



Notice

Asian Paints Limited

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

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

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

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Non – Executive Director of the Company, liable to retire by rotation.

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

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

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

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of:

- a. Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force),
- b. the Articles of Association of the Company,
- c. based on the recommendations of the Nomination and Remuneration Committee and Audit Committee of the Company, and
- d. the Nomination and Remuneration Policy of the Company,

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

RESOLVED FURTHER THAT approval of the shareholders of the Company be and is hereby accorded to the remuneration, perquisites, allowances, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Mr. Amit Syngle with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice, including the following:

Remuneration:

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

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

Perquisites and other allowances:

- A. Contribution to Provident Fund: 12% of the Basic salary. The said contribution or any other retiral benefit is subject to changes in law and Company policy.
- B. Telephone: Provision of 2 (two) telephones at the residence of the Managing Director & CEO and internet broadband and reimbursement of internet, mobile and telephone expenses. Personal international calls shall be billed by the Company to the Managing Director & CEO.
- C. Reimbursement of medical expenses including any health insurance premium and expenses towards hospitalization in India or abroad in accordance with the policy of the Company.
- D. Reimbursement of expenses towards Fuel (subject to a limit of 300 liters per month) in accordance with the policy of the Company.

Benefits and Amenities:

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

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

Reimbursements:

Reimbursement of costs, charges and expenses: The Company shall pay or reimburse to the Managing Director & CEO and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Amit Syngle remuneration, perquisites, allowances, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/ or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to Mr. Amit Syngle in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force).

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

9. To ratify the remuneration payable to M/s RA & Co., Cost Accountants (Firm Registration Number 000242), the Cost Auditors of the Company for the financial year ending 31st March, 2021 and, if thought fit, approve, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit)

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

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

For **Asian Paints Limited**

R J Jeyamurugan
CFO & Company Secretary

23rd June, 2020

Registered Office:

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

Notes:

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

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

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

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

Procedure for joining the 74th AGM through VC / OAVM

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

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

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

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

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

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

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

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

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

Instructions

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

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

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Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

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

5. Your password details are given below:

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

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

- How to retrieve your 'initial password'?

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

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

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

- 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.

- Physical User Reset Password?"

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

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

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

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

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

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

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

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

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

General Guidelines for shareholders:

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

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

Dividend related information

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

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| Physical Holding | Send a duly signed request letter to the Registrar and Transfer Agents of the Company, TSR by providing Folio No., Name of shareholder along with following documents: <ol style="list-style-type: none"> a) Original Cancelled cheque leaf bearing the name of the first shareholder; or b) Bank attested copy of first page of the Bank Passbook/Statement of Account in original and an original cancelled Cheque (In case of absence of name on the original cancelled cheque or initials on the cheque). |
| Demat Holding | Please contact your Depository Participant (DP) and register your bank account details in your demat account, as per the process advised by your DP. |
25. In case the Company is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account,

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

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

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

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

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

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

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

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

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

Notice (Contd.)

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

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

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

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

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

Others

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

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

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

Resolution No. 5:

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

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

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

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

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

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

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

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

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

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

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

Resolution No.6:

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

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

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

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

Notice (Contd.)

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

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

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

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

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

Resolution No. 7 & 8:

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

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

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

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

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

1. Mr. Amit Syngle shall manage the business and affairs of the Company and exercise such powers as are vested in him as the Managing Director & CEO, subject to, supervision and control of the Board of Directors, any limitation or conditions which may be prescribed by the Act or the provisions of Memorandum and/or Articles of Association of the Company or by the Company in General Meeting.
2. The Managing Director & CEO of the Company shall devote his whole time and attention to the business of the Company and shall use his best endeavor to promote its interest and welfare, excluding cases where he is appointed or nominated as a Director on the Board of any of the Company's subsidiaries, Joint Ventures and other associate Companies.
3. The Managing Director & CEO shall maintain confidentiality of any information or knowledge in connection with the business affairs of the Company, obtained by him during the course of his tenure as the Managing Director & CEO or at any time thereafter.
4. Subject to the provisions of the Act, the Managing Director & CEO, while he continues to hold office of the Managing Director & CEO, shall not be liable to retire by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors in fixing the number of Directors to retire, but shall, *ipso facto*, and immediately cease to be the Managing Director & CEO, if he ceases to hold office of a Director due to any cause.
5. Notwithstanding, the fact that the Managing Director & CEO was appointed as a Director, forthwith upon termination of his agreement as the Managing Director & CEO, for any reasons whatsoever, he shall be deemed to have vacated his office as a Director in accordance with the provisions of Section 164 and 167 of the Act, read with Rules issued thereunder.
6. The Agreement may be terminated by the Managing Director & CEO or the Company by giving, not less than 6 (six) calendar months' notice in writing. The Company shall be entitled to terminate the

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

7. Notwithstanding anything to the contrary herein, wherein any financial year during the currency of the tenure of the Managing Director & CEO, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director & CEO, remuneration, perquisites, benefits and amenities not exceeding the ceiling for the time being laid down in Schedule V of the Act and as may be decided by the Board of Directors of the Company and subject to such sanctions and approvals as may be necessary.

