



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”.

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

- 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”.

Notes:

- 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.
- 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.
- 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.
- 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

- 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.

- 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:

- Visit the link https://tcpl.linkintime.co.in/EmailReg/Email_Register.html.
- Select the name of the Company ‘Asian Paints Limited’ from dropdown.
- 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.
- Click on continue button. System will send One Time Password (“OTP”) on the mobile no. and email id.
- Click on verify OTP.
- Enter OTP received on mobile no. and email id.
- Click on submit button.
- 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.

- 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.
- 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	<p>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none">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. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none">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. <p>B. E-Voting website of NSDL</p> <ol style="list-style-type: none">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. <p>C. Shareholder/Member can also download NSDL Mobile App ‘NSDL Speede’ facility by scanning the QR code mentioned below for seamless voting experience.</p> <div><p>NSDL Mobile App is available on</p><div></div><div></div></div>
Individual shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none">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	<div>1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.</div> <div>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.</div> <div>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.</div>

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)(l) ‘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 sent 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 csq5-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-15q-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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Name of the Director(s)	Mr. Malav Dani (DIN: 01184336)	Mr. Manish Choksi (DIN: 00026496)
Brief resume along with experience and qualifications (contd.)	<p>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.</p> <p>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.</p>	
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	21 st October, 2013	22 nd 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	<ul style="list-style-type: none">Chairman of Corporate Social Responsibility CommitteeMember of Investment Committee	<ul style="list-style-type: none">Member of Nomination and Remuneration CommitteeMember of Investment Committee
Other companies in which he is a Director excluding Directorship in Private and Section 8 companies as on date	<ul style="list-style-type: none">Hitech Corporation LimitedHitech Specialities Solutions Limited	<ul style="list-style-type: none">Vedant Fashions LimitedMSL 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 <ul style="list-style-type: none">Chairman of Corporate Social Responsibility CommitteeMember of Stakeholders Relationship CommitteeMember of Committee of Directors	<ul style="list-style-type: none">Vedant Fashions Limited<ul style="list-style-type: none">Member of Audit CommitteeMember of Nomination & Remuneration CommitteeMember of Risk Management CommitteeMSL Driveline Systems Limited<ul style="list-style-type: none">Member of Audit CommitteeMember of CSR CommitteeMember 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	<p>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.</p> <p>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.</p> <p>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.</p>
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	1 st 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 <ul style="list-style-type: none">DirectorsKey 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	<ul style="list-style-type: none">Member of Corporate Social Responsibility CommitteeMember 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, 29 th 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, 10 th June, 2022
Final dividend payment date	On or after Friday, 1 st July, 2022
Cut-off date for e-Voting	Wednesday, 22 nd June, 2022
E-Voting start time and date	Saturday, 25 th June, 2022 at 9.00 a.m. IST
E-Voting end time and date	Tuesday, 28 th 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, 4 th 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-101,1 st 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: csq-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)

Board’s Report (Contd.)

("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;

Board’s Report (Contd.)

- 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.

Board’s Report (Contd.)

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	29 th 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	<p>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;</p> <p>The vesting will be in accordance with the 2021 Plan and SEBI Regulations as in effect from time to time.</p>
(d)	Exercise price or pricing formula	<p>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).</p> <p>“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.</p>
(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.

Sr. No.	Particulars	Details of 2021 Plan
(f)	Source of shares (primary, secondary or combination)	<p>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.</p> <p>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.</p>
(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	16 th August, 2021	16 th August, 2021	10 th February, 2022
Vesting Date	31 st March, 2024	31 st March, 2025	31 st 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		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	Market price at the time of grant of the option (₹)	50% of Reference Share Price
16 th August, 2021	5.07%	3.12 years	34.67%	0.60%	2,987.55	1,518.70
16 th August, 2021	5.50%	4.12 years	32.17%	0.60%	2,987.55	1,518.70
10 th 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:**
- 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.
 - The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
 - ** 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.
 - > 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.
 - *** 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.
 - & 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%.
 - 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).
 - 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.

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.

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.

