
Profit for the year	-	-	-	-	-	3,139.29	-	-	-	-	-	-	-	-	-	-	3,139.29	67.46	3,206.75
Items of OCI for the year, net of tax																			
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	(46.86)	-	-	(46.86)	(9.61)	(56.47)
Remeasurement of the defined benefit plans	-	-	-	-	-	-	(4.25)	-	-	-	-	-	-	-	-	-	(4.25)	(0.20)	(4.45)
Net fair value gain on investment in equity instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52.38	-	52.38	-	52.38
Net fair value gain on investment in debt instruments through OCI	-	-	-	-	-	-	-	-	-	-	-	-	2.13	-	-	-	2.13	-	2.13
Share of OCI in Associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.73	0.73	-	0.73
Total Comprehensive Income for the year (B)	**-**	**-**	**-**	**-**	**-**	**3,139.29**	**(4.25)**	**-**	**-**	**-**	**-**	**-**	**2.13**	**(46.86)**	**52.38**	**0.73**	**3,143.42**	**57.65**	**3,201.07**
Reductions during the year :																			
Dividends (Refer note 31)	-	-	-	-	-	(465.23)	-	-	-	-	-	-	-	-	-	-	(465.23)	(38.32)	(503.55)
Equity/other changes in Associate	-	(2.91)	-	-	-	-	-	-	0.85	-	-	-	-	-	-	-	(2.06)	-	(2.06)
Transfer to Statutory Reserves and General Reserve	-	-	-	0.43	-	(0.43)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	**-**	**(2.91)**	**-**	**0.43**	**-**	**(465.66)**	**-**	**-**	**0.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(467.29)**	**(38.32)**	**(505.61)**
Balance as at 31st March, 2021. (A+B+C)	**39.16**	**41.47**	**5.37**	**14.80**	**4,715.75**	**7,896.49**	**(22.47)**	**(17.71)**	**0.85**	**-**	**-**	**-**	**4.61**	**(188.95)**	**221.01**	**(0.01)**	**12,710.37**	**422.86**	**13,133.23**

Notes to the Consolidated Financial Statements (Contd.)

NOTE 15 : BORROWINGS^

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Secured				
(i) Term Loans				
From banks+	-	0.18	**0.13**	0.37
(ii) Deferred payment liabilities				
Loan from State of Haryana#	**16.16**	14.31	-	7.89
(iii) Short term loans				
- from Banks or financial institutions ***	-	-	**136.92**	38.52
(iv) Loan repayable on demand				
-Cash Credit / Overdraft Accounts***	-	-	**57.01**	25.47
Unsecured				
(i) Deferred payment liabilities				
Sales tax deferment scheme - State of Maharashtra	-	0.04	**0.04**	0.09
(ii) Term loans				
- from banks or financial institutions****	**28.38**	-	**431.05**	186.78
- working capital loan@	-	-	**20.00**	67.00
	28.38	-	**451.05**	**253.78**
(iii) Loan repayable on demand				
- Cash Credit / Overdraft Accounts*****	-	-	**85.97**	7.93
Total	**44.54**	**14.53**	**731.12**	**334.05**

Notes:

+ Secured against stock, receivables and immovable property held by one of the subsidiary Company. To be repaid over 24 months with a capital grace period of 6 months. [Interest rate : 4% 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. The Parent Company has received total interest free loan of ₹ 37.02 crores (Previous year : ₹ 37.02 crore) for the period from April 2010 to March 2015. 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 Company had made the necessary application to the Haryana Government for the issue of eligibility certificate. As on 31st March, 2022, the Company has repaid loan of ₹ 17.20 crores (Previous year : ₹ 9.31 crores).

*** Secured against Fixed deposits, receivables, inventories, property, plant and equipment of certain subsidiary companies carrying interest rate @ 5.3% - 7.4% p.a. (Previous year : 5% - 6% p.a.)

**** Unsecured term loan with respect to International subsidiaries bearing interest at rates ranging from 0.70% - 4.00% p.a. (Previous year : 0.50% - 2.00% p.a.)

@ Unsecured working capital demand loan with respect to an Indian subsidiary carries interest as per treasury bill plus variable basis points as per mutual contractual agreement having expiry of 1 month to 6 months from date of disbursement.

***** Unsecured Cash Credit/Overdraft facility with banks carrying interest rates 4.65% - 8.00% p.a.(Previous year : 5.20% - 6.90% p.a)

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

NOTE 16 : LEASE LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Lease liabilities	**598.37**	561.36	**212.85**	183.18
Total	**598.37**	561.36	**212.85**	**183.18**

The maturity analysis of lease liabilities is disclosed in Note 30(C)(3).

NOTE 17 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Unpaid/ Unclaimed dividend#	-	-	**24.66**	26.67
	-	-	**24.66**	**26.67**
(b) Others				
Retention monies relating to capital expenditure	**1.14**	1.09	**22.44**	19.12
Trade deposits from customers	**0.89**	1.18	**0.07**	0.23
Payable towards capital expenditure	-	-	**88.33**	45.03
Payable towards services received	-	-	**697.71**	483.14
Payable towards stores spares and consumables	-	-	**17.38**	18.39
Payable to employees [including ₹ 6.66 crores due to Managing Director (as at 31st March, 2021 ₹ 4.58 crores)]	**0.15**	1.07	**254.60**	244.91
Payable towards other expenses [including ₹ 4.72 crores due to Non-Executive Directors (as at 31st March, 2021 ₹ 4.70 crores)]	-	0.04	**780.65**	757.18
Forward exchange contract(net)	-	-	**0.97**	-
	2.18	**3.38**	**1,862.15**	**1,568.00**
Total	**2.18**	**3.38**	**1,886.81**	**1,594.67**

As at 31st March, 2022, ₹ 23.47 crores (31st March, 2021 : ₹ 21.64 crores) is the amount of unclaimed dividend which remains unpaid by the Parent Company, and shall be transferred to Investor Education and Protection Fund ('IEPF') as and when they become due. There is no amount due and outstanding to be transferred to the IEPF by the Parent Company.

NOTE 18 : PROVISIONS

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Provision for Employee Benefits (Refer note 32)				
Provision for Compensated absences	**184.92**	175.20	**30.20**	25.11
Provision for Gratuity	**1.95**	1.69	**4.75**	24.24
Provision for Pension, Leaving Indemnity, Medical Plan and Others (unfunded)	**30.25**	32.33	**4.29**	1.72
Provision for Post retirement medical and other benefits	**1.20**	5.99	**1.46**	1.65
	218.32	**215.21**	**40.70**	**52.72**
(b) Others (Refer note 43)				
Provision for Excise	-	-	**1.50**	2.24
Provision for CST/VAT and Other Statutory Liabilities	-	-	**26.83**	28.93
Provision for Warranties	-	-	**0.67**	0.54
	-	-	**29.00**	**31.71**
Total	**218.32**	**215.21**	**69.70**	**84.43**

Notes to the Consolidated Financial Statements (Contd.)

NOTE 19 : OTHER LIABILITIES

(₹ in Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(a) Revenue received in advance				
Advance received from customers	-	0.71	**76.03**	40.98
(b) Other				
Statutory Dues Payable	-	0.42	**295.32**	170.59
Deferred income arising from government grant (Refer note 15)	**2.11**	3.41	**1.30**	1.76
Others (Deferred revenue arising from sale of services, etc.)	-	-	**0.57**	0.58
Other Advances	-	-	**2.87**	15.67
	2.11	**3.83**	**300.06**	**188.60**
Total	**2.11**	**4.54**	**376.09**	**229.58**

NOTE 20 : TRADE PAYABLES

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Trade Payables (including Acceptances)*		
Total Outstanding dues of Micro Enterprises and Small Enterprises (MSME)	**83.58**	91.53
Total Outstanding dues of creditors other than MSME	**4,080.72**	3,287.19
Total	**4,164.30**	**3,378.72**

*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 ₹ 317.78 crores (Previous year : ₹ 232.43 crores).

Trade Payables ageing Schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2022
		Less than a year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	77.37	6.21	-	-	-	**83.58**
Other than MSME	3,616.26	461.56	1.02	0.70	1.05	**4,080.59**
Disputed Dues - MSME	-	-	-	-	-	**-**
Disputed Dues - Others than MSME	-	-	0.13	-	-	**0.13**
Total	**3,693.63**	**467.77**	**1.15**	**0.70**	**1.05**	**4,164.30**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment				As at 31.03.2021
		Less than a year	1-2 years	2-3 years	More than 3 years	
Trade Payables (including Acceptances)						
MSME	87.50	4.03	-	-	-	91.53
Other than MSME	3,019.43	265.46	0.90	0.63	0.66	3,287.07
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others than MSME	-	0.11	-	#	#	0.11
Total	**3,106.93**	**269.60**	**0.90**	**0.63**	**0.66**	**3,378.72**

Represents amounts less than ₹ 50,000/-

NOTE 21 : INCOME TAXES

(₹ in Crores)

	Year 2021-22	Year 2020-21
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	**1,161.53**	1,114.02
In respect of short tax provision for earlier years	**2.82**	7.74
Deferred tax:		
In respect of current year	**(61.42)**	(24.16
In respect of short tax provision for earlier years	**(0.02)**	-
Income tax expense recognised in the Consolidated Statement of Profit and Loss	**1,102.91**	**1,097.60**
(ii) Income tax recognised in OCI		
Deferred tax:		
Income tax (expense)/benefit on remeasurements of the defined benefit plans	**(0.96)**	1.79
Income tax benefit/(expense) on net fair value gain on investments in equity instruments through OCI	**9.59**	(4.88)
Income tax benefit/(expense) on fair value gain on investments in debt instruments through OCI	**0.39**	(0.28)
Income tax benefit/(expense) recognised in OCI	**9.02**	**(3.37)**
B. RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT FOR THE YEAR IS AS UNDER :		
Profit for the year before Share of Profit in Associate	**4,156.15**	**4,275.75**
Income tax expense calculated at 25.168 %	**1,046.02**	1,076.12
Tax effect on non-deductible expenses	**31.11**	27.50
Incentive tax credits	**(0.38)**	(0.48)
Effect of Income which is taxed at special rates	**(10.95)**	(7.51)
Effect of Income which is exempted from tax	**(7.14)**	(5.46)
Effect of different tax rates in the components	**7.07**	(27.75)
Deferred Tax on undistributed profits (including effect of change in tax rate)	**9.34**	9.16
Others	**25.03**	18.28
Total	**1,100.09**	**1,089.86**
Short tax provision for earlier years	**2.82**	7.74
Income tax expense reported in the Consolidated Statement of Profit and Loss	**1,102.91**	**1,097.60**

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law.

C. THE MAJOR COMPONENTS OF DEFERRED TAX (LIABILITIES)/ASSETS ARISING ON ACCOUNT OF TIMING DIFFERENCES ARE AS FOLLOWS:

As at 31st March, 2022

(₹ 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
	01.04.2021	01.04.2021	2021-22	2021-22	31.03.2022	31.03.2022
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(345.63)	(8.71)	**29.20**	**-**	**(301.23)**	**(12.61)**
Provision for expense allowed for tax purpose on payment basis (Net)	35.82	3.03	**(1.08)**	**0.11**	**34.61**	**3.27**
Provision for Expected credit losses and fair valuation of subsidy receivable from state governments	-	-	**21.35**	**-**	**21.35**	**-**
Remeasurement of the defined benefit plans through OCI	9.86	3.22	**0.50**	**(1.06)**	**8.72**	**3.29**
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.90)	-	**-**	**0.39**	**(0.51)**	**-**

Notes to the Consolidated Financial Statements (Contd.)

NOTE 21 : INCOME TAXES (CONTD.)

As at 31st March, 2022 (Contd.)