The scope and quantum of remuneration, perquisites, benefits and amenities specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Act and/or the rules and regulations made thereunder and/or such guidelines as may be notified by the regulatory authorities from time to time.

Mr. Amit Syngle has furnished the consents/declarations for his appointment as required under the Act, Rules and Listing Regulations. He satisfies all the conditions as set out in Part I of Schedule V and also under Section 196 of the Act for being eligible to be appointed as a Managing Director & CEO of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

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

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

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

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

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

Resolution No. 9:

The Board of Directors at its meeting held on 23rd June, 2020, on the recommendations of the Audit Committee, had approved the appointment and remuneration of M/s. RA & Co., Cost Accountants (Firm Registration No. 000242), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2021, at a remuneration not exceeding ₹ 8 Lakhs (Rupees Eight Lakhs only) excluding taxes and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

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

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

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

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

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

For **Asian Paints Limited**

R J Jeyamurugan
CFO & Company Secretary

23rd June, 2020

Registered Office:

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

Annexure

| Name of the Director(s) | Ashwin Dani (DIN: 00009126) | Amrita Vakil (DIN: 00170725) |
|-------------------------------|---|--|
| Age (Years) | 77 | 39 |
| Experience and Qualifications | <p>Ashwin Dani holds a</p> <ul style="list-style-type: none"> Bachelors' degree in Science (Hons) Bachelors' degree in Paint Technology (ICT, formerly UDCT) Masters' degree in Polymer Science (University of Akron, USA) <p>Ashwin Dani started his career in 1967, as a Development Chemist with Inmont Corp, (an Industrial Coatings manufacturer now known as BASF) Detroit USA. He joined Asian Paints as a Senior Executive in 1968 and moved through successive senior positions like Director - R&D, Works Director and Whole - time Director. He served as Vice-Chairman and Managing Director from December, 1997 to March, 2009 and presently holds the position of Non-Executive Chairman of the Company. At Asian Paints, Ashwin Dani has been responsible for the development and introduction of many new products for the first time in India. He pioneered the idea of Computerised Colour matching in the Indian industry. This concept is now widely used across industries in the field of paints, plastics, printing inks and textiles. He was also instrumental in setting up the 50:50 Joint Venture between Asian Paints Limited and PPG Industries, Inc. USA (the world's second largest paint company). He was the founder Director on the Board of the first joint venture company with PPG Inc, PPG Asian Paints Private Limited, which is currently in its 23rd year of operations.</p> <p>Ashwin Dani is a technocrat and drives strong focus on Research and Development initiatives in line with consumer requirements within the Company. His knowledge of the business environment and vast experience in general management has been an asset to the Company. He is passionate about developing talent in the Company and was instrumental in introducing a large number of management graduates across all fields in the Company.</p> <p>He was the founder promoter for Loctite India Private Limited which is now Henkel Adhesive Technologies India Private Limited. Throughout his career, he has been associated with various government and trade bodies like the President's Advisory Council of The University of Akron, Akron, Ohio, USA, The Central Board of Trustees – Employees Provident Fund of the Government of India, Vice President of the Federation of Indian Chambers of Commerce and Industry (FICCI), Board of Governors of the U.D.C.T. (Currently Institute of Chemical Technology) Alumni Association, Board of Management of Institute of Chemical Technology, Mumbai.</p> <p>Ashwin Dani is the recipient of several awards and recognitions for his work. To name a few, the B. Krishnamurthy Award of Excellence' by The Hyderabad Management Association and Centre for Organisational Development in September, 2017, 'Businessman of the Year' award in 2015 by Business India magazine, Lifetime Achievement Award' by Indian Paint Association (IPA) in 2011, 'Achiever of the year award – chemical industry' by the Chemtech foundation in 2003, Ernst & Young Entrepreneur of the year award in the 'Manufacturing' category in November 2003 and the Cheminor Award from the Indian Institute of Materials Management for excellence in Supply Chain in 2002.</p> <p>He has held Independent Directorships on the Board of several leading listed Indian companies and was the Managing Trustee of Light on Yoga Research Trust founded by renowned Yoga Acharya Shri BKS Iyengar.</p> | <p>Ms. Amrita Vakil holds a Bachelor of Science Degree in Human Resources and Economics Degree from Michigan State University, East Lansing, Michigan.</p> <p>She began her career at Asian Paints Limited, in the year 2003 in the Human Resource department and was responsible for end-to-end training of the Executives cadre of the Company. She was also instrumental in the launch of employees' intranet portal of Asian Paints Limited.</p> <p>In the year 2005, she joined Frost & Sullivan, an American Consulting Company as a Senior HR Executive and managed a Generalist HR profile. She handled HR operations for all their India & Middle East offices. She spent a total of 5 (five) years at Frost and Sullivan and then she quit the organization to pursue her passion in the hospitality sector and she continues to work towards it.</p> <p>Ms. Amrita Vakil is also an avid angel investor with particular interest in investing in start-ups.</p> |