- 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

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:	2021 (Not applicable to the Listed Entity during the Review Period);
(a) all the documents and records made available to us and explanation provided by Asian Paints Limited ("the listed entity"),	(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);
(b) the filings/ submissions made by the listed entity to the stock exchanges,	(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) website of the listed entity,	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";
(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,	and based on the above examination, I hereby report that, during the Review Period:
for the year ended 31 March, 2022 ("Review Period") in respect of compliance with the provisions of:	(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and	(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.
(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");	(c) No action has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (<i>including under the Standard Operating Procedures issued by SEBI through various circulars</i>) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-	(d) The listed entity has taken the following actions to comply with the observations made in previous reports : - Not applicable
(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,	

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

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 logging 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.



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

- 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	<ul style="list-style-type: none">• Enhanced profile of services• Quality project delivery• Proactive and professional approach• New businesses from references
Financial Impact	3.42	<ul style="list-style-type: none">• Dietary changes• Persona and overall appearance• High Value Investment
Intra-Personal Impact	4.57	<ul style="list-style-type: none">• Change in the mindset• Design suggestions to clients• Acquiring challenging assignments
Inter-Personal Impact	4.55	<ul style="list-style-type: none">• 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>.

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

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	Vocational Training Programme	Yes	Assam	Guwahati	38.89	Yes	-	-
				Delhi	Delhi				
				Gujarat	Ahmedabad				
	• Technical knowledge distribution			Karnataka	Bengaluru, Mysuru				
				Kerala	Ernakulam				
	• Productivity and livelihood enhancement for dignified living			Maharashtra	Mumbai, Nagpur, Pune				
				Rajasthan	Jaipur				
				Tamil Nadu	Chennai, Coimbatore, Madurai				
				Andhra Pradesh	Krishna				
				Telangana	Hyderabad				
				Uttar Pradesh	Lucknow				
				West Bengal	Kolkata				
				Madhya Pradesh	Indore				
				Bihar	Patna				

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
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.	<ul style="list-style-type: none"> 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	Rohtak	16.18	Direct and through implementing agency	• Aga Khan Rural Support Programme (India)	• CSR00004229
				Telangana	Medak			• Akash Ganga Trust	• CSR00013290
				Uttar Pradesh	Gautam Buddha Nagar			• Ambuja Cement Foundation	• CSR00006913
				Maharashtra	Satara			• CREDIT - I	• CSR00003577
				Andhra Pradesh	Visakhapatnam			• DHAN (Development of Humane Action) Foundation	• CSR00000273
				Karnataka	Mysuru			• Forum for Organized Resource Conservation and Enhancement (FORCE)	• CSR00000037
				Tamil Nadu	Kancheepuram, Cuddalore			• Hand in Hand India	• CSR00001853
				Gujarat	Bharuch			• Ladli Foundation Trust	• CSR00000456
								• National Agro Foundation	• CSR00000610
								• Vanarai	• 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)

Place: Mumbai
Date: 10th May, 2022

Amit Syngle
Managing Director & CEO
(DIN: 07232566)

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

	1	2	3	4	5	6	7	8	9	10	% of meeting attended during the year
Name of the Director(s) & Director Identification Number (DIN)	12 th May, 2021	22 nd June, 2021	20 th July, 2021	4 th October, 2021	21 st October, 2021	20 th January, 2022	1 st March, 2022	17 th March, 2022	30 th March, 2022	31 st March, 2022	
Deepak Satwalekar ^{&} (00009627)											100
Manish Choksi (00026496)											100
Ashwin Dani ⁵ (00009126)											100
Abhay Vakil [*] (00009151)											100
Amit Syngle (07232566)											100
Malav Dani (01184336)											100
Amrita Vakil (00170725)											100
Jigish Choksi (08093304)											100
Nehal Vakil [@] (00165627)											100
S. Sivaram [%] (00009900)											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)											100

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:

Report on Corporate Governance (Contd.)