(₹ 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
	01.04.2021	01.04.2021	2021-22	2021-22	31.03.2022	31.03.2022
Difference in carrying value and tax base of investments in equity instruments through FVTOCI	(13.59)	-	-	9.59	(4.00)	-
Difference in carrying value and tax base of investments measured at FVTPL	(22.47)	-	1.37	-	(21.10)	-
Capital losses carried forward under Income Tax	-	-	11.78	-	-	10.39
Undistributed profits of subsidiaries/associates	(107.66)	-	(8.59)	-	(116.29)	-
Difference in Right-of-use asset and lease liabilities	25.12	0.75	0.95	-	25.84	1.06
Others	3.86	15.99	5.94	-	3.74	20.63
Deferred tax (expense) / benefit			61.42	9.02		
Net Deferred tax assets/(liabilities) of earlier years	-	-	0.02	-	0.02	-
Currency translation gain and other adjustments	-	-	-	8.03	-	-
Net Deferred tax assets/(liabilities)	**(415.59)**	**14.28**			**(348.85)**	**26.02**

As at 31st March, 2021

(₹ 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
	01.04.2020	01.04.2020	2020-21	2020-21	31.03.2021	31.03.2021
Difference between written down value/capital work in progress of fixed assets as per the books of accounts and income tax	(385.24)	(10.07)	35.47	-	(345.63)	(8.71)
Provision for expense allowed for tax purpose on payment basis (Net)	30.31	2.62	5.46	-	35.82	3.03
Remeasurement of the defined benefit plans through OCI	8.82	3.14	(0.27)	1.79	9.86	3.22
Allowance for doubtful debts and advances	0.27	-	(0.27)	-	-	-
Voluntary Retirement Scheme (VRS) expenditure (allowed in Income Tax Act, 1961 over 5 years)	0.43	-	(0.43)	-	-	-
Difference in carrying value and tax base of investments in debt instruments measured at FVTOCI	(0.62)	-	-	(0.28)	(0.90)	-
Difference in carrying value and tax base of investments in equity instruments through FVTOCI	(8.71)	-	-	(4.88)	(13.59)	-
Difference in carrying value and tax base of investments measured at FVTPL	(17.19)	-	(5.28)	-	(22.47)	-
Capital losses carried forward under Income Tax	-	2.57	(2.56)	-	-	-
Undistributed profits of subsidiaries/associates	(99.80)	-	(7.71)	-	(107.66)	-
Difference in Right-of-use asset and lease liabilities	22.41	0.65	2.85	-	25.12	0.75
Others	5.53	18.15	(3.10)	-	3.86	15.99
Deferred tax (expense) / benefit			**24.16**	**(3.37)**		
Net Deferred tax assets/(liabilities) of earlier years	(0.01)	(0.26)	-	-	-	-
Currency translation gain and other adjustments	-	-	-	4.88	-	-
Net Deferred tax assets/(liabilities)	**(443.80)**	**16.80**			**(415.59)**	**14.28**

NOTE 21 : INCOME TAXES (CONTD.)

The Group has the following unused tax losses which arose on incurrence 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, 2022

(₹ in Crores)

Financial Year	Category	31.03.2022	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2013-2014	Depreciation	15.64	NA
2014-2015	Business loss	10.48	31st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.46	NA
2014-2015	Business loss	0.14	31st March, 2023
2015-2016	Business loss	9.48	31st March, 2024
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.75	NA
2015-2016	Business loss	0.10	31st March, 2024
2016-2017	Business loss	13.46	31st March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.73	NA
2016-2017	Business loss	0.59	31st March, 2025
2017-2018	Business loss	30.49	31st March, 2023
2017-2018	Business loss	5.20	31st March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Depreciation	0.73	NA
2017-2018	Business loss	0.30	31st March, 2026
2018-2019	Business loss	40.97	31st March, 2024
2018-2019	Business loss	15.58	31st March, 2027
2018-2019	Depreciation	7.23	NA
2018-2019	Depreciation	1.10	NA
2018-2019	Business loss	0.33	31st March, 2027
2019-2020	Business loss	39.76	31st March, 2025
2019-2020	Business loss	30.77	31st March, 2028
2019-2020	Depreciation	6.44	NA
2019-2020	Depreciation	0.93	NA
2020-2021	Business loss	21.04	31st March, 2029
2020-2021	Depreciation	5.57	NA
2020-2021	Business loss	36.45	31st March, 2026
2021-2022	Business loss	4.29	31st March, 2030
2021-2022	Depreciation	5.29	NA
2021-2022	Business loss	61.63	31st March, 2027
2021-2022	Business loss/Capital loss	0.44	31st March, 2030

Notes to the Consolidated Financial Statements (Contd.)

NOTE 21 : INCOME TAXES (CONTD.)

As at 31st March, 2021

(₹ in Crores)

Financial Year	Category	31.03.2021	Expiry Date
2010-2011	Depreciation	0.81	NA
2011-2012	Depreciation	1.27	NA
2012-2013	Depreciation	1.93	NA
2012-2013	Depreciation	1.05	NA
2013-2014	Business loss	0.17	31st March, 2022
2013-2014	Depreciation	15.64	NA
2013-2014	Depreciation	0.97	NA
2013-2014	Business loss/Capital loss	0.46	31st March, 2022
2014-2015	Business loss	10.48	31st March, 2023
2014-2015	Depreciation	12.61	NA
2014-2015	Depreciation	0.87	NA
2014-2015	Business loss/Capital loss	0.26	31st March, 2023
2015-2016	Business loss	9.48	31st March, 2024
2015-2016	Depreciation	11.30	NA
2015-2016	Depreciation	0.78	NA
2015-2016	Business loss/Capital loss	0.10	31st March, 2024
2016-2017	Business loss	10.76	31st March, 2022
2016-2017	Business loss	13.46	31st March, 2025
2016-2017	Depreciation	10.75	NA
2016-2017	Depreciation	0.85	NA
2016-2017	Business loss/Capital loss	0.59	31st March, 2025
2017-2018	Business loss	32.62	31st March, 2023
2017-2018	Business loss	5.20	31st March, 2026
2017-2018	Depreciation	8.38	NA
2017-2018	Depreciation	0.89	NA
2017-2018	Business loss/Capital loss	0.30	31st March, 2026
2018-2019	Business loss	40.70	31st March, 2024
2018-2019	Business loss	15.58	31st March, 2027
2018-2019	Depreciation	7.23	NA
2018-2019	Depreciation	1.75	NA
2018-2019	Business loss/Capital loss	0.33	31st March, 2027
2019-2020	Business loss	39.71	31st March, 2025
2019-2020	Business loss	30.77	31st March, 2028
2019-2020	Depreciation	6.44	NA
2019-2020	Depreciation	1.44	NA
2020-2021	Business loss	14.91	31st March, 2029
2020-2021	Depreciation	5.57	NA
2020-2021	Business loss	37.31	31st March, 2026

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 ₹ 245.04 crores (Previous year : ₹ 426.03 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 : INCOME TAX LIABILITIES (NET)

(₹ in Crores)

	Current	
	As at 31.03.2022	As at 31.03.2021
Provision for Income Tax (net)	**130.12**	121.23
Total	**130.12**	**121.23**

NOTE 23A : REVENUE FROM OPERATIONS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Revenue from sale of products	**28,830.02**	21,440.24
Revenue from sale of services	**93.46**	44.96
Other operating revenue*	**177.80**	227.59
Total	**29,101.28**	**21,712.79**

* The Parent Company's manufacturing facilities at Maharashtra and Andhra Pradesh are eligible to receive incentive in form of refund of SGST, refund of stamp duty and refund of/ exemption from payment of electricity duty as per the Industrial Promotion Schemes of the respective State Governments and Memorandum of Understanding signed with the respective State Governments. During the year, ₹ 119.41 crores (Previous year - ₹ 182.44 crores) is accrued under the head of "Other operating revenue (Refer note 39).

NOTE 23B : REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
A. REVENUE FROM CONTRACT WITH CUSTOMERS DISAGGREGATED BASED ON NATURE OF PRODUCT OR SERVICES		
Revenue from Sale of Products		
Paints, décor and related products	**28,110.49**	20,950.72
Home improvement	**719.53**	489.52
Revenue from Sale of Services		
Painting, décor and related services	**81.48**	36.20
Other Services	**11.98**	8.76
Other operating revenue		
Processing and service income	**17.87**	17.80
Scrap sales	**38.86**	26.34
Others	**1.66**	0.56
Other Income (Refer note 24(c)(ii))		
Royalty received		
- From Associate Company (Refer note 33)	**3.08**	2.82
- From Others	**-**	0.30
Total	**28,984.95**	**21,533.02**
B. REVENUE FROM CONTRACTS WITH CUSTOMERS DISAGGREGATED BASED ON GEOGRAPHY		
Home Market	**28,757.83**	21,352.29
Exports	**227.12**	180.73
Total	**28,984.95**	**21,533.02**

NOTE 23C : RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Gross Revenue	**34,262.08**	25,267.63
Less: Discounts	**5,277.13**	3,734.61
Net Revenue recognised from Contracts with Customers	**28,984.95**	**21,533.02**

The Group has recognised a revenue of ₹ 33.47 crores (31st March, 2021: ₹ 18.08 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 240 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 & services. (Refer note 43)

The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a short duration and sale of service contracts are measured as per output method.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 24 : OTHER INCOME

(₹ in Crores)

		Year 2021-22	Year 2020-21
(a)	**Interest Income**		
	Investments in debt instruments measured at fair value through OCI	**7.65**	7.96
	Other financial assets carried at amortised cost	**85.07**	59.36
		92.72	**67.32**
(b)	**Dividends from quoted equity investments measured at fair value through OCI***	**15.16**	**7.81**
(c)	**Other non-operating income**		
	(i) Insurance claims received	**3.03**	9.18
	(ii) Royalty received		
	- From Associate Company(Refer note 33)	**3.08**	2.82
	- From Others	**-**	0.30
		3.08	**3.12**
	(iii) Net gain arising on financial assets measured at FVTPL#	**76.89**	93.61
	(iv) Others	**102.52**	90.66
		185.52	**196.57**
(d)	**Other gains and losses**		
	Net foreign exchange gains (Other than considered as finance cost)	**37.98**	9.82
	Net gain on sale of property, plant and equipment	**44.36**	18.33
	Net gain on modification/ termination of leases	**4.27**	3.20
		86.61	**31.35**
Total		**380.01**	**303.05**

*Relates to investments held at the end of reporting period

Includes gain on sale of financial assets measured at FVTPL for ₹ 28.78 crores (Previous year ₹ 2.23 crores).

NOTE 25 (A) COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year 2021-22	Year 2020-21
Raw Materials Consumed		
Opening Stock (including goods-in-transit)	**1,412.33**	1,135.11
Add : Purchases	**14,742.93**	8,830.18
	16,155.26	**9,965.29**
Less: Closing Stock (including goods-in-transit)	**2,403.14**	1,412.33
	13,752.12	**8,552.96**
Packing Materials Consumed		
Opening Stock	**91.90**	63.33
Add : Purchases	**2,519.31**	1,792.70
	2,611.21	**1,856.03**
Less : Closing Stock	**108.74**	91.90
	2,502.47	1,764.13
Total Cost of Materials Consumed	**16,254.59**	**10,317.09**

NOTE 25 (B) PURCHASES OF STOCK-IN-TRADE

	3,371.13	**1,872.59**

NOTE 25 (C) CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Stock at the beginning of the year		
Finished Goods (including goods-in-transit)	**1,597.48**	1,528.99
Work-in-Progress	**133.46**	93.42
Stock-in-trade-acquired for trading (including goods-in-transit)	**432.42**	448.50
Total	**2,163.36**	**2,070.91**
Stock at the end of the year		
Finished Goods (including goods-in-transit)	**2,502.34**	1,597.48
Work-in-Progress	**195.02**	133.46
Stock-in-trade-acquired for trading (including goods-in-transit)	**790.97**	432.42
Total	**3,488.33**	**2,163.36**
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	**(1,324.97)**	**(92.45)**

NOTE 26 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Salaries and wages	**1,556.97**	1,349.11
Contribution to provident and other funds (Refer note 32)	**86.47**	81.71
Staff welfare expenses	**132.29**	109.93
Share based payment expenses (Refer note 32(3))	**10.94**	**-**
Total	**1,786.67**	**1,540.75**

NOTE 27 : OTHER EXPENSES

(₹ in Crores)

	Year 2021-22	Year 2020-21
Consumption of stores, spares and consumables	**76.79**	59.51
Power and fuel	**117.23**	86.05
Processing charges	**167.75**	137.11
Repairs and maintenance:		
Buildings	**23.48**	19.25
Machinery	**52.22**	48.03
Other assets	**57.74**	40.28
	133.44	**107.56**
Rates and taxes	**16.47**	17.16
Corporate social responsibility expenses	**72.12**	63.84
Commission to Non Executive Directors	**4.72**	4.70
Directors' sitting fees	**3.22**	2.16
Auditor's Remuneration	**4.70**	4.34
Freight and handling charges	**1,842.43**	1,353.22
Advertisement expenses	**943.36**	784.96
Bad debts written off	**2.15**	3.42
Allowances for doubtful debts and advances (net)	**57.56**	33.43
Insurance	**31.90**	28.36
Travelling expenses	**103.12**	57.65
Miscellaneous expenses	**633.29**	475.74
Total	**4,210.25**	**3,219.21**

Note :

1. Expense relating to short-term leases amounts to ₹ 1.88 crores (Previous year : ₹ 0.66 crores) and leases of low value assets amounts to ₹ 31.74 crores (Previous year : ₹ 25.71 crores).
2. Other expenses include variable lease payments of ₹ 162.87 crores (Previous year : ₹ 131.72 crores).

Notes to the Consolidated Financial Statements (Contd.)