| Name of the Director(s) | Ashwin Dani (DIN: 00009126) | Amrita Vakil (DIN: 00170725) |
|---|--|---|
| Expertise in specific Functional area | Ashwin Dani has worked and developed expertise across all functions within the Company including Research & Technology, Sales & Marketing, Strategy, Supply Chain Management and Business Management besides being one of the best paint technocrats in the country. | Sales & Marketing, Human Resources, General Management and Finance. |
| Date of first appointment on the Board | 26 th June, 2009 (as Non-Executive Director) | 14 th May, 2014 |
| Shareholding in the Company as on 31 st March, 2020 | 11,24,870 equity shares of the face value of ₹ 1 each | 25,66,680 equity shares of the face value of ₹ 1 each |
| Terms and conditions of re-appointment | Non – Executive Director liable to retire by rotation | Non-Executive Director liable to retire by rotation |
| Details of remuneration last drawn (₹) (FY 2019-20) | 43,25,000 (includes Sitting fees and commission, as per the approval of the Shareholders) | 29,30,000 (includes Sitting fees and commission, as per the approval of the Shareholders) |
| Details of proposed remuneration | Sitting fees and commission in accordance with the provisions of law. | Sitting fees and commission in accordance with the provisions of law. |
| Inter-se relationships between | | |
| • Directors | Father of Mr. Malav Dani | Niece of Mr. Abhay Vakil |
| • Key Managerial Personnel | NA | NA |
| Number of meetings of the Board attended during the financial year 2019 – 20 | 7 of 7 | 7 of 7 |
| Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company as on date | Nil | <ul style="list-style-type: none"> • Member of Stakeholders Relationship Committee • Member of Corporate Social Responsibility Committee |
| Other companies in which he/she is a Director excluding Directorship in Private and Section 8 companies as on 31 st March, 2020 | <ul style="list-style-type: none"> • Hitech Corporation Limited • Resins and Plastics Limited • Gujarat Organics Limited | <ul style="list-style-type: none"> • Elcid Investments Limited • Suptaswar Investments and Trading Company Limited • Murahar Investments and Trading Company Limited |
| Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of other companies in which he/she is a Director excluding Private and Section 8 companies as on 31 st March, 2020 | Hitech Corporation Limited: <ul style="list-style-type: none"> • Chairman of Stakeholders Relationship Committee • Member of Nomination and Remuneration Committee Resins and Plastics Limited: <ul style="list-style-type: none"> • Member of Nomination and Remuneration Committee • Member of Stakeholders Relationship Committee | Nil |

Annexure (Contd.)

| Name of the Director | Manish Choksi (DIN: 00026496) | Amit Syngle (DIN: 07232566) |
|-------------------------------|---|--|
| Age (Years) | 52 | 54 |
| Experience and Qualifications | <p>Mr. Manish Choksi holds a Bachelor of Chemical Engineering degree from University of Houston, USA and MBA with specialization in Entrepreneurial Management and MIS from University of Houston, USA.</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, he held the position of President-International Business, IT, HR and Chemicals. He was a member of the Executive Council of Asian Paints group and reported to the Managing Director & CEO of the Company. Mr. Manish Choksi spearheaded the Information Technology function of the Company and has been instrumental in leveraging IT solutions across the extended enterprise and achieving improved business performance.</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>A leader in the IT community and the past Chairman of INDUS, a 1100+ company network of SAP users. He has been on the advisory boards of IBMs Collaboration business, the Asia Pacific Executive Advisory Board of SAP APAC, member of the Global Chemical Executive Advisory Board of SAP SE and a member of SUGEN, a global executive network of the all SAP user groups worldwide.</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.</p> | <p>Mr. Amit Syngle holds a BE – Mechanical degree from Panjab Engineering College and has done MBA from CBM Panjab University.</p> <p>He has been working with Asian Paints for the last 30 years in various capacities across Sales, Marketing, Supply Chain & Research and Technology.</p> <p>He joined the Company as a Management Graduate and initially spent eight years in Sales and headed the North and Central parts of the country. He went on to spearhead the Kasna Plant in North India where he ushered new age Manufacturing excellence and big reforms in the IR environment. In 2001 he donned the mantle of General Manager - Marketing and gave the brand Asian Paints a modern, contemporary but yet a very Indian emotional identity. He soon headed the Sales & Marketing for the Decorative Business as Vice President. He became the President in 2012 and was responsible for not only the Sales & Marketing at Asian Paints but also headed the Research & Technology function across the organization where he ushered a huge culture of Innovation, which has seen more than 90 Innovative launches over the last 7 years. He has been the Chief Operating Officer (COO) for the last two years, heading the Indian Decorative business of more than US\$ 2.5 billion. As part of this business he headed Supply Chain, Sales & Marketing and Research & Technology areas as well. In addition, he also spearheaded the newly acquired businesses of Kitchens and Bath spaces in the Home Improvement venture of Asian Paints.</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 18 years. He is closely associated with colour, decor and design and is the so called 'Gamechanger' for bringing Colour & Retailing into the AP strategy. He is also a member of the Colour Marketing Group (CMG), USA and has been honored with various awards by the Indian and International Marketing fraternity.</p> |