^a 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)		
	14 th July, 2021	8 th October, 2021	7 th January, 2022
Deepak Satwalekar			
M K Sharma [^]			
R Seshasayee			
S. Sivaram [¶]			
Vibha Paul Rishi			
Suresh Narayanan			
Pallavi Shroff			
Milind Sarwate [#]			

[^] 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

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					
Manish Choksi					
Ashwin Dani					
Amit Syngle					
Malav Dani					
Amrita Vakil					
Jigish Choksi					
Nehal Vakil					
M K Sharma [*]					
Vibha Paul Rishi					
R Seshasayee					
Suresh Narayanan					
Pallavi Shroff					
Milind Sarwate					

^{*} 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.

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:

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

Report on Corporate Governance (Contd.)

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	-

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	
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

Report on Corporate Governance (Contd.)

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)					
		11 th May, 2021 [§]	19 th July, 2021 [§]	20 th October, 2021 [§]	21 st December, 2021	19 th January, 2022 [§]	29 th 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:

- 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;
- 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;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing the financial statements and investments made by unlisted subsidiary companies (including joint ventures);
- 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;

- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
- Reviewing, approving or subsequently modifying transactions of the Company with related parties;
- Evaluating the internal financial controls and risk management policies system of the Company;
- Reviewing the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and overseeing the functioning of the same;
- 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;
- Reviewing the cost audit report submitted by the cost auditor on audit of cost records, before submission to the Board for approval;
- 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
- 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)					
		27 th April, 2021	10 th May, 2021	18 th June, 2021	1 st October, 2021	20 th October, 2021	10 th 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.

Report on Corporate Governance (Contd.)

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.

Report on Corporate Governance (Contd.)

^ 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)	
		8 th October, 2021	17 th 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;

Report on Corporate Governance (Contd.)

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)		
		16 th July, 2021	17 th January 2022	24 th 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)		
		2 nd July, 2021	7 th October, 2021	15 th February, 2022
S. Sivaram *	Chairman			
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)						
		9 th August, 2021	14 th September, 2021	7 th January, 2022	25 th January, 2022	1 st February, 2022	11 th March, 2022	29 th March, 2022
R Seshasayee	Chairman							
Deepak Satwalekar	Member							
Manish Choksi	Member							
Abhay Vakil *	Member							
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.

Report on Corporate Governance (Contd.)

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 31 st March, 2022
Abhay Vakil *	Chairman	
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,

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	27 th June, 2019 at 11.00 a.m.	Patkar Hall, Nathibai Thackersay Road, New Marine Lines, Mumbai - 400 020	Nil

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).

Financial Year(s)	Date and Time	Venue	Special Resolution(s) passed
2019-20	5 th August, 2020 at 2.00 p.m.	Conducted through Video Conference/ Other Audio Visual	Continuation of directorship of Mr. Ashwin Dani as a Non-Executive Director of the Company.
2020-21	29 th June, 2021 at 11.00 a.m.	Means. Deemed venue is the Registered Office of the Company at 6A, Shantinagar, Santacruz (East), Mumbai - 400 055	<ol style="list-style-type: none">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

Report on Corporate Governance (Contd.)

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,

Report on Corporate Governance (Contd.)

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-para (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, 29 th 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, 10 th June, 2022
5.	FINANCIAL CALENDAR	
	Financial year	1 st April to 31 st March
	Tentative schedule for declaration of financial results during the financial year 2022-23	
	Quarter ending 30 th June, 2022	26 th July, 2022
	Quarter ending 30 th September, 2022	20 th October, 2022
	Quarter ending 31 st December, 2022	19 th January, 2023
	Quarter and financial year ending 31 st March, 2023	4 th 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.)

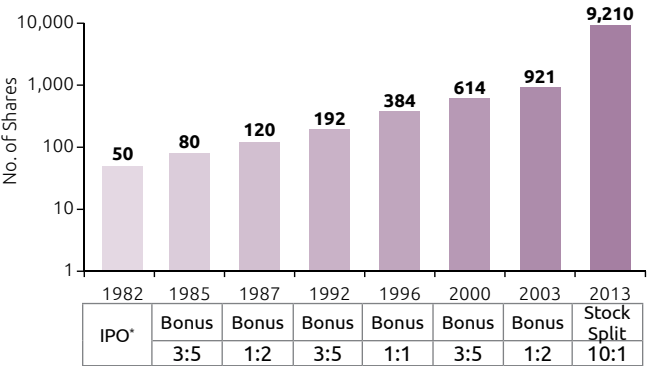
8. CORPORATE BENEFITS TO INVESTORS

(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:**
- * Includes one-time special dividend of ₹ 2 (Rupees two only) per share of face value of ₹ 1 (Rupee one only) each.
 - 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



* 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%.