NOTE 28 : FINANCE COSTS

(₹ in Crores)

	Year 2021-22	Year 2020-21
Interest on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	**11.55**	9.95
(b) Interest on bill discounting	**17.74**	10.75
(c) Interest on loan from State of Haryana	**1.85**	2.32
(d) Interest on lease liabilities	**56.73**	57.46
(e) Other interest expense	**6.72**	2.15
Total interest expense for financial liabilities carried at amortised cost	**94.59**	**82.63**
Interest on income tax	**0.82**	9.00
Total	**95.41**	**91.63**

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

	Year 2021-22	Year 2020-21
Depreciation of Property, Plant and Equipment (Refer note 2A)	**546.29**	544.45
Depreciation of Right-Of-Use assets (Refer note 2B)	**241.24**	215.16
Amortisation of Other Intangible assets (Refer note 4B)	**28.83**	31.66
Total	**816.36**	**791.27**

NOTE 30 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

(₹ in Crores)

Financial assets/ Financial liabilities	Refer note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial assets measured at fair value through profit or loss (FVTPL)					
Investments in quoted mutual funds	5(D)	**-**	324.11	**2,155.03**	3,197.17
Investments in unquoted equity shares	5(A)(b)(ii)	**1.07**	1.07	**-**	-
Forward exchange contract (net)	7	**-**	-	**-**	0.88
		1.07	**325.18**	**2,155.03**	**3,198.05**
Financial assets measured at fair value through other comprehensive income (FVTOCI)					
Investments in quoted equity shares #	5(A)(a)	**496.13**	578.42	**-**	-
Investments in quoted debentures or bonds	5(C)(a)	**53.49**	81.35	**25.31**	28.33
		549.62	**659.77**	**25.31**	**28.33**
Financial assets measured at amortised cost					
Investments in unquoted government securities	5(B)	*	*	**-**	41.17
Investments in unquoted debentures or bonds	5(C)(b)	**0.67**	0.83	**0.36**	0.45
Sundry deposits	7	**60.57**	61.89	**14.66**	16.87
Trade receivables	6	**2.40**	2.89	**3,871.44**	2,602.17
Royalty receivable	7	**-**	-	**0.72**	0.47
Subsidy receivable from state government	7	**365.71**	521.56	**220.07**	18.08
Interest accrued on investments in debentures or bonds measured at FVTOCI	7	**-**	-	**2.72**	3.99
Quantity discount receivable	7	**-**	-	**239.98**	225.67
Term deposits with more than 12 months original maturity	7	**53.00**	4.99	**1,030.45**	922.70
Due from Associate Companies	7	**-**	-	**0.68**	0.79
Other receivables	7	**-**	-	**18.78**	2.93
Retention monies receivable from Customers	7	**1.48**	0.54	**0.01**	1.63
Cash and Cash Equivalents	8A	**-**	-	**621.72**	346.39
Term deposits held as margin money against bank guarantee and other commitments	7	**5.29**	5.08	**5.43**	3.23
Other Bank Balances	8B	**-**	-	**242.61**	264.36
		489.12	**597.78**	**6,269.63**	**4,450.91**

NOTE 30 (A) : CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTD.)

(₹ in Crores)

Financial assets/ Financial liabilities	Refer note	Non-Current		Current	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Financial liabilities measured at amortised cost					
Loan from State of Haryana	15	**16.16**	14.31	**-**	7.89
Sales tax deferment scheme -State of Maharashtra	15	**-**	0.04	**0.04**	0.09
Term Loan from Bank	15	**28.38**	0.18	**451.18**	254.15
Short Term loans	15	**-**	-	**136.92**	38.52
Loan repayable on demand - Cash Credit/Overdraft Accounts	15	**-**	-	**142.98**	33.40
Lease Liabilities	16	**598.37**	561.36	**212.85**	183.18
Retention monies relating to capital expenditure	17	**1.14**	1.09	**22.44**	19.12
Payable towards capital expenditure	17	**-**	-	**88.33**	45.03
Payable towards services received	17	**-**	-	**697.71**	483.14
Payable towards stores, spares and consumables	17	**-**	-	**17.38**	18.39
Payable to employees	17	**0.15**	1.07	**254.60**	244.91
Unpaid/Unclaimed dividend	17	**-**	-	**24.66**	26.67
Trade Deposits from certain customers	17	**0.89**	1.18	**0.07**	0.23
Forward exchange contract (net)	17	**-**	-	**0.97**	-
Payable towards other expenses	17	**-**	0.04	**780.65**	757.18
Trade payables (including Acceptances)	20	**-**	-	**4,164.30**	3,378.72
Total		**645.09**	**579.27**	**6,995.08**	**5,490.62**

Investments in these equity instruments are not held for trading. Upon 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 or losses relating to these investments in the Consolidated Statement of Profit and Loss may not be indicative of the performance of the Group.
* ₹ 39,500/-

NOTE 30 (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, 2022

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2022	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 5(A)(a))	**496.13**	496.13	-	-
Investments in quoted debentures or bonds (Refer note 5(C)(a))	**78.80**	78.80	-	-
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	**2,155.03**	2,155.03	-	-
Investments in unquoted equity shares (Refer note 5(A)(b)(ii))	**1.07**	-	-	1.07
Financial assets measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 7 and 17)	**0.97**	0.97	-	-

As at 31st March, 2021

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2021	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 5(A)(a))	578.42	578.42	-	-
Investments in quoted debentures or bonds (Refer note 5(C)(a))	109.68	109.68	-	-

NOTE 30 (B) : FAIR VALUE MEASUREMENTS (CONTD.)

As at 31st March, 2021 (Contd.)

(₹ in Crores)

Financial assets/ Financial liabilities	Fair value	Fair value hierarchy		
	As at 31.03.2021	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit or loss				
Investments in quoted mutual funds (Refer note 5(D))	3,521.28	3,521.28	-	-
Investments in unquoted equity shares (Refer note 5(A)(b)(ii))	1.07	-	-	1.07
Financial liabilities measured at fair value through profit or loss				
Forward exchange contract (net) (Refer note 7 and 17)	0.88	0.88	-	-

(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 Group 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, 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. 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 has been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows 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 and derivative financial instruments.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value of 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.

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, 2022 would decrease/increase by ₹ 2.81 crores (Previous year: ₹ 1.70 crores).

NOTE 30 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of 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 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
USD	**1,327.61**	867.75	**258.83**	226.57
EUR	**130.18**	83.50	**13.82**	4.73
SGD	**-**	5.03	**0.11**	0.07
GBP	**7.07**	0.04	**0.06**	-
SEK	**0.05**	0.40	**-**	0.11
JPY	**0.46**	0.49	**-**	-
AED	**16.64**	23.41	**70.85**	70.59
Others	**1.59**	2.50	**1.50**	19.84
Total	**1,483.60**	**983.12**	**345.17**	**321.91**

The above table represents total exposure of the Group 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 31.03.2022	**24.00**	**18.85**	**144.05**
Forward contract to buy USD - As at 31.03.2021	37.00	29.44	215.24

The Group 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 Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Crores)

Change in USD Rate	Effect on profit after tax		Effect on total equity	
	Year 2021-22	Year 2020-21	Year 2021-22	Year 2020-21
+5%	**(38.57)**	(17.48)	**(38.57)**	(17.48)
-5%	**38.57**	17.48	**38.57**	17.48

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, 2022, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 496.13 crores (Previous year: ₹ 578.42 crores). The details of such investments in equity instruments are given in Note 5(A)(a).

The Parent Company is also exposed to price risk arising from investments in bonds and debentures recognised at FVTOCI. As at 31st March, 2022, the carrying value of such instruments recognised at FVTOCI amounts to ₹ 78.80 crores (Previous year: ₹ 109.68 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 5(C)(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:

NOTE 30 (C) : FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES (CONTD.)

1) Market Risk (Contd.)

c) Other Price Risk (Contd.)

If the equity prices had been higher/lower by 10% from the market prices existing as at 31st March, 2022, Other Comprehensive Income for the year ended 31st March, 2022 would increase by ₹ 43.85 crores (Previous year : ₹ 51.11 crores) and decrease by ₹ 46.74 crores (Previous year : ₹ 51.11 crores) respectively with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2022. 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 5 (except equity shares, bonds and debentures), 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 240 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 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 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. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group 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	31.03.2022	31.03.2021
Balance at the beginning of the year	**185.31**	155.49
Loss allowance measured at lifetime expected credit losses	**53.64**	29.82
Balance at the end of the year	**238.95**	**185.31**

In accordance with Ind AS 109 – Financial Instruments, the Parent Company has re-assessed expected timing of cash-flow towards subsidy receivable from the State Governments and has accordingly provided for time value of money. Consequently, an amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years. The Parent Company is confident about the ultimate realisation of the dues from the State governments. There is no credit risk attached to these receivables.

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 maintaining adequate funds in cash and cash equivalents. The Group 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 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, 2022					
Borrowings (Refer note 15)	**731.12**	**48.20**	**-**	**779.32**	**775.66**
Lease Liabilities (Refer note 16)	**256.46**	**563.37**	**164.39**	**984.22**	811.22
Trade Payables (Refer note 20)	**4,164.30**	**-**	**-**	**4,164.30**	4,164.30
Other financial liabilities (Refer note 17)	**1,886.81**	**2.18**	**-**	**1,888.99**	1,888.99
At 31st March, 2021					
Borrowings (Refer note 15)	334.05	20.04	-	**354.09**	340.23
Lease Liabilities (Refer note 16)	231.32	518.19	163.35	**912.86**	744.54
Trade Payables (Refer note 20)	3,378.72	-	-	**3,378.72**	3,378.72
Other financial liabilities (Refer note 17)	1,594.67	3.38	-	**1,598.05**	1,606.40

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 2021-22	Year 2020-21
Dividend on equity shares paid during the year		
Final dividend for the FY 2020-21 [₹ 14.50 (Previous year - ₹ 1.50) per equity share of ₹ 1 each]	**1,390.84**	143.88
Interim dividend for the FY 2021-22 [₹ 3.65 (Previous year - ₹ 3.35) per equity share of ₹ 1 each]	**350.11**	321.35
Total	**1,740.95**	**465.23**

Proposed Dividend:

The Board of Directors at its meeting held on 10th May, 2022 have recommended a payment of final dividend of ₹ 15.50 (Rupees fifteen and paise fifty only) per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2022. The same amounts to ₹ 1,486.76 crores.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 32 : 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.

The International subsidiaries operate an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed stipulated years of their service with the respective subsidiaries.

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.

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. These defined benefit plans are unfunded.

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 analyzed 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.

Aforesaid post-employment benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

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, 2022 are as follows: -

1. TransValue Consultants
2. Padma Radya Aktuaria
3. Aon Consulting Private Ltd

The following tables summarise the components of net defined benefit expense recognised in the Consolidated Statement of Profit and 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)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
(i)	**Opening defined benefit obligation**	**233.66**	**201.64**	**1.63**	**1.58**	**34.06**	**31.91**
(ii)	Current service cost	**21.21**	15.32	**0.24**	0.20	**4.21**	3.86
(iii)	Interest cost	**16.06**	13.41	**0.10**	0.09	**2.33**	2.11
(iv)	Past Service Cost	**1.37**	9.56	**-**	-	**-**	-
(v)	Loss/(Gain) on Curtailments/ Settlements	**-**	-	**-**	-	**(1.14)**	-
(vi)	**Sub-total included in Statement of Profit and Loss (ii+iii+iv+v)**	**38.64**	**38.29**	**0.34**	**0.29**	**5.40**	**5.97**
(vii)	Experience adjustment (Gain) / Loss	**3.63**	13.31	**(0.15)**	0.13	**(0.15)**	(0.88)
(viii)	Financial (Gain) / Loss	**(8.19)**	(0.89)	**(0.04)**	(0.01)	**(3.41)**	1.02
(ix)	Demographic (Gain) / Loss	**(0.01)**	0.26	**-**	-	**2.92**	0.14
(x)	**Sub-total included in other comprehensive income (vii+viii+ix)**	**(4.57)**	**12.68**	**(0.19)**	**0.12**	**(0.64)**	**0.28**

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

(₹ in Crores)

		Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
		As at 31.03.2022	As at 31.03.2021	**As at 31.03.2022**	As at 31.03.2021	**As at 31.03.2022**	As at 31.03.2021
(xi)	Benefits paid	**(24.07)**	(18.95)	**(0.34)**	(0.36)	**(3.43)**	(3.01)
(xii)	Exchange Difference on Foreign Plans	**-**	-	**-**	-	**(1.71)**	(1.09)
(xiii)	**Closing defined benefit obligation (i+vi+x+xi+xii)**	**243.66**	**233.66**	**1.44**	**1.63**	**33.68**	**34.06**
(xiv)	**Opening fair value of plan assets**	**207.73**	**187.48**	**-**	**-**	**-**	**-**
(xv)	Expected return on plan assets	**14.24**	12.50	**-**	-	**-**	-
(xvi)	**Sub-total included in Statement of Profit and Loss (xv)**	**14.24**	**12.50**	**-**	**-**	**-**	**-**
(xvii)	Actuarial gains	**(0.81)**	6.84	**-**	-	**-**	-
(xviii)	**Sub-total included in other comprehensive income (xvii)**	**(0.81)**	**6.84**	**-**	**-**	**-**	**-**
(xix)	Contributions by employer	**39.42**	19.80	**-**	-	**-**	-
(xx)	Benefits paid	**(23.62)**	(18.89)	**-**	-	**-**	-
(xxi)	**Closing fair value of plan assets (xiv+xvi+xviii+xix+xx)**	**236.96**	**207.73**	**-**	**-**	**-**	**-**
	Net (Asset)/Liability (xiii-xxi)	**6.70**	**25.93**	**1.44**	**1.63**	**33.68**	**34.06**
(xxii)	**Expense recognised in:**						
(xxiii)	**Statement of Profit and Loss (vi-xvi)**	**24.40**	**25.79**	**0.34**	**0.29**	**5.40**	**5.97**
(xxiv)	**Statement of other comprehensive income (x-xviii)**	**(3.76)**	**5.84**	**(0.19)**	**0.12**	**(0.64)**	**0.28**

The major categories of plan assets of the fair value of the total plan assets for the Parent Company are as follows:

(₹ in Crores)

Particulars	**As at 31.03.2022**	As at 31.03.2021
Government of India Securities (Central and State)	**116.32**	105.27
High quality corporate bonds (including Public Sector Bonds)	**88.12**	79.73
Equity shares, Equity mutual funds and ETF	**17.31**	9.39
Cash (including liquid mutual funds)	**0.37**	0.40
Others	**6.51**	4.31

1) Post-employment benefits : (Contd.)