| Name of the Director | Manish Choksi (DIN: 00026496) | Amit Syngle (DIN: 07232566) |
|---|---|--|
| Expertise in specific Functional area | All functions of the Company including Sales, Supply Chain Management, Information Technology, International Business, Human Resources, Finance, General Management and other technical skills. | All functions of the Company including Sales & Marketing, Research & Technology, Strategy, Supply Chain Management, Finance, General Management and other technical skills. |
| Date of first appointment on the Board | 22 nd October, 2018 | 1 st April, 2020 |
| Shareholding in the Company as on 31st March, 2020 | 23,81,040 equity shares of the face value of ₹ 1 each | 600 equity shares of the face value of ₹ 1 each |
| Terms and conditions of appointment | Vice Chairman / Non-Executive Director liable to retire by rotation | As mentioned in the Notice and explanatory statement |
| Details of remuneration last drawn (₹) (FY 2019-20) | 33,50,000 (includes Sitting fees and commission, as per the approval of the Shareholders) | 5,71,78,238 (as the Chief Operating Officer of the Company) |
| Details of proposed remuneration | Sitting fees and commission in accordance with the provisions of law. | As mentioned in the Notice and explanatory statement |
| Inter-se relationships between | | |
| • Directors | Cousin of Mr. Jigish Choksi | NA |
| • Key Managerial Personnel | NA | NA |
| Number of meetings of the Board attended during the financial year 2019 – 20 | 7 of 7 | Appointment is w.e.f. 1 st April, 2020 |
| Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of the Company as on date | Member of Nomination and Remuneration Committee | <ul style="list-style-type: none"> • Member of Risk Management Committee • Member of Stakeholders Relationship Committee • Member of Corporate Social Responsibility Committee |
| Other Companies in which he is a Director excluding Directorship in Private and Section 8 Companies as on 31st March, 2020 | <ul style="list-style-type: none"> • NRB Industrial Bearings Limited • Asian Paints Industrial Coatings Limited • Ricinash Oil Mill Limited • MSL Driveline Systems Limited • ELF Trading and Chemical Manufacturing Limited | <ul style="list-style-type: none"> • Asian Paints Industrial Coatings Limited • Sleek International Private Limited (He ceased to be director of both the Companies effective from 31 st March, 2020) |
| Chairperson/ Membership of the Statutory Committee(s) of Board of Directors of other companies in which he is a Director excluding Private and Section 8 Companies as on 31st March, 2020 | NRB Industrial Bearings Limited <ul style="list-style-type: none"> • Chairman, Audit Committee • Member, Stakeholders Relationship Committee • Member, Nomination and Remuneration Committee MSL Driveline Systems <ul style="list-style-type: none"> • Member, Audit Committee • Member, Nomination and Remuneration Committee • Member, Corporate Social Responsibility Committee | NA |

Board's Report

Dear Members,

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

FINANCIAL RESULTS

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

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

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

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

COMPANY PERFORMANCE OVERVIEW

During the financial year 2019-20:

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

IMPACT OF COVID-19

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

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

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

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

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

TRANSFER TO RESERVES

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

DIVIDEND

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

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

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

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

Board's Report (Contd.)

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

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES & ASSOCIATE COMPANIES Financial Performance

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

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

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

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

The Company does not have a material subsidiary.

During the year under review:

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

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

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

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Retirement by rotation and subsequent re-appointment

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

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

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

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

Board's Report (Contd.)