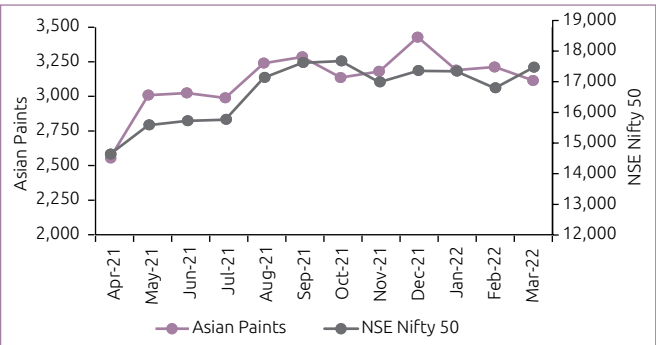
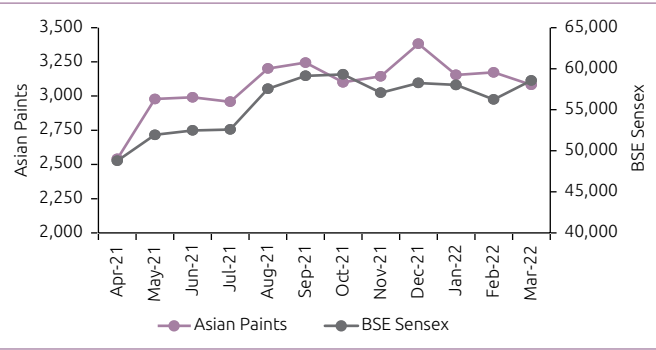
9. MARKET PRICE DATA – THE MONTHLY HIGH AND LOW PRICES OF THE COMPANY'S SHARES AT BSE AND NSE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

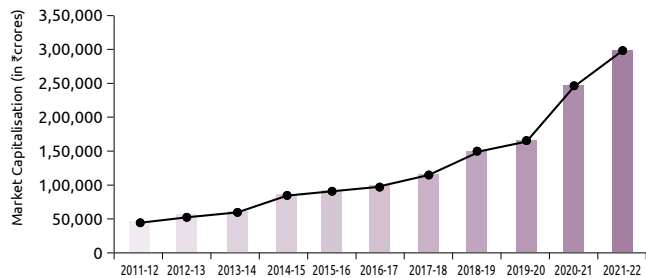
The chart below shows the comparison of the Company's monthly share price movement vis-à-vis the movement of the BSE Sensex and NSE Nifty 50 for the financial year ended 31st March, 2022 (based on the month end closing):



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:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal/ Exchange of securities certificate;
- Endorsement;
- Sub-division/Splitting of securities certificate;
- Consolidation of securities certificates/folios;
- Transmission; and
- 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

General Shareholder Information (Contd.)

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>.

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	7 th September, 2022
2.	Interim Dividend 2015-16	52,74,013.00	27 th December, 2022
3.	Final Dividend 2015-16	1,90,41,443.60	2 nd September, 2023
4.	Interim Dividend 2016-17	1,08,12,000.50	30 th December, 2023
5.	Final Dividend 2016-17	2,94,73,422.75	2 nd September, 2024
6.	Interim Dividend 2017-18	1,00,89,159.05	28 th December, 2024
7.	Final Dividend 2017-18	2,08,15,859.90	1 st September, 2025
8.	Interim Dividend 2018-19	91,80,728.08	26 th December, 2025
9.	Final Dividend 2018-19	2,55,02,208.30	31 st August, 2026
10.	1 st Interim Dividend 2019-20	1,00,33,800.45	26 th December, 2026
11.	2 nd Interim Dividend 2019-20	2,43,09,106.25	30 th April, 2027
12.	Final Dividend 2019-20	38,38,178.00	12 th October, 2027
13.	Interim Dividend 2020-21	83,14,674.50	18 th January, 2028
14.	Final Dividend 2020-21	3,73,97,255.00	1 st September, 2028
15.	Interim Dividend 2021-22	96,82,858.15	21 st December, 2028

17. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO THE 'ASIAN PAINTS LIMITED – UNCLAIMED SUSPENSE ACCOUNT'

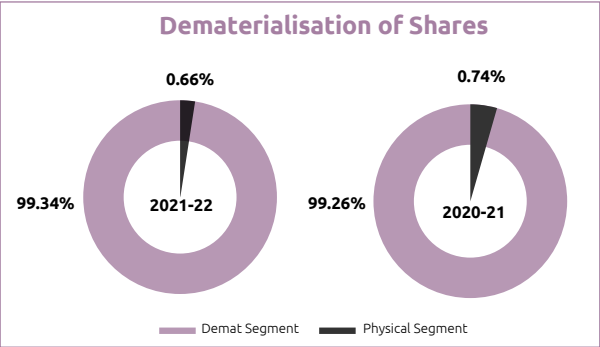
In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations details of equity shares in Asian Paints Limited – Unclaimed Suspense Account are as follows:

	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 1 st 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 31 st 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:

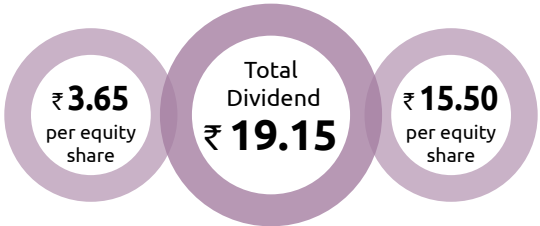


The Company's equity shares are actively traded shares on BSE and NSE.

The shareholders holding shares in physical form are requested to dematerialise their shares for safeguarding their holdings and managing the same hassle free.

16. DIVIDEND

Interim Dividend for FY 2021-22
Declaration Date: 21 st Oct, 2021
Record Date: 29 th Oct, 2021
Payment Date: 10 th Nov, 2021



Final Dividend for FY 2021-22*
Recommendation Date: 10 th May, 2022
Record Date: 10 th Jun, 2022
Payment Date: on or after 1 st Jul, 2022

Dividend payout ratio for the financial year 2021-22 is 58.60%

* subject to approval of shareholders at the ensuing 76th AGM.



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:

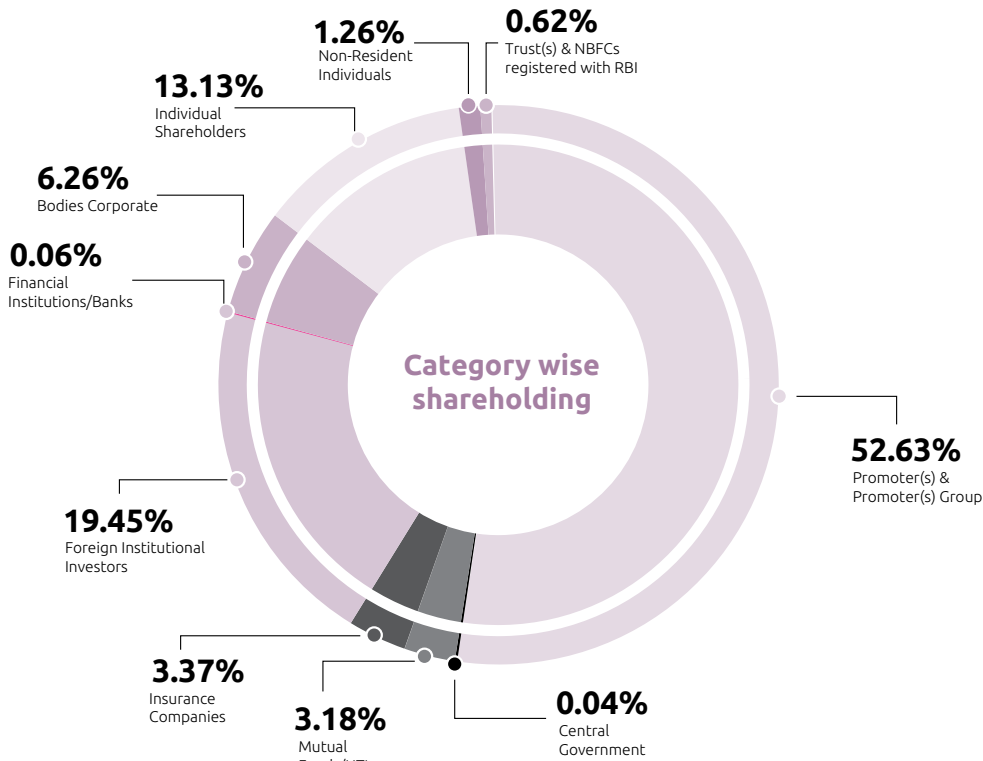
No. of shares	No. of shareholders	% to total	% to total	Shareholding
Upto 50	8,30,945	84.17%	0.94%	89,71,259
51-100	68,712	6.96%	0.55%	52,66,578
101-200	35,188	3.57%	0.55%	52,35,038
201-300	13,037	1.32%	0.34%	32,80,386
301-400	6,056	0.61%	0.22%	21,42,487
401-500	4,742	0.48%	0.23%	22,22,217
501-1,000	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%		
Total	9,87,176	100.00%	100.00%	95,91,97,790

Shareholding Pattern

Category of shareholder	31.03.2022		31.03.2021		% change
	No. of shares	% of total no. of shares	No. of shares	% of total no. of shares	
(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, 4 th 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, 25 th 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.

Annexure A to Report on Corporate Governance for the financial year ended 31st March, 2022

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

Place: Mumbai
Date: 10th May, 2022

R J Jeyamurugan
CFO & Company Secretary

Annexure B to Report on Corporate Governance for the financial year ended 31st March, 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



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

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.

Place: Mumbai
Date: 10th May, 2022

Amit Syngle
Managing Director & CEO



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.



Business Responsibility and Sustainability Report (Contd.)

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

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
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	<ul style="list-style-type: none">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; andPlant 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.	<p>Positive: Scope to increase reliability on renewable energy.</p> <p>Negative: Unavailability can impact service to customer.</p>
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	<ul style="list-style-type: none">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; andThe Company continues to monitor all emerging regulations, incidents, developments and map it for compliance.	<p>Positive: Scope for building new product portfolio basis the changing regulations and explore new sources of raw materials.</p> <p>Negative: Increased expenses in transiting towards meeting new regulations.</p>



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	<ul style="list-style-type: none">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; andPlant 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	<ul style="list-style-type: none">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; andThis 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	<ul style="list-style-type: none">Adherence to safety standards, the Company's EHS Policy and highest operational standards for handling hazardous materials at plants; andContinuous 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	<ul style="list-style-type: none">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; andPhysical, 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.

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)
7.	Reputation	Opportunity	Bad publicity arising out of any act/ inaction by the Company on social media or any other platform	<ul style="list-style-type: none">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; andSign 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.									Frequency (Annually/Half yearly/Quarterly/any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	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(s)	Applicable Policies	Link for policies
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)	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	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

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 CO₂ 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

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

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.



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:
- Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
 - 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:
- Vendors are required to adhere to the statutory compliances as per applicable laws and rules thereunder.
 - 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		% (B / A)	FY 2020-21		% (D / C)
	Total employees /workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union		Total employees /workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union	
	(A)	(B)		(C)	(D)	
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 amputated. 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:
- 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.
 - 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 ₂ e/ ₹ cr	1.94	2.38
Total Scope 1 and Scope 2 emissions intensity	CO ₂ e/ 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.



Business Responsibility and Sustainability Report (Contd.)

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 sludge 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 CO₂e 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 ₂ e 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



Business Responsibility and Sustainability Report (Contd.)

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 financial 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.