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group plans are shown below:

	Gratuity (Funded Plan)		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	**As at 31.03.2022**	As at 31.03.2021	**As at 31.03.2022**	As at 31.03.2021
Discount Rate	**6.78% to 7.34%**	6.39% to 6.94%	**7.27%**	6.87%	**3.50% to 14.70%**	3.80% to 9.88%
Salary Escalation Rate	**All Grades- 9% for first 2 years 8% thereafter**	All Grades- 10% for first year 9% for second year 8% thereafter	**-**	-	**0% to 13.00%**	3.50% to 12.00%

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has 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.

(₹ in Crores)

	Defined Benefits Plan		Pension (Unfunded Plan)		Leaving Indemnity, Gratuity, Medical Plan and Post retirement medical plan (Unfunded Plan)	
	As at 31.03.2022	As at 31.03.2021	**As at 31.03.2022**	As at 31.03.2021	**As at 31.03.2022#**	As at 31.03.2021#
Defined Benefit Obligation - Discount Rate + 100 basis points	**(18.98)**	(17.54)	**(0.08)**	(0.09)	**(0.06)**	(0.23)
Defined Benefit Obligation - Discount Rate - 100 basis points	**20.88**	19.11	**0.09**	0.10	**0.07**	0.24
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	**20.07**	18.41	**-**	-	**-**	-
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	**(18.79)**	(17.60)	**-**	-	**-**	-

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 6.92 years to 11.49 years (31st March, 2021: 6.87 years to 11.69 years.)

The Group expects to make a contribution of ₹ 26.63 crores (Previous year: ₹ 47.14 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, 2022.

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

1) Post-employment benefits : (Contd.)

e) Provident Fund (Contd.)

The details of benefit obligation and plan assets of the provident funds is as given below:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of benefit obligation at period end	**709.01**	661.02
Plan assets at period end, at fair value, restricted to asset recognized in Balance Sheet	**709.01**	661.02

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

Particulars	As at 31.03.2022	As at 31.03.2021
Discounting Rate	**7.27%**	6.87%
Expected Guaranteed interest rate	**8.10%***	8.50%

*Rate announced by Central Board of Trustees of Employees Provident Fund Organisation for the FY 2021-22 and the same is used for valuation purpose. The Trust has provisionally declared interest rate of 8.30% for FY 2021-22.

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, 2022 based on actuarial valuation carried out by using Projected Accrued Benefit Method resulted in increase in liability by ₹ 14.81 crores (Previous Year: ₹ 33.90 crores)

(a) Financial Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Discount Rate	**3.50% to 14.70%**	3.80% to 9.88%
Salary increases allowing for Price inflation	**0% to 13.00%**	3.50% to 12.00%

(B) Demographic Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Mortality	**IALM (2012-14) Ultimate**	IALM (2012-14) Ultimate
Employee Turnover	**1.80% to 40%**	1.80% to 30%
Leave Availment Ratio	**2% to 5%**	2% to 5%

3) Employee share based payment plans

During the year ended 31st March, 2022, the Group implemented Asian Paints Employee Stock Option Plan 2021 ("2021 Plan"). The plan was approved by shareholders in the Parent Company's 75th AGM held on 29th June, 2021. The 2021 Plan enables grant of stock options to the eligible employees of the Group is not exceeding 25,00,000 Shares, which is 0.26 % of the paid up equity share capital of the Parent Company as on 12th May, 2021. Further, the stock options to any single employee under the Plan shall not exceed 5,00,000 Shares of the Parent Company during the tenure of the Plan, subject to compliance with Applicable Law.

The options granted under 2021 Plan have a maximum vesting period of 4 years. The options granted are based on the performance of the employees during the year of the grant and their continuing to remain in service over the next 3 years. The process for determining the eligibility of employees for the grant of stock options under the 2021 Plan shall be determined by the Nomination and Remuneration Committee (Administrator of the 2021 Plan) in consultation with Managing Director & CEO and based on employee's grade, performance rating and such other criteria as may be considered appropriate. The employees shall be entitled to receive one equity share of the Parent Company on exercise of each stock option, subject to performance of the employees and continuation of employment over the vesting period. The exercise price for stock options granted are at a discount of 50% to the Reference Share Price (the average of the daily high and low of the volume weighted average prices of the Shares quoted on a recognised stock exchange during the 22 trading days preceding the day on which the grant is made) of the shares of the Parent Company as defined under 2021 Plan.

NOTE 32 : EMPLOYEE BENEFITS (CONTD.)

3) Employee share based payment plans (Contd.)

Further, the 2021 Plan replaced the existing Deferred Incentive Scheme (which provided for deferred cash pay-outs based on performance of the employees and satisfaction of vesting conditions). Pursuant to launch of 2021 Plan, the eligible employees were given option to convert existing deferred incentive benefit for FY 2020-21 into ESOPs. Accordingly, stock options were granted to those employees opting for ESOPs.

The Administrator approved secondary purchase of shares equivalent to the options granted in August 2021 through Asian Paints Employees Stock Ownership Trust ("ESOP Trust" or "Trust") which is shown as treasury shares in the Statement of Changes in Equity.

a) Details of Stock Options granted:

Particulars	Grant 1	Grant 2	Grant 3
Grant Date	16th August 2021	16th August 2021	10th February 2022
Vesting Date	31st March 2024	31st March 2025	31st March 2025
Fair Value at Grant Date (₹)	1,685.13	1,752.87	1,884.83
Exercise Price (₹)*	1,518.70	1,518.70	1,632.53
Options outstanding at the beginning of the year	**-**	**-**	**-**
Options granted during the year	1,10,514	1,16,022	4,425
Options exercised during the year	-	-	-
Options forfeited during the year	-	-	-
Options lapsed during the year	2,160	2,718	-
Balance as at year end	**1,08,354**	**1,13,304**	**4,425**
Exercisable at period end	-	-	-
Weighted Average remaining contractual life (years)	3	4	4

*Also represents weighted average exercise price for respective option series towards all the movement including opening and closing outstanding options.

b) Fair Value of Stock Options granted:

Fair Value of Stock Options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as below:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend Yield	Market price at the time of grant of the option (₹)	Exercise price
Assumptions:	Zero Coupon Sovereign Bond Interest Rate equivalent for option life	Tenure to vesting of options and half of exercise period assuming even exercise of shares during exercise period	Based on daily volatility for period equivalent for option life	Dividend yield is calculated as dividend paid in last FY divided by current share price		50% of Reference Share Price
Grant 1- 16th August, 2021	5.07%	3.12 years	34.67%	0.60%	2,987.55	1,518.70
Grant 2 - 16th August, 2021	5.50%	4.12 years	32.17%	0.60%	2,987.55	1,518.70
Grant 3 - 10th February, 2022	5.57%	3.63 years	33.93%	0.55%	3,228.35	1,632.53

During the year, the Group has recognized an expense of ₹ 10.94 crores (31st March, 21: Nil). This is net of reversal of provision of deferred incentive scheme of ₹ 2.45 crores.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 33 : RELATED PARTY TRANSACTIONS

Disclosure On Related Party Transactions as Required by Ind AS 24 - Related Party Disclosures is given below:

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 *

* The Company intends to cease its operations.

b) Key Managerial Personnel:

Name	Designation
Shri Amit Syngle	Managing Director & CEO
Shri R J Jeyamurugan	CFO & Company Secretary
Non-Executive Directors	
Late Shri. Abhay Vakil (upto 2nd November, 2021)	Shri. M.K. Sharma (upto 31st March, 2022)
Ms. Amrita Vakil	Ms. Nehal Vakil (w.e.f. 1st March, 2022)
Shri. Ashwin Dani	Mrs. Pallavi Shroff
Shri. Deepak Satwalekar (Chairman)	Shri. R Seshasayee
Shri. Jigish Choksi	Dr. S. Sivaram (upto 30th September, 2021)
Shri. Malav Dani	Shri. Suresh Narayanan
Shri. Manish Choksi (Vice Chairman)	Mrs. Vibha Paul Rishi
Shri. Milind Sarwate (w.e.f. 21st October, 2021)	

c) Close family members of Key Managerial Personnel who are under the employment of the Company:

Shri. Varun Vakil

d) Entities where Directors/Close family members of Directors having control/significant influence:

Addverb Technologies Pvt. Ltd.	Hitech Specialities Solutions Ltd.	Resins and Plastics Ltd.
Ankleshwar Industrial Development Society	Jalaj Trading And Investment Company Pvt. Ltd.	Ricinash Renewable Materials Pvt. Ltd. ##
Ashwin Suryakant Dani (HUF)	Jaldhar Investments And Trading Company Pvt. Ltd	Rupen Investment and Industries Pvt. Ltd.
Asteroids Trading And Investments Pvt. Ltd	Lambodar Investments And Trading Company Ltd.	Sattva Holding and Trading Pvt. Ltd.
Castle Investment & Industries Pvt. Ltd.	Lyon Investment and Industries Pvt. Ltd.	Satyadharma Investments And Trading Company Pvt Ltd.
Centaurus Trading And Investments Pvt. Ltd.	Murahar Investments And Trading Company Ltd.	Shardul Amarchand Mangaldas & Co.
Dani Finlease Pvt. Ltd. @	Navbharat Packaging Industries Pvt. Ltd. *	Stack Pack Ltd. ^
Doli Trading and Investments Pvt. Ltd.	Nehal Trading and Investments Pvt. Ltd.	Smiti Holding And Trading Company Pvt. Ltd.
Elcid Investments Ltd.	Paladin Paints And Chemicals Pvt. Ltd.	Sudhanva Investments And Trading Company Pvt.Ltd.
ELF Trading And Chemicals Mfg. Pvt. Ltd. ^^	Parekh Plast India Ltd. **	Suptaswar Investments And Trading Company Ltd.
Geetanjali Trading and Investments Pvt. Ltd.	Piramal Swasthya Management and Research Institute	Tru Trading And Investments Pvt. Ltd.
Gujarat Organics Ltd.	Pragati Chemicals Ltd. #	Unnati Trading And Investments Pvt. Ltd.
Hiren Holdings Pvt. Ltd.	Pratham Education Foundation	Vikatmev Containers Ltd.
Hitech Corporation Ltd.	Rayirth Holding And Trading Company Pvt. Ltd.	Hydra Trading Private Limited

* change in name w.e.f. 22nd December, 2021 (formerly known as Navbharat Packaging Industries Ltd.).
** till 31st December, 2020
# merged with Resins and Plastics Ltd from 1st August, 2020
formerly known as Ricinash Oil Mill Ltd. (till 25th August, 2021) & Ricinash Renewable Materials Ltd (till.7th March, 2022).
^ w.e.f. 20th January, 2021
^^ change in name w.e.f. 22nd December, 2021 (formerly known as ELF Trading And Chemicals Mfg. Ltd.).
@ change in name w.e.f. 7th February, 2022 (formerly known as Dani Finlease Ltd.).

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

e) 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)

Terms and conditions of transactions with related parties:

1. The Group has been entering into transactions with related parties for its business purposes. Related party vendors are selected competitively in line with other unrelated parties having regard to strict adherence to quality, timely servicing, and cost advantage. Further related party vendors provide additional advantages in terms of:
   (a) Supplying products primarily to the Group,
   (b) Advanced and innovative technology,
   (c) Customization of products to suit the Group's specific requirements, and
   (d) Enhancement of the Group's purchase cycle and assurance of just in time supply with resultant benefits– notably on working capital.
2. The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions.

   Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.
3. The assessment of receivables is undertaken in each financial year through examining the financial position of related parties, the market and regulatory environment in which related parties operate and is in accordance with the accounting policy of the Group.

Compensation of key management personnel of the Parent Company:

(₹ in Crores)

Particulars	2021-22	2020-21
Short-term employee benefits	**23.38**	18.50
Post-employment benefits	**0.12**	0.14
Total compensation paid to key management personnel	**23.50**	**18.64**

Details of transactions with and balances outstanding of associate companies:

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22		2020-21	
		Transaction value	**Outstanding amount**	Transaction value	Outstanding amount
PPG Asian Paints Private Limited	Revenue from Sale of Products	**6.78**	**1.67**	7.09	2.59
	Purchase of Goods	**3.57**	**2.06**	0.44	0.38
	Purchase of Assets	**0.42**	**-**	-	-
	Processing Income	**11.62**	**(0.13)**	13.40	#
	Royalty Income	**3.25**	**0.50**	3.17	0.40
	Other Non Operating Income	**7.38**	**0.93**	8.76	0.71
	Processing charges	**0.41**	**0.01**	0.15	0.14
	Reimbursement of Expenses - received	**0.19**	**0.08**	0.67	0.23
	Reimbursement of Expenses - paid	**0.02**	**-**	0.45	-
Revocoat India Private Limited	Other Non Operating Income	**0.19**	**0.02**	0.18	#

Represents amounts less than ₹ 50,000/-

Notes to the Consolidated Financial Statements (Contd.)

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP)/ Close Family Member of Key Managerial Personnel :

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22		2020-21	
		Transaction value	**Outstanding amount**	Transaction value	Outstanding amount
Shri Amit Syngle	Remuneration ^	**13.75**	**6.66**	10.42	4.58
	Dividend paid	**#**	**-**	#	-
Shri R J Jeyamurugan	Remuneration ^^	**3.06**	**-**	2.58	-
Late Shri. Abhay Vakil	Retiral benefits	**0.05**	**-**	0.07	-
	Remuneration	**0.42**	**0.34**	0.41	0.34
	Dividend paid	**51.40**	**-**	13.81	-
Ms. Amrita Vakil	Remuneration	**0.46**	**0.34**	0.40	0.34
	Dividend paid	**4.66**	**-**	1.24	-
Shri. Ashwin Dani	Retiral benefits	**0.07**	**-**	0.07	-
	Remuneration	**0.46**	**0.36**	0.46	0.42
	Dividend paid	**3.58**	**-**	0.96	-
Shri. Deepak Satwalekar	Remuneration	**0.57**	**0.40**	0.43	0.34
Shri. Jigish Choksi	Remuneration	**0.44**	**0.34**	0.38	0.34
	Dividend paid	**3.62**	**-**	0.97	-
Shri. Malav Dani	Remuneration	**0.50**	**0.36**	0.41	0.36
	Dividend paid	**6.00**	**-**	1.60	-
Shri. Manish Choksi	Revenue from sale of products	**-**	**-**	0.28	-
	Remuneration	**0.55**	**0.38**	0.45	0.38
	Dividend paid	**4.34**	**-**	1.16	-
Shri. Milind Sarwate	Remuneration	**0.23**	**0.14**	-	-
	Dividend paid	**#**	**-**	-	-
Shri. M.K. Sharma	Remuneration	**0.61**	**0.40**	0.49	0.40
Ms. Nehal Vakil	Remuneration	**0.07**	**0.03**	-	-
	Dividend paid	**4.42**	**-**	-	-
Mrs. Pallavi Shroff	Remuneration	**0.45**	**0.34**	0.38	0.34
Shri. R Seshasayee	Remuneration	**0.58**	**0.38**	0.45	0.36
	Dividend paid	**#**	**-**	#	-
Dr. S. Sivaram	Remuneration	**0.21**	**0.18**	0.41	0.36
Shri. Suresh Narayanan	Remuneration	**0.54**	**0.38**	0.45	0.38
Mrs. Vibha Paul Rishi	Remuneration	**0.48**	**0.35**	0.40	0.34
Shri. Varun Vakil (Close Family Members of KMP)	Remuneration	**0.82**	**-**	0.64	-
	Dividend paid	**4.05**	**-**	1.08	-
Others*	Dividend paid	**101.79**	**-**	28.53	-

^ Remuneration does not include Performance based incentive, Deferred incentive of ₹ 1.13 crores paid in 2021-22 (₹ 1.80 crores paid in 2020-21) for previous years and ₹ 3.59 crores worth of stock options for the current year (Previous year ₹ 2.47 crores) which will be subject to vesting conditions in accordance with the 2021 plan.

^^ Remuneration does not include Deferred incentive of ₹ 0.25 crores paid in 2021-22 (₹ 0.15 crores paid in 2020-21) for previous years and ₹ 0.48 crores worth of stock options for the current year (Previous year - ₹ 0.48 crores in lieu of eligible deferred incentive) which will be subject to vesting conditions in accordance with the 2021 plan.

* Dividend paid to Close Family Members of Key Managerial Personnel has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Represents amounts less than ₹ 50,000/-

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors:

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22		2020-21	
		Transaction value	**Outstanding amount**	Transaction value	Outstanding amount
Addverb Technologies Pvt Ltd.	Other Services - paid	**0.38**	**0.07**	0.75	0.39
	Revenue from sale of products	**0.17**	**0.07**	0.04	0.03
Ankleshwar Industrial Development Society	Corporate Social Responsibility Expenses	**-**	**-**	0.27	-
	Other Services - paid	**0.04**	**(0.01)**	-	-
Hitech Corporation Ltd.	Purchase of goods	**514.35**	**2.44**	380.68	2.24
Hitech Specialities Solutions Ltd.	Purchase of goods	**22.12**	**1.86**	0.63	0.18
Navbharat Packaging Industries Pvt. Ltd.	Purchase of goods	**8.06**	**0.39**	6.09	0.57
Paladin Paints And Chemicals Pvt. Ltd.	Purchase of goods	**13.62**	**1.02**	4.71	0.52
	Other Services - paid	**0.56**	**-**	0.55	-
Parekh Plast India Ltd.	Purchase of goods	**-**	**-**	69.37	-
Piramal Swasthya Management and Research Institute	Corporate Social Responsibility Expenses	**2.46**	**-**	2.30	-
Pragati Chemicals Ltd.	Purchase of goods	**-**	**-**	0.10	-
Pratham Education Foundation	Corporate Social Responsibility Expenses	**-**	**-**	0.03	-
Resins and Plastics Ltd.	Purchase of goods	**38.05**	**10.35**	23.75	6.09
	Revenue from sale of products	**0.14**	**#**	#	-
Ricinash Renewable Materials Pvt. Ltd.	Purchase of goods	**20.04**	**#**	15.17	0.58
Shardul Amarchand Mangaldas & Co.	Other Services - paid	**2.34**	**0.76**	1.21	0.70
Stack Pack Ltd.	Purchase of goods	**8.91**	**1.40**	0.40	0.34
Vikatmev Containers Ltd.	Purchase of goods	**22.14**	**1.53**	15.60	2.23
	Dividend paid	**0.20**	**-**	-	-
Hydra Trading Private Limited	Revenue from sale of products	**0.16**	**(0.14)**	-	-
Smiti Holding And Trading Company Private Limited	Revenue from sale of products	**0.19**	**(0.10)**	-	-
	Dividend paid	**100.44**	**-**	26.61	-
Sattva Holding and Trading Private Limited	Dividend paid	**102.35**	**-**	27.35	-
Others *	Dividend paid	**532.26**	**-**	142.28	-

* Dividend paid to Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors has been shown under others, which are less than 10% of overall dividend paid to Related parties.

Represents amounts less than ₹ 50,000/-

Notes to the Consolidated Financial Statements (Contd.)

NOTE 33 : RELATED PARTY TRANSACTIONS (CONTD.)

Details of transactions with and balances outstanding of Other Entities where significant influence exist:

(₹ in Crores)

Name of the related party	Nature of transaction	2021-22		2020-21	
		Transaction value	**Outstanding amount**	Transaction value	Outstanding amount
Asian Paints (India) Limited Employees' Gratuity Fund	Contributions during the year (includes Employees' share and contribution)	**38.00**	**-**	17.35	-
Asian Paints Office Provident Fund	Contributions during the year (includes Employees' share and contribution)	**50.66**	**4.14**	41.66	3.57
Asian Paints Factory Employees' Provident Fund	Contributions during the year (includes Employees' share and contribution)	**34.84**	**2.88**	30.33	2.78
Asian Paints Management Cadres Superannuation Scheme	Contributions during the year (includes Employees' share and contribution)	**0.03**	**-**	0.06	-

The Parent Company pays to the employees on behalf of Trust which is subsequently reimbursed by the Trust.

All the amounts reported in Note 33 are inclusive of GST wherever applicable

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NOTE 34 : INVESTMENT IN AN ASSOCIATE COMPANY

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 31.03.2022	As at 31.03.2021
Current Assets	**944.12**	870.72
Non-current Assets	**503.82**	505.16
Current Liabilities	**(362.60)**	(362.05)
Non-current Liabilities	**(54.42)**	(46.04)
Equity	**1,030.93**	**967.79**
Proportion of the Group's ownership interest	**50%**	50%
Carrying amount of the Group's interest*	**515.47**	483.90

* Includes share of capital reserve and other reserves in associate amounting to ₹ 0.05 crores (Previous year : ₹ 2.06 crores) (Refer note 14)

(₹ in Crores)

	2021-22	2020-21
Revenue	**1,456.74**	1,107.05
Cost of raw material and components consumed	**(992.81)**	(690.21)
Depreciation & amortization	**(46.88)**	(47.95)
Finance cost	**(3.18)**	(3.16)
Employee benefit	**(126.04)**	(121.78)
Other expenses	**(201.58)**	(167.41)
Profit before tax	**86.25**	**76.54**
Income tax expense	(23.11)	(19.34)
Profit for the year	**63.14**	**57.20**
Group's share of profit for the year	**31.57**	28.60
Group's share of other comprehensive income for the year	**(0.05)**	0.73
Group's total comprehensive income for the year	**31.52**	**29.33**

The associate had the following contingent liabilities and capital commitments:

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
Contingent liabilities:		
Indirect Tax demands disputed in appeals	**20.53**	20.25
Direct Tax demand disputed in appeals	**131.77**	131.77
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**2.78**	4.83

NOTE 35: 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	Products/Services
Paints	Manufacturing and/or trading of paints, décor products and related services
Home Improvement	Manufacturing and/or trading of Kitchen 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.

(₹ in Crores)

	2021-22			2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
A. SEGMENT REVENUE						
Gross Revenue	**28,349.54**	**758.36**	**29,107.90**	21,205.73	508.71	21,714.44
Inter-segment revenue	**-**	**6.62**	**6.62**	-	1.65	1.65
Total Segment Revenue	**28,349.54**	**751.74**	**29,101.28**	**21,205.73**	**507.06**	**21,712.79**
B. SEGMENT RESULT	**4,377.36**	**(6.94)**	**4,370.42**	4,505.66	(27.63)	4,478.03
C. SPECIFIED AMOUNTS INCLUDED IN SEGMENT RESULTS						
Depreciation and amortisation	**751.06**	**10.17**	**761.23**	720.52	11.00	731.52
Interest Income	**23.89**	**0.08**	**23.97**	27.17	0.24	27.41
Net foreign exchange loss	**6.39**	**(1.14)**	**5.25**	8.94	(0.33)	8.61
Finance costs	**90.15**	**3.86**	**94.01**	77.33	4.42	81.75
Share of profit in associate	**31.57**	**-**	**31.57**	28.60	-	28.60
D. RECONCILIATION OF SEGMENT RESULT WITH PROFIT AFTER TAX						
SEGMENT RESULT	**4,377.36**	**(6.94)**	**4,370.42**	4,505.66	(27.63)	4,478.03
Add/(Less):						
Interest Income			**68.75**			39.91
Depreciation and amortisation			**(55.13)**			(59.75)
Net foreign exchange gain			**43.23**			18.43
Dividend received			**15.16**			7.81
Net gain arising on financial assets measured at FVTPL			**76.09**			92.28
Finance costs			**(1.40)**			(9.88)
Income taxes			**(1,102.91)**			(1,097.60)
Other Un-allocable Expenses net of Un-allocable Income			**(329.40)**			(262.48)
PROFIT FROM CONTINUING OPERATION AFTER TAX AS PER STATEMENT OF PROFIT AND LOSS			**3,084.81**			**3,206.75**

NOTE 35: SEGMENT REPORTING (CONTD.)