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

Declaration of Independence from Independent Directors

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

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

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

CHANGE IN KEY MANAGERIAL PERSON

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

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

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

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

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

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

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

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

NUMBER OF MEETINGS OF THE BOARD

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

NOMINATION AND REMUNERATION POLICY

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

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

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

REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

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

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

PERFORMANCE EVALUATION

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

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

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

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

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

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

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

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards and Schedule III of the Act, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profits of the Company for the financial year ended 31st March, 2020;
- c. 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;
- d. the annual accounts have been prepared on a 'going concern' basis;
- e. 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
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditor

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

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

Board's Report (Contd.)

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

Cost Auditor

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

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

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

Secretarial Auditor

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

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

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

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

COMMITTEES

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY REPORT

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

EXTRACT OF ANNUAL RETURN

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

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

RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

LOANS AND INVESTMENTS

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

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

RISK MANAGEMENT

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

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

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

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

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

VIGIL MECHANISM

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

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

Board's Report (Contd.)

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

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

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

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

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

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

OTHER DISCLOSURES

- a. There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-20 and the date of this report;

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

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

- c. During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014;

- d. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;

- e. There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future;

- f. The Competition Commission of India has passed a *prima facie* Order dated 14th January, 2020, directing the Director General to cause an investigation against the Company, under the provisions of Section 26(1) of the Competition Act, 2002.

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

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

- h. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Act;

- i. The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Act read with the Companies (Accounts) Rules, 2014, is set out in the Annexure [G] to this report;

- j. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors;

- k. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

- l. The Company has not issued any sweat equity shares to its directors or employees; and

- m. There was no revision of financial statements and Boards report of the Company during the year under review.

APPRECIATION

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

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

For and on behalf of the Board of Directors

Ashwin Dani
Chairman
(DIN: 00009126)

Place: Mumbai
Date : 23rd June, 2020

Annexure (A) to Board's Report

Dividend Distribution Policy of the Company

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

INTRODUCTION

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

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

POLICY

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

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

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

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

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

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

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

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

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

AMENDMENTS TO THE POLICY

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

Annexure (B) to Board's Report

Statement of disclosure of remuneration

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

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

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

Notes:

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

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

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

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

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

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

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

Annexure (C-1) to Board's Report

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

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

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

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

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

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

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

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

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

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

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

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

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

I further report that

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

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

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

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

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

Dr. K. R. Chandratre

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

UDIN: F001370B000371102

Place: Pune

Date : 23rd June, 2020

Annexure (C-2) to Board's Report

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

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

I have examined:

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

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

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

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

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

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

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

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

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

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

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

Dr. K. R. Chandratre

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

UDIN: F001370B000371124

Place: Pune

Date : 23rd June, 2020

Annexure (D) to Board's Report

Annual Report on Corporate Social Responsibility (CSR) activities

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

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

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

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

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

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

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

COVID-19 relief

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

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

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

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

- Creating employability & enhance dignity of the painter community

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

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

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

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

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

- Static clinics:

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

- Mobile Medical Units (MMUs)

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

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

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

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

Some of the interventions undertaken are as follows:

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

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

2. Composition of the CSR Committee:

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

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

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

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

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

| CSR projects / Activities | Sector in which the Project is covered | Location where project is undertaken Local Area, (District, State) | Amount outlay (budget) Project / Programs wise | Amount Spent on the Projects or Programs: | | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency ** |
|--|--|---|---|---|---------------|--|--|
| | | | | 1. Direct Expenditure | 2. Overheads* | | |
| <ul style="list-style-type: none"> School adoption and infrastructural development Capacity development of teachers and children through digital literacy and behavioral skills training Development programme for school drop outs Upgrading of differently abled schools Providing education to enhance employability skill Granting scholarships for higher education, etc. | Education | Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District, Chennai), Maharashtra (Khandala, Satara District, Mumbai District, Navi Mumbai District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Rohtak District), Telangana (Patancheru, Medak District), Karnataka (Mysore, Bangalore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district), Himachal Pradesh (Solang), West Bengal (Kolkata) | 10.41 | 10.41 | 0.00 | 10.41 | Direct and through implementing agency |
| <ul style="list-style-type: none"> Providing primary healthcare support through static clinics and mobile medical units and free medical camps for rural communities Establishing rehabilitation centres and hospital laboratories Provisioning ambulances Implementing sanitation projects Running awareness programmes for communities on health and hygiene Facilitating the ongoing programme 'Safar' to improve health and awareness among truck drivers Providing access to potable water | Health & Hygiene | Maharashtra (Santacruz, Mumbai District, Turbhe, Thane District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Rohtak District), Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District), Telangana (Patancheru, Medak District), Karnataka (Mysore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district) | 8.22 | 8.22 | 0.00 | 8.22 | Direct and through implementing agency |
| <ul style="list-style-type: none"> Disaster Relief & Rehabilitation Support Contribution to various State Disaster Management Authorities & PM CARES Fund to combat the COVID-19 pandemic | Disaster Management | Odisha, Assam, Bihar, Karnataka, Telangana, Tamil Nadu, Maharashtra (Kolhapur, Sangli & Satara district), Pan India (For PM CARES) | 15.96 [#] | 15.96 [#] | 0.00 | 15.96 [#] | Direct and through implementing agency |

₹ in Crores

| CSR projects / Activities | Sector in which the Project is covered | Location where project is undertaken Local Area, (District, State) | Amount outlay (budget) Project / Programs wise | Amount Spent on the Projects or Programs: | | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency ** |
|---|--|--|--|---|---------------|--|--|
| | | | | 1. Direct Expenditure | 2. Overheads* | | |
| <ul style="list-style-type: none"> • Skilling and vocational training • Technical knowledge distribution • Productivity and livelihood enhancement for dignified living | Vocational Training Program | Maharashtra (Mumbai, Nagpur, Aurangabad & Pune District), Karnataka (Bengaluru District), Telangana (Hyderabad District), Tamil Nadu (Chennai & Madurai District), West Bengal (Kolkata & Burdwan District), Gujarat (Ahmedabad District), Uttar Pradesh (Lucknow, Varanasi, Kanpur, Ghaziabad, Gorakhpur & Agra District), Madhya Pradesh (Jabalpur & Bhopal District), Rajasthan (Jaipur District), Punjab (Ludhiana District), Kerala (Kozhikode District), Odisha (Bhubaneswar District), Uttarakhand (Dehradun District), Delhi, Chandigarh and Jammu & Kashmir | 29.80 | 26.07 | 3.73 | 29.80 | Direct |
| <ul style="list-style-type: none"> • Promoting integrated watershed development in areas around our manufacturing locations including desilting lakes and installing rooftop rainwater harvesting units and recharge systems in villages and schools | Water | Maharashtra (Khandala, Satara District), Gujarat (Ankleshwar, Bharuch District), Uttar Pradesh (Kasna, Gautam Buddha Nagar District), Haryana (Rohtak District), Tamil Nadu (Cuddalore, Tiruvallur District, Sriperumbudur, Kanchipuram District), Telangana (Patancheru, Medak, Ranga Reddy District), Karnataka (Mysore, Nanjangud district), Andhra Pradesh (Atchutapuram, Visakhapatnam district) | 10.25 | 10.25 | 0.00 | 10.25 | Direct and through implementing agency |
| TOTAL | | | 74.64 | 70.90 | 3.73 | 74.64 | |

Notes:

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

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

For and on behalf of the CSR Committee

Malav Dani
Chairman
CSR Committee
(DIN: 01184336)

Amit Syngle
Managing Director & CEO
(DIN: 07232566)

Place : Mumbai
Date : 23rd June, 2020

Annexure (E) to Board's Report

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

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

I Registration and Other Details

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

| | | |
|-----|---|-----|
| vi) | Whether shares listed on recognized Stock Exchange(s) | Yes |
|-----|---|-----|

Details of the Stock Exchanges where shares are listed:

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

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

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

II Principal Business Activities of the Company

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

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

III Particulars of Holding, Subsidiary and Associate companies

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

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

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

Notes:

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

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

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

A. Category-wise Shareholding

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

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

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

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

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

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

Notes:

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

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

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

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

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

Notes:

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

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

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

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

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

Notes:

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

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

E. Shareholding of Directors and Key Managerial Personnel:

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

Notes:

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

V. Indebtedness

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

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

VI. Remuneration of Directors and Key Managerial Personnel

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

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

Notes:

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

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

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

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

Note:

®Represents retiral benefits like pension and medical reimbursement as per their contracts entered with the Company in their erstwhile capacity as Executive Directors which ended on 31st March, 2009.

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

NIL

For and on behalf of the Board

Ashwin Dani
Chairman
(DIN: 00009126)

Place : Mumbai

Date : 23rd June, 2020

Annexure (F) to Board's Report

Form AOC-2

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

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

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

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

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

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

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

For and on behalf of the Board

Ashwin Dani
Chairman
(DIN: 00009126)

Place : Mumbai
Date : 23rd June, 2020

Annexure (G) to Board's Report

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

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

A. Energy Conservation Measures Taken

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

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

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

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

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

B. Alternate Sources of Energy

Solar energy:

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

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

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

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

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

Wind Energy:

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

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

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

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

C. The Capital Investment on Energy Conservation Equipment

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

Technology Absorption

A) The efforts made by the Company towards technology absorption

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Foreign Exchange Earnings and Outgo

Foreign exchange earned in terms of actual inflows during the financial year 2019-20 was ₹ 140.83 crores (equivalent value of various currencies).

Foreign exchange outgo in terms of actual outflows during the financial year 2019-20 was ₹ 2,831.58 crores (equivalent value of various currencies).

Report on Corporate Governance

ASIAN PAINTS' PHILOSOPHY ON CORPORATE GOVERNANCE

The end of the year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for India Inc. to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, *inter alia*, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy and were the need of the hour.

Asian Paints has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The highest standard of corporate governance is the cornerstone of our long termism and continued success. It reflects in our business functions and in the manner with which we support the journey of our stakeholders.

During the year, employees of the Company co – created and adopted a Charter for the organisation which sets out the purpose for the organisation and adopts the values for which the organisation stands for, today and will continue to stand for in future. Strategic outcomes which emanate from the Charter have been identified to bring about infinite celebrations for its consumers and enable the Company to enrich the experience of its stakeholders.

Our undeterred adherence to the ideals of trust, respect, integrity and openness is what holds us steady amid challenging business contexts and landscapes. Our value system made up of integrity, customer passion and creative zeal is the platform that enables ours as well as our stakeholders' successes. The sound governance systems and processes in place are empowering co-creation and partnerships while an unwavering focus on sustainability and safety is what makes us a truly responsible enterprise.

Asian Paints not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide.

In recognition of its governance practices, the Company was conferred upon the 'Golden Peacock Award for Excellence in Corporate Governance - 2019', by the Institute of Directors and the 'Excellence in Corporate Governance' Awards 2018 – 19, by the Indian Legal Era Journal of Law.

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Asian Paints Limited.

GOVERNANCE STRUCTURE AND DEFINED ROLE AND RESPONSIBILITIES

Asian Paints' governance structure comprises of Board of Directors, Committees of the Board and the Management.

BOARD

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Managing Director & CEO reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual long term business targets. The Managing Director & CEO acts as a link between the Board and the management. During the year, the Board of Directors, on the recommendations of the Nomination & Remuneration Committee, appointed Mr. Amit Syngle as an Additional Director / Managing Director & CEO of the Company w.e.f. 1st April, 2020 for a period of three (3) years upto 31st March, 2023, subject to approval of the shareholders, in place of Mr. KBS Anand who retired from the services of the Company w.e.f. 31st March, 2020.

During the year, the Board of Directors, based on the recommendations of the Nomination & Remuneration Committee, approved the appointment of Mr. R J Jeyamurugan as the CFO & Company Secretary of the Company with effect from 27th November, 2019.

In line with the Company's aspiration on Home Décor and taking the Asian Paints brand to the next level, a new senior management structure was introduced and implemented.

The One Link group comprising of General Managers, Associate Vice Presidents and Vice Presidents, led by the Managing Director and CEO was created for developing and creating leaders in the organization. The futuristic and Innovation projects across functions and businesses are handled by the One Link group.

The forum combines a methodology of working through futuristic but relevant projects to involve, galvanize and develop the top management teams.

This new structure was designed and conceptualized to enable the Managing Director & CEO to function and discharge his role effectively.

Report on Corporate Governance (Contd.)

The new organisation structure was reviewed by the Nomination and Remuneration Committee and the Board of Directors of the Company.

Composition of the Board

The Company believes in a well-balanced Board which enriches Board discussions and enables effective decision making. The Board has an optimal mix of Executive and Non-Executive Directors who have considerable expertise in their respective fields including competencies required in context of Company's businesses.

The composition and size of the Board is reviewed periodically to ensure an optimum mix of Directors with complementary skillsets and varied perspectives for constructive debates facilitating more effective decision making. The Company understands that sound succession planning for the members of the Board and Senior Management is essential for sustained growth of the Company. As a part of the succession planning exercise, Mr. Amit Syngle was identified as the successor to the Managing Director & CEO of the Company and was groomed and mentored for the role by Mr. KBS Anand for over a period of two years. Before being appointed as the Managing Director & CEO, Mr. Amit Syngle held the position of Chief Operating Officer of the Company.

As on the date of this Report, the Board comprised of 14 (fourteen) members, 7 (seven) of which are Independent Directors constituting half of the Board strength, 6 (six) are Non- Executive/ Promoter Directors and 1 (one) Additional Director/ Managing Director & CEO.

The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

Board Procedures and flow of information

The Board / Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The Company also provides video conferencing facility to its Directors to enable them to participate in the discussions held at the meetings when it may not be possible for them to be physically present for the meeting. In view of the nationwide lockdown, meetings of the Board and its Committees were held through video conferencing mode in accordance with the provisions of law.

The Board has adopted a 'safety-first' approach for all its discussions and deliberations. All meetings of the Board begin with an elaborate discussion on the Health and Safety initiatives of the Company which are then followed by review of the performance of the Company, review of financial results, industrial relations, Board succession planning, Strategic planning, governance and regulatory matters, declaration of dividend and such other matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations.

The details of attendance of Directors at Board Meetings either in person or through video conference during the financial year 2019-20 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

| Name of the Director(s) & Director Identification Number (DIN) | 1 9 th May, 2019 | 2 24 th July, 2019 | 3 25 th September, 2019 | 4 22 nd October, 2019 | 5 22 nd January, 2020 | 6 25 th February, 2020 | 7 28 th March, 2020 | % of meeting attended during the year |
|--|-----------------------------------|-------------------------------------|---|---|---|--|---|---|
| Ashwin Dani (00009126) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| Manish Choksi (00026496) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| Abhay Vakil (00009151) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| KBS Anand (03518282) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| Malav Dani (01184336) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| Amrita Vakil (00170725) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| Jigish Choksi (08093304) | ✓ | ✓ | ✓ | ✓ | ✓ | | | 100 |
| Deepak Satwalekar (00009627) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| S. Sivaram (00009900) | ✓ | ✓ | x | ✓ | ✓ | x | | 71* |

| Name of the Director(s) & Director Identification Number (DIN) | 1 9 th May, 2019 | 2 24 th July, 2019 | 3 25 th September, 2019 | 4 22 nd October, 2019 | 5 22 nd January, 2020 | 6 25 th February, 2020 | 7 28 th March, 2020 | % of meeting attended during the year |
|--|-----------------------------------|-------------------------------------|---|---|---|--|---|---|
| M K Sharma (00327684) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| Vibha Paul Rishi (05180796) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | 100 |
| R Seshasayee (00047985) | ✓ | ✓ | | ✓ | ✓ | ✗ | | 86* |
| Suresh Narayanan (07246738) | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | | 86* |
| Pallavi Shroff (00013580) | ✓ | ✓ | ✗ | | ✗ | | | 71* |

✓ Present ✗ Absent Present through video-conference

*Rounded off to the nearest whole digit

Notes:

- Shri KBS Anand retired as the Managing Director & CEO of the Company w.e.f. 31st March, 2020.
- Shri Amit Syngle was appointed as the Managing Director & CEO (Additional Director) effective from 1st April, 2020, subject to approval of the Shareholders at the ensuing Annual General Meeting.
- The last AGM held on 27th June, 2019, was attended by all members of the Board except, Mrs. Pallavi Shroff, Independent Director.

Flow of information to the Board

The Board has complete access to all Company-related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Chairman of the Board and the Company Secretary in consensus determine the Agenda for every meeting along with explanatory notes in consultation with the Managing Director & CEO. The Agenda for the meetings is circulated well in advance to the Directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

With a view to ensure high standards of confidentiality of Agenda and other Board papers and reduce paper consumption, the Company circulates to its Directors, notes for Board/Committee meetings through a web – based application which can be accessed by the Directors through their hand – held devices, browsers and iPads. This application meets high standards of security that are required for storage and transmission of Board / Committee Agenda papers.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its

Committees at a shorter notice before the commencement of the respective meetings on a secure platform.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors.

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

The meetings of the Board of Directors are generally held in Mumbai and, if necessary, in locations, where the Company operates. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

Meeting of Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non – Independent Directors.

Report on Corporate Governance (Contd.)

During the financial year 2019-20, a separate meeting of the Independent Directors which was scheduled to be held on 27th March, 2020 could not be convened on account of the nationwide lockdown and accordingly the meeting was postponed and then held on 8th June, 2020.

The Independent Directors, *inter alia*, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Non-Executive Directors with materially significant, pecuniary or business relationship with the Company

Except for the sitting fees and commission payable to the Non-Executive Directors annually in accordance with the applicable laws and with the approval of the shareholders, there is no pecuniary or business relationship between the Non-Executive Directors and the Company.

Mrs. Pallavi Shroff, Independent Director of the Company, is the joint – Managing Partner of M/s. Shardul Amarchand Mangaldas & Co., Solicitors & Advocates, which renders professional services to the Company. The quantum of fees paid to M/s. Shardul Amarchand Mangaldas & Co., is an insignificant portion of their total revenue, thus, M/s. Shardul Amarchand Mangaldas & Co.,

is not to be construed to have any material association with the Company.

Board membership

The Company believes that a diverse skill set is required to avoid groupthink and to arrive at balanced decisions. The Nomination & Remuneration Committee is primarily responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. It identifies the persons as potential candidates who are qualified to be appointed as Directors and recommend to the Board their appointment and removal. The Board has