(₹ in Crores)

	As at 31.03.2022			As at 31.03.2021		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
OTHER INFORMATION						
Segment assets	**17,556.37**	**635.67**	**18,192.04**	14,164.29	420.13	14,584.42
Un-allocable assets			**4,792.41**			5,785.20
Total assets			**22,984.45**			**20,369.62**
Segment liabilities	**8,005.92**	**285.92**	**8,291.84**	6,372.17	223.20	6,595.37
Un-allocable liabilities			**493.52**			545.10
Total liabilities			**8,785.36**			**7,140.47**
Capital expenditure	**401.91**	**19.37**	**421.28**	181.70	2.68	184.38
Un-allocable capital expenditure			**116.33**			19.03
Total			**537.61**			**203.41**

(₹ in Crores)

	2021-22	2020-21
REVENUE FROM OPERATIONS		
Domestic Operations	**26,206.38**	19,222.84
International Operations	**2,894.90**	2,489.95
Total	**29,101.28**	**21,712.79**

(₹ in Crores)

	As at 31.03.2022	As at 31.03.2021
SEGMENT NON CURRENT ASSETS*		
Domestic Operations	**5,253.68**	5,242.47
International Operations	**997.14**	1,019.64
Total	**6,250.82**	**6,262.11**

* 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)

	2021-22			2020-21		
	PAINTS	HOME IMPROVEMENT	TOTAL	PAINTS	HOME IMPROVEMENT	TOTAL
Revenue from sale of products	**28,107.12**	**722.90**	**28,830.02**	20,950.72	489.52	21,440.24
Revenue from sale of services	**81.12**	**12.34**	**93.46**	36.20	8.76	44.96
Other operating revenues	**41.89**	**16.50**	**58.39**	36.37	8.78	45.15
Add : Items not included in disaggregated revenue						
Subsidy from government	**119.41**	**-**	**119.41**	182.44	-	182.44
Total Segment Revenue	**28,349.54**	**751.74**	**29,101.28**	**21,205.73**	**507.06**	**21,712.79**
Adjustments :						
Add : Items not included in segment revenue						
i) Royalty received						
- From Associate Company	**3.08**	**-**	**3.08**	2.82	-	2.82
- Others	**-**	**-**	**-**	0.30	-	0.30
Less : Items not included in disaggregated revenue						
i) Lease rent	**-**	**-**	**-**	0.45	-	0.45
ii) Subsidy from government	**119.41**	**-**	**119.41**	182.44	-	182.44
Revenue from contracts with customers (Note 23B)	**28,233.21**	**751.74**	**28,984.95**	**21,025.96**	**507.06**	**21,533.02**

Notes to the Consolidated Financial Statements (Contd.)

NOTE 36: 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) 2021-22		Share in Profit or Loss 2021-22		OCI 2021-22		TCI 2021-22	
	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	94.0	13,349.09	101.6	3,134.72	32.0	(72.31)	107.1	3,062.41
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.3	44.84	0.2	5.16	0.1	(0.15)	0.2	5.02
Maxbhumi Developers Limited	0.1	12.46	(0.0)	(0.04)	-	-	(0.0)	(0.04)
Sleek International Private Limited	0.9	132.66	(0.3)	(9.20)	(0.1)	0.12	(0.3)	(9.08)
Asian Paints PPG Private Limited	0.7	101.13	0.5	15.38	0.1	(0.16)	0.5	15.23
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.2	177.37	1.6	48.05	-	-	1.7	48.05
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	5.6	788.40	(9.3)	(288.34)	-	-	(10.1)	(288.34)
Indirect Subsidiaries								
Samoa Paints Limited	0.0	4.15	0.0	0.80	-	-	0.0	0.80
Asian Paints (South Pacific) Pte Limited	0.3	40.16	0.3	9.98	-	-	0.3	9.98
Asian Paints (S I) Limited	0.0	4.93	0.1	2.74	-	-	0.1	2.74
Asian Paints (Vanuatu) Limited	0.0	3.73	0.0	0.87	-	-	0.0	0.87
Asian Paints (Middle East) SPC*	0.8	109.80	0.1	3.91	(0.2)	0.49	0.2	4.40
Asian Paints (Bangladesh) Limited	0.3	47.45	(0.3)	(9.09)	0.1	(0.24)	(0.3)	(9.32)
SCIB Chemicals S.A.E.	0.3	48.69	(0.8)	(24.72)	-	-	(0.9)	(24.72)
Berger Paints Bahrain W.L.L.	0.3	41.90	0.4	13.76	(0.0)	0.07	0.5	13.83
Berger Paints Emirates LLC	0.4	59.15	(1.5)	(44.85)	-	-	(1.6)	(44.85)
Nirvana Investments Limited	0.0	2.39	-	-	-	-	-	-
Enterprise Paints Limited	(0.1)	(15.41)	-	-	-	-	-	-
Universal Paints Limited	0.1	21.08	0.5	14.78	-	-	0.5	14.78
Kadisco Paint and Adhesive Industry Share Company	0.2	30.85	0.1	3.09	0.0	(0.03)	0.1	3.05
PT Asian Paints Indonesia	1.3	190.63	(2.7)	(82.74)	(0.0)	0.06	(2.9)	(82.68)
PT Asian Paints Color Indonesia	0.0	0.85	(0.0)	(0.22)	-	-	(0.0)	(0.22)
Causeway Paints Lanka (Pvt) Ltd (Refer note 40C)	0.9	122.64	(0.0)	(0.78)	(0.2)	0.42	(0.0)	(0.37)
Minority Interests in all subsidiaries	2.7	387.53	1.8	54.24	5.9	(13.35)	1.4	40.89
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	3.6	515.47	1.0	31.57	0.0	(0.05)	1.1	31.52
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(14.2)	(2,022.84)	6.7	205.75	62.3	(140.53)	2.3	65.22
Total	100.0	14,199.09	100.0	3,084.81	100.0	(225.66)	100.0	2,859.15

*With effect from 15th April, 2021 - Asian Paints (Middle East) SPC (earlier known as Asian Paints (Middle East) LLC)
Note: The above figures are before eliminating intra Group transactions and intra Group balances as at 31st March, 2022. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

NOTE 36: DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND ASSOCIATES AS PER SCHEDULE III OF COMPANIES ACT, 2013 (CONTD.)

(₹ in Crores)

Name of the Company	Net Assets (Total Assets minus Total Liabilities) 2020-21		Share in Profit or Loss 2020-21		OCI 2020-21		TCI 2020-21	
	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	91.4	12,089.81	95.2	3,051.86	(889.6)	50.53	96.9	3,102.39
Indian Subsidiaries								
Direct Subsidiaries								
Asian Paints Industrial Coatings Limited	0.3	39.82	0.1	1.62	0.2	(0.01)	0.1	1.61
Maxbhumi Developers Limited	0.1	12.50	(0.0)	(0.05)	-	-	(0.0)	(0.05)
Sleek International Private Limited	0.5	61.74	(0.7)	(21.09)	3.0	(0.17)	(0.7)	(21.26)
Asian Paints PPG Private Limited	0.6	85.90	0.3	10.93	3.3	(0.19)	0.3	10.74
Foreign Subsidiaries								
Direct Subsidiaries								
Asian Paints (Nepal) Private Limited	1.1	142.84	0.9	28.62	-	-	0.9	28.62
Asian Paints International Private Limited (formerly known as Berger International Private Limited)	8.0	1,053.80	2.0	63.58	-	-	2.0	63.58
Indirect Subsidiaries								
Samoa Paints Limited	0.0	3.29	0.0	0.47	-	-	0.0	0.47
Asian Paints (South Pacific) Pte Limited	0.3	35.83	0.3	9.58	-	-	0.3	9.58
Asian Paints (Tonga) Limited	-	-	(0.0)	(0.21)	-	-	(0.0)	(0.21)
Asian Paints (S I) Limited	0.0	4.86	0.1	3.45	-	-	0.1	3.45
Asian Paints (Vanuatu) Limited	0.0	2.83	0.0	0.74	-	-	0.0	0.74
Asian Paints (Middle East) SPC*	0.4	50.28	0.1	4.66	(0.9)	0.05	0.1	4.71
Asian Paints (Bangladesh) Limited	0.4	55.99	0.1	1.59	7.4	(0.42)	0.0	1.17
SCIB Chemicals S.A.E.	0.6	85.21	0.4	12.56	-	-	0.4	12.56
Berger Paints Bahrain W.L.L.	0.3	41.77	0.7	23.43	(5.8)	0.33	0.7	23.76
Berger Paints Emirates LLC	0.8	101.49	0.4	12.31	(12.5)	0.71	0.4	13.02
Nirvana Investments Limited	0.0	2.38	0.1	2.97	-	-	0.1	2.97
Enterprise Paints Limited	(0.1)	(15.66)	0.3	9.90	-	-	0.3	9.90
Universal Paints Limited	0.2	21.15	0.6	19.52	-	-	0.6	19.52
Kadisco Paint and Adhesive Industry Share Company	0.3	34.44	0.3	8.75	(0.4)	0.02	0.3	8.77
PT Asian Paints Indonesia	0.7	88.40	(1.6)	(49.78)	0.9	(0.05)	(1.6)	(49.83)
PT Asian Paints Color Indonesia	0.0	0.26	(0.0)	(0.44)	-	-	(0.0)	(0.44)
Causeway Paints Lanka (Pvt) Ltd	1.4	180.39	1.2	39.83	9.6	(0.54)	1.2	39.29
Minority Interests in all subsidiaries	3.2	422.86	2.1	67.46	172.7	(9.81)	1.8	57.65
Associate								
Indian								
PPG Asian Paints Private Limited (Consolidated)	3.7	483.90	0.9	28.60	(12.9)	0.73	0.9	29.33
Consolidation adjustments and Foreign Currency Translation Reserve (FCTR)	(14.0)	(1,856.93)	(3.9)	(124.11)	825.0	(46.86)	(5.3)	(170.97)
Total	100.0	13,229.15	100.0	3,206.75	100.0	(5.68)	100.0	3,201.07

*With effect from 15th April, 2021 - Asian Paints (Middle East) SPC (earlier known as Asian Paints (Middle East) LLC)
Note: The above figures are before eliminating intra Group transactions and intra Group balances as at 31st March, 2021. Total of intragroup adjustments (including Foreign Currency Translation Reserve) is shown as separate line item.

NOTE 37: CONTINGENT LIABILITIES AND COMMITMENTS

a) Contingent Liabilities:

(₹ in Crores)

		As at 31.03.2022	As at 31.03.2021
1	Performance Bonds and Immigration Bonds given by Subsidiaries	**3.53**	4.69
2	Claims against the Group not acknowledged as debts		
	i. Tax matters in dispute under appeal	**449.91**	337.09
	ii. Others	**66.30**	62.78

b) Commitments:

(₹ in Crores)

		As at 31.03.2022	As at 31.03.2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	i. Towards Property, Plant and Equipment	**743.25**	169.31
	ii. Towards Intangible Assets	**15.27**	14.45
2	Letters of Credit and Bank guarantees issued by bankers and outstanding as on 31st March.	**373.47**	265.74
3	For derivative contract related commitments (Refer note 30(C))	**-**	-

NOTE 38 : 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 31.03.22	% of Holding as at 31.03.21	Accounting period
Asian Paints (Nepal) Private Limited	Nepal	**52.71**	52.71	14th Mar 2021 -14th Mar 2022
Asian Paints International Private Limited (APIPL)	Singapore	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Asian Paints Industrial Coatings Limited	India	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Maxbhumi Developers Limited	India	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Sleek International Private Limited	India	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Asian Paints PPG Private Limited	India	**50.00**	50.00	1st Apr 2021 -31st Mar 2022

NOTE 38 : DETAILS OF SUBSIDIARIES AND ASSOCIATE (CONTD.)

A) Subsidiaries: (Contd.)

ii) Indirect Subsidiaries

a) Subsidiaries of Asian Paints (International) Private Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Enterprise Paints Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Universal Paints Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Kadisco Paint and Adhesive Industry Share Company	Ethiopia	**51.00**	51.00	1st Apr 2021 -31st Mar 2022
PT Asian Paints Indonesia	Indonesia	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
PT Asian Paints Color Indonesia	Indonesia	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
Asian Paints (South Pacific) Limited	Fiji Islands	**54.07**	54.07	1st Apr 2021 -31st Mar 2022
Asian Paints (S.I.) Limited	Solomon Islands	**75.00**	75.00	1st Apr 2021 -31st Mar 2022
Asian Paints (Bangladesh) Limited	Bangladesh	**89.78**	89.78	1st Apr 2021 -31st Mar 2022
Asian Paints (Middle East) SPC*	Sultanate of Oman	**100.00**	49.00	1st Apr 2021 -31st Mar 2022
SCIB Chemicals S.A.E. #	Egypt	**61.31**	60.00	1st Apr 2021 -31st Mar 2022
Samoa Paints Limited	Samoa	**80.00**	80.00	1st Apr 2021 -31st Mar 2022
Asian Paints (Vanuatu) Limited	Republic of Vanuatu	**60.00**	60.00	1st Apr 2021 -31st Mar 2022
Causeway Paints Lanka (Pvt) Ltd (Refer note 40C)	Sri Lanka	**99.98**	100.00	1st Apr 2021 -31st Mar 2022
AP International Doha Trading WLL##	Qatar	**100.00**	-	-

* On 7th April, 2021, APIPL entered into a Share Purchase Agreement for purchase of non-controlling interest stake (51%) in Asian Paints (Middle East) SPC (earlier known as Asian Paints (Middle East) LLC), subsidiary of APIPL (by virtue of management control). The said transaction was concluded on 14th April, 2021.

\# On 31st May 2021, APIPL completed a buyout of 1.31% stake from certain minority shareholders in SCIB Chemicals S.A.E., Egypt, subsidiary of APIPL.

Asian Paints (Tonga) Limited has ceased its business operations w.e.f. 10th December, 2020 and liquidated all its assets & liabilities. The name of the Company was struck off from the registrar on 29th January, 2021.

On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved Scheme of amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ("Reno"), wholly owned subsidiary of the Parent Company, with the Parent Company.

Yet to commence operations

b) Subsidiary of Enterprise Paints Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Nirvana Investments Limited	Isle of Man, U.K.	**100.00**	100.00	1st Apr 2021 -31st Mar 2022

c) Subsidiary of Nirvana Investments Limited

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Berger Paints Emirates LLC	U.A.E.	**100.00**	100.00	1st Apr 2021 -31st Mar 2022

d) Subsidiary of Universal Paints Limited:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
Berger Paints Bahrain W.L.L.	Bahrain	**100.00**	100.00	1st Apr 2021 -31st Mar 2022

B) Associates:

Name of the Company	Country of Incorporation	% of Holding as at 31.03.22	% of Holding as at 31.03.21	Accounting period
PPG Asian Paints Private Limited	India	**50.00**	50.00	1st Apr 2021 -31st Mar 2022
Subsidiaries of PPG Asian Paints Private Limited:				
Revocoat India Private Limited	India	**100.00**	100.00	1st Apr 2021 -31st Mar 2022
PPG Asian Paints Lanka Private Limited**	Sri Lanka	**100.00**	100.00	1st Apr 2021 -31st Mar 2022

** The Company intends to cease its operations.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 39 : EXCEPTIONAL ITEMS

(₹ in Crores)

	Year 2021-22	Year 2020-21
1. Expected credit loss allowance on subsidy receivable from state governments (Refer note 1)	**53.73**	-
2. Exchange loss on devaluation of Sri Lanka currency (Refer note 2)	**48.50**	-
3. Impairment loss on Goodwill on consolidation in Causeway Paints (Refer note 3)	**13.47**	-
	115.70	**-**

1. The Parent Company has re-assessed expected timing of receipt of cashflow towards subsidy receivable from the State Governments, in accordance with Ind AS 109 – Financial Instruments and has accordingly provided for time value of money in the Consolidated Financial Statements for the year ended 31st March, 2022. Consequently:
   (a) An amount of ₹ 53.73 crores computed under 'expected credit loss' method is recognized as an exceptional item towards subsidy receivable for earlier years.
   (b) Subsidy income under 'Other operating revenue' is lower by ₹ 31.10 crores.
   The Parent Company is confident about the ultimate realisation of the dues from the State Governments.
2. The current economic crisis in Sri Lanka has led to currency devaluation. This has resulted in recognition of an expense of ₹ 48.50 crores towards exchange loss arising on foreign currency obligations of Causeway Paints Lanka (Pvt.) Limited (Causeway Paints), subsidiary of the Group. Consequent to the currency devaluation, the Group has also recognized foreign currency translation loss of ₹ 139.87 crores on Consolidation of Financial Statements of Causeway Paints in the Other Comprehensive Income for the year ended 31st March, 2022.
3. The Group has made an assessment of the fair value of investment made in Causeway Paints taking into account the business performance, prevailing business conditions and revised expectations of the future performance considering ongoing economic crisis in Sri Lanka. Accordingly, the Group has recognized an impairment loss of ₹ 13.47 crores on the 'Goodwill on Consolidation', recognized on acquisition of Causeway Paints. The recoverable amount of the CGU is ₹ 262.27 crores determined based on its value in use considering a discount rate of 20.3%.

NOTE 40A :

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 had received notices seeking certain information and the Parent Company has provided the same from time to time. The Commission is yet to pass a final order in this regard.

NOTE 40B :

On 2nd September, 2021, the National Company Law Tribunal, Mumbai approved Scheme of amalgamation ("the Scheme") of Reno Chemicals Pharmaceuticals and Cosmetics Private Limited ("Reno"), wholly owned subsidiary of the Parent Company, with the Parent Company. Pursuant to the necessary filings with the Registrar of Companies, Mumbai, the scheme has become effective from 17th September, 2021 with the appointed date of 1st April, 2019. There is no impact of amalgamation on the Consolidated Financial Statements. The accounting treatment is in accordance with the approved scheme and Indian Accounting Standards.

NOTE 40C :

On 1st April, 2021, the Registrar General of Companies in Sri Lanka approved the scheme of amalgamation of Asian Paints (Lanka) Ltd. into Causeway Paints Lanka (Pvt) Ltd., subsidiaries of Asian Paints International Private Limited ('APIPL'). APIPL is a wholly owned subsidiary of Asian Paints Limited. This is a common control transaction and has no impact on the Consolidated Financial Statements.

NOTE 40D :

On 1st April, 2022, the Parent Company entered into the Shareholders Agreement and Share Subscription Agreement with the promoters of Weatherseal Fenestration Private Limited (hereinafter referred to as "Weatherseal Fenestration") for, inter alia, infusion of ₹ 19 crores (approx.) for 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to customary closing adjustments and conditions precedent. On fulfillment of such conditions, the acquisition of Weatherseal Fenestration shall be considered as completed and it will become a subsidiary. Further, in accordance with the Shareholders Agreement and the Share Subscription Agreement, the Parent Company has agreed to acquire further stake of 23.9% in Weatherseal Fenestration from its promoter shareholders, in a staggered manner, over the next 3 years period. There is no impact of the above business acquisition on the Consolidated Financial Statements.

NOTE 40E:

On 1st April, 2022, the Parent Company entered into a Share Purchase Agreement and other definitive documents with the shareholders of Obgenix Software Private Limited (popularly known by the brand name of 'White Teak') for the acquisition of 100% of its equity share capital in a staggered manner over the period of next 3 years, subject to certain conditions. The Parent Company has acquired 49% of its equity share capital for a consideration of ₹ 180 crores (approx.) along with an earn out upto a maximum of ₹ 114 crores, payable after a year, subject to achievement of mutually agreed financial milestones. The remaining 51% of the equity share capital would be acquired in a staggered manner. White Teak has become an associate from the date of acquisition. There is no impact of the above business acquisition on the Consolidated Financial Statements.

NOTE 41 : EARNING PER SHARE

Particulars	2021-22	2020-21
Basic earnings per share in rupees (face value – ₹1 per share) (In ₹)	**31.60**	**32.73**
Diluted earnings per share in rupees (face value – ₹1 per share) (In ₹)	**31.60**	**32.73**
Profit after tax attributable to Owners of the Company as per Statement of Profit and Loss (₹ in crores)	**3,030.57**	3,139.29
Number of equity shares outstanding during the year used for computing basic earnings per share	**95,91,97,790**	95,91,97,790
Less: Weighted average shares held by ESOP trust as treasury shares	**1,20,488**	-
Weighted average number of equity shares outstanding during the year used for computing basic earnings per share	**95,90,77,302**	95,91,97,790
Add: Options granted to employees#	**23,717**	-
Weighted average number of equity shares outstanding during the year used for computing diluted earnings per share	**95,91,01,018**	95,91,97,790

41 stock options are excluded from calculating weighted average number of outstanding equity shares for the purpose of diluted EPS for 31st March, 2022 (Previous year - Nil) as these are anti-dilutive.
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.

NOTE 42 : PURSUANT TO IND AS-116 - 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 is four 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, 2022 as per the lease agreements:

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Not later than 1 year	**0.11**	0.18
Later than 1 year and not later than 5 years	**0.08**	0.22
Later than 5 years	**-**	-
Total	**0.19**	**0.40**

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 capitalised.

d) The information on gross amount of leased assets, depreciation and impairment is given in Note 2B.

Notes to the Consolidated Financial Statements (Contd.)

NOTE 42 : PURSUANT TO IND AS-116 - LEASES, THE FOLLOWING INFORMATION IS DISCLOSED: (CONTD.)

II) Assets given on finance lease

a) A subsidiary has given some of its 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 at 31st March, 2022 and 31st March, 2021 is as under:

(₹ in Crores)

	As at 31.03.2022			As at 31.03.2021		
	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	**0.38**	**0.01**	**0.37**	0.75	0.03	0.72
Later than 1 year and not later than 5 years	**-**	**-**	**-**	-	-	-
Later than 5 years	**-**	**-**	**-**	-	-	-
Total	**0.38**	**0.01**	**0.37**	**0.75**	**0.03**	**0.72**

NOTE 43 : MOVEMENT IN OTHER PROVISIONS

Pursuant to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to movement in provisions is as follows:

(₹ in Crores)

Particulars	Provision for Excise[1]		Provision for Sales Tax[2]		Provision for Warranties[3]		Other Provisions [4]	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Opening Balance	**2.24**	2.24	**28.93**	22.95	**0.54**	0.74	**-**	0.15
Additions	**-**	-	**2.41**	9.37	**0.52**	0.36	**-**	-
(Utilizations)	**-**	-	**(1.20)**	(0.38)	**(0.39)**	(0.56)	**-**	(0.15)
(Reversals)	**(0.74)**	-	**(3.26)**	(3.06)	**-**	-	**-**	-
Currency Translation	**-**	-	**(0.05)**	0.05	**-**	-	**-**	-
Closing Balance	**1.50**	**2.24**	**26.83**	**28.93**	**0.67**	**0.54**	**-**	**-**

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 Group 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 other 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 44A : CHANGES IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES:

(₹ in Crores)

	As at 31.03.2021	Cash flows	Other Changes	Non-cash changes: Net Additions	Fair value changes	Current/ Non-current classification	Foreign currency translation differences	As at 31.03.2022
Borrowings- Non current (Refer note 15)	14.53	39.87	-	-	1.85	-	(11.71)	**44.54**
Borrowings- Current (Refer note 15)	334.05	284.79	109.58	-	-	-	2.70	**731.12**
Lease Liabilities (Refer note 16)	744.54	(221.40)	-	287.31	-	-	0.77	**811.22**
Other liabilities (Refer note 19)	5.17	-	-	-	(1.76)	-	0.00	**3.41**

(₹ in Crores)

	As at 31.03.2020	Cash flows	Other Changes	Non-cash changes: Net Additions	Fair value changes	Current/ Non-current classification	Foreign currency translation differences	As at 31.03.2021
Borrowings- Non current (Refer note 15)	18.63	2.14	-	-	1.75	(8.35)	0.36	14.53
Borrowings- Current (Refer note 15)	336.06	23.57	(38.78)	-	-	8.35	4.85	334.05
Lease Liabilities (Refer note 16)	763.81	(202.95)	-	179.80	-	-	3.88	744.54
Other liabilities (Refer note 19)	6.89	-	-	-	(1.72)	-	-	5.17

NOTE 44B:

Total cash flows for leases including variable lease payments is ₹ 441.00 crores (Previous year - ₹ 387.26 crores) which includes finance cost on lease liability of ₹ 56.73 crores (Previous year - ₹ 57.46 crores).

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Notes to the Consolidated Financial Statements (Contd.)

NOTE 45A: RELATIONSHIP WITH STRUCK OFF COMPANIES

Details of struck off companies with whom the Group has transaction during the year or outstanding balance:

(₹ in Crores)

Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company	As at 31.03.2022	As at 31.03.2021
Asian Paints Limited	Tirupati Suppliers Pvt Ltd	Receivables	**0.40**	0.40
Asian Paints Limited	Citi Square Modular Industries Pvt Ltd	Receivables	**0.09**	0.09
Asian Paints Limited	K.A.S. Housing Pvt Ltd	Receivables	**0.01**	0.01
Asian Paints Limited	Milestone Market Research And Event Management Pvt Ltd	Payables	**-**	(0.03)
Asian Paints Limited	Maxin Hydro Dynamic India Pvt Ltd	Payables	**-**	0.00*
Asian Paints Limited	Khatushyam Engineers Pvt Ltd	Payables	**(0.01)**	(0.03)
Asian Paints Limited	Gomistri Services Pvt Ltd	Payables	**0.00***	0.00*
Asian Paints Limited	S E Security Services Pvt Ltd	Payables	**-**	(0.09)
Asian Paints Limited	Safna Consultancy Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Siddha Papers Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Fairtrade Securities Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Unicon Fincap Pvt Ltd	Unclaimed Dividend	**0.00***	-
Asian Paints Limited	Fairgrowth Investments Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Fairgrowth Financial Services Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Empyrean Consultant Pvt Ltd	Unclaimed Dividend	**0.00***	-
Asian Paints Limited	Salil Archana Invests Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Chinmaya Estates Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Sunhari Trading And Commerce Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Palkhi Investment And Trading Company Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Alliance Invest And Finance Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Pax Holdings Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Smita Commercial Investment Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Optimist Finvest And Trading Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Kinnari Investments Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	Mulraj Holdings & Finance Pvt Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints Limited	BOI Finance Ltd	Unclaimed Dividend	**0.00***	0.00*
Asian Paints PPG Private Limited	Surface Care Technologist Pvt Ltd	Receivables	**0.21**	0.21
Asian Paints PPG Private Limited	Algypug Enclosures Private Limited	Receivables	**0.05**	0.05
Asian Paints PPG Private Limited	S S G M Sales (India) Private Limited	Receivables	**0.03**	0.03
Asian Paints PPG Private Limited	G.S. Lighting (P) Ltd	Receivables	**0.05**	0.05
Asian Paints PPG Private Limited	Urban Water Supply Private Limited	Receivables	**0.02**	0.02
Sleek International Private Limited	Sarovar Portico	Payables	**-**	-
Sleek International Private Limited	Renest-Unique Mercantile India Ltd.	Payables	**-**	-

* Amounts are below ₹ 1 Lakh

NOTE 45A: RELATIONSHIP WITH STRUCK OFF COMPANIES (CONTD.)

Below struck off companies are equity shareholders of the Parent Company as on the Balance Sheet date

Name of the Entity	Name of Struck off Company	Nature of transactions with struck-off Company
Asian Paints Limited	Shanti Credit And Holdings Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Safna Consultancy Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Siddha Papers Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Fairtrade Securities Ltd	Shares held by struck off Company
Asian Paints Limited	Unicon Fincap Private Ltd	Shares held by struck off Company
Asian Paints Limited	Fairgrowth Investments Ltd	Shares held by struck off Company
Asian Paints Limited	Fairgrowth Financial Services Ltd	Shares held by struck off Company
Asian Paints Limited	Empyrean Consultant Pvt Ltd	Shares held by struck off Company
Asian Paints Limited	Aloke Speciality Machines And Components Pvt Ltd	Shares held by struck off Company

None of the above mentioned struck off companies are related party of the Group.

NOTE 45B: ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013

(i) The Parent and Indian subsidiaries do not have any benami property held in their name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Parent and Indian Subsidiaries have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Parent and Indian subsidiaries have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I The Parent and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Parent and Indian Subsidiaries have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(v) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vi) The Group has not traded or invested in crypto currency or virtual currency during the year.

(vii) The Parent and Indian Subsidiaries do not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period.

(viii) The Parent and Indian Subsidiaries have working capital facilities sanctioned by bank on the basis of security of current assets, inventories and trade receivables. Quarterly statements of current assets filed by the Parent and Indian subsidiaries with bank are in agreement with the books of accounts. The Group has not used borrowings for purpose other than specified purpose of the borrowing.

NOTE 46 :

The Consolidated Financial Statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 10th May, 2022.

Form AOC-I : Statement containing salient features of the Financial Statements of Subsidiaries and Joint Ventures

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of the 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
1	Asian Paints (Bangladesh) Ltd	BDT	0.88	Apr 21 to Mar 22	77.83	(24.99)	409.58	462.43	-	433.30	(4.00)	(5.98)	(9.98)	-	89.78
2	Asian Paints (Middle East) SPC	OMR	197.20	Apr 21 to Mar 22	22.13	87.68	122.83	232.63	-	245.29	4.60	(0.63)	3.97	-	100.00
3	Asian Paints (Nepal) Pvt Ltd	NPR	0.63	14 Mar 21 to 14 Mar 22	3.90	332.60	177.55	514.05	-	471.80	109.84	(18.97)	90.87	23.39	52.71
4	Asian Paints (S.I.) Ltd	SBD	9.46	Apr 21 to Mar 22	0.60	5.97	4.22	10.79	-	11.68	3.84	(0.12)	3.72	3.78	75
5	Asian Paints (South Pacific) Pte Ltd	FJD	36.48	Apr 21 to Mar 22	5.24	69.03	31.01	105.28	-	107.10	22.91	(4.19)	18.72	12.13	54.07
6	Asian Paints (Vanuatu) Ltd	VUV	0.66	Apr 21 to Mar 22	2.04	4.18	0.77	6.99	-	6.32	1.43	-	1.43	-	60
7	Asian Paints Industrial Coatings Ltd	INR	1.00	Apr 21 to Mar 22	30.45	14.39	5.32	50.15	15.99	17.02	5.43	(0.27)	5.16	-	100
8	Asian Paints International Private Ltd	SGD	55.88	Apr 21 to Mar 22	839.94	(51.54)	431.70	1,220.10	-	-	(286.76)	(4.70)	(291.46)	-	100
9	Berger Paints Bahrain W.L.L.	BHD	201.93	Apr 21 to Mar 22	8.44	33.45	37.00	78.90	-	110.21	13.96	-	13.96	15.14	100
10	Berger Paints Emirates LLC	AED	20.60	Apr 21 to Mar 22	36.67	57.09	222.16	315.92	-	414.70	(45.51)	-	(45.51)	-	100
11	Kadisco Paint and Adhesive Industry Share Company	ETB	1.48	Apr 21 to Mar 22	48.85	11.64	60.18	120.67	1.04	102.38	7.43	(1.88)	5.55	0.15	51
12	Enterprise Paints Ltd	GBP	99.39	Apr 21 to Mar 22	1.45	(16.85)	15.41	#	-	-	-	-	-	-	100
13	Maxbhumi Developers Limited	INR	1.00	Apr 21 to Mar 22	0.42	12.04	2.31	14.77	-	-	(0.04)	-	(0.04)	-	100
14	Nirvana Investments Ltd	GBP	99.39	Apr 21 to Mar 22	#	1.88	-	1.88	-	-	-	-	-	-	100
15	Samoa Paints Ltd	WST	30.10	Apr 21 to Mar 22	0.27	4.92	1.05	6.24	-	7.34	1.39	(0.38)	1.01	-	80
16	SCIB Chemicals S.A.E.	EGP	4.15	Apr 21 to Mar 22	7.47	71.96	148.27	227.70	-	390.99	(43.90)	9.84	(34.06)	12.45	61.307
17	Universal Paints Ltd	GBP	99.39	Apr 21 to Mar 22	4.27	14.02	-	18.28	-	-	14.41	-	14.41	14.41	100
18	PT Asian Paints Indonesia	IDR	0.01	Apr 21 to Mar 22	494.30	(303.66)	50.60	241.24	-	72.97	(83.94)	-	(83.94)	-	100
19	PT Asian Paints Color Indonesia	IDR	0.01	Apr 21 to Mar 22	16.44	(15.59)	0.03	0.88	-	-	(0.23)	-	(0.23)	-	100
20	Sleek International Private Limited	INR	1.00	Apr 21 to Mar 22	0.29	132.37	190.84	323.50	#	409.57	(9.20)	-	(9.20)	-	100
21	Causeway Paints Lanka (Pvt) Ltd	LKR	0.25	Apr 21 to Mar 22	53.18	69.48	203.64	326.31	-	347.68	(0.60)	(0.04)	(0.56)	-	99.98
22	AP International Doha Trading WLL	QAR	20.92	-	-	-	-	-	-	-	-	-	-	-	-
	1. Names of subsidiaries which are yet to commence operations						AP International Doha Trading WLL								
	2. Names of subsidiaries which have been liquidated or sold during the last year.						NIL								

NOTE:

1. On 1st April 2021, the Registrar General of Companies in Sri Lanka approved the scheme of Amalgamation of Asian Paints (Lanka) Limited into Causeway Paints Lanka (Pvt) Limited.
2. Reno has merged with the Parent Company on 17th September, 2021 w.e.f. appointed date i.e. 1st April, 2019

~ Investments other than in subsidiary companies

Amounts less than ₹ 1 Lac

* PAT does not include Other Comprehensive Income.

Note - Indian rupees equivalent of the foreign currency translated at the exchange rate as at 31.03.2022.

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	31st March, 2022	31st March, 2022
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	Net worth attributable to Shareholders as per latest audited Balance Sheet	₹ 101.13 Crores	₹ 515.47 Crores
6	Profit for the year		
	i. Considered in Consolidation	₹ 30.77 Crores	₹ 31.57 Crores
	ii. Not Considered in Consolidation	NIL	₹ 31.57 Crores

1. Names of joint ventures which are yet to commence operations - NIL
2. 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

Deepak Satwalekar
Chairman
DIN No: 00009627

Amit Syngle
Managing Director & CEO
DIN No: 07232566

Milind Sarwate
Chairman of Audit Committee
DIN No: 00109854

R J Jeyamurugan
CFO & Company Secretary

Mumbai
10th May, 2022

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Assurance Certificate

Price Waterhouse Chartered Accountants LLP

Independent practitioner's limited assurance report

To the Board of Directors Asian Paints Limited

We have undertaken to perform limited assurance engagement for Asian Paints (the 'Company') vide Engagement Letter dated May 19, 2022 and addendum to Engagement Letter dated May 24, 2022 in respect of the agreed indicators/parameters listed below (the "Identified Sustainability Indicators"). These indicators/parameters are as identified in the GRI Index included in the Integrated Report of the Company for the year ended March 31, 2022 ('the Integrated Report').

Identified Sustainability Indicators

The Identified Sustainability Indicators are summarised in Annexure 1 to this report.

Our limited assurance engagement was with respect to the financial year ended March 31, 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Integrated Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare Identified Sustainability Indicators are Global Reporting Initiatives Standards ("GRI Standards") as stated under 'Approach to Reporting' on page 5 of the Integrated Report (the 'Criteria').

Management's Responsibility

The Company's management is responsible for identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Integrated Report in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the integrated report and measurement of Identified Sustainability Indicators, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Assurance Certificate

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Indicators are free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Indicators, assessing the risks of material misstatement of the Identified Sustainability Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Make enquiries of Company's management, including the various teams such as Sustainability team, Corporate Social Responsibility (CSR) team, etc., and those with responsibility for managing company's Integrated reporting.
- Performed understanding and evaluation of the design of the key structures, systems, processes and controls for managing, recording and reporting on the agreed indicators/parameters including at the site visited.
- Checked consolidation at corporate office for ensuring the completeness of data being reported;
- Perform limited substantive testing on a selective basis of the agreed Indicators/parameters at corporate head office, and in relation to sample site(Rohtak), to check that data had been appropriately measured, recorded, collated and reported;
- Reviewed the level of adherence to the GRI Standards, the reporting frameworks followed by the Company in preparing the Integrated Report.
- Reviewed the Integrated Report for detecting, on a test basis, any major anomalies between the information reported in the Integrated Report on performance with respect to agreed Indicators/ parameters and relevant source data/information
- Obtained representations from Company's Management

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability Indicators have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the Company other than those mentioned in the "Scope of Assurance"
- Aspects of the Integrated Report and the data/information (qualitative or quantitative) other than the agreed Indicators/Parameters
- Data and information outside the defined reporting period i.e.April,2021 to March 2022
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Indicators contained in the Integrated Report for the financial year ended March 31, 2022 are not prepared, in all material respects, in accordance with the Criteria.

Restriction on Use

Our limited assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Heman Sabharwal
Partner
Membership Number: 093263
UDIN: 22093263AJSDKK8873

Place: Delhi
Date: May 27, 2022

Assurance Certificate

Annexure 1

Identified Sustainability Indicators

S. No	Indicator No.	Indicator Description
1	301-2	Recycled Input Materials used
2	303-3	Water Withdrawal
3	305-7	Nitrogen Oxide (NOx), Sulphur Oxides (SOx) and other significant air emissions
4	306-3	Waste generated
5	401-1	New Employee hired and Employee turnover
6	401-3	Parental leave details
7	405-10	Diversity of governance bodies and employees

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Transcendent Pink - Colour of the Year 2022 (Asian Paints ColourNext)

Concept, consultancy and design at **AICL** (hello@aicl.in)

asianpaints

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Asian Paints is India's leading paint company with a group turnover of ₹ 289 billion.

Asian Paints operates in 15 countries and has 26 paint manufacturing facilities in the world serving consumers in 60+ countries. Besides Asian Paints, the group operates across the world through its various brands viz. Asian Paints Berger, Apco Coatings, SCIB Paints, Taubmans, Asian Paints Causeway and Kadisco Asian Paints.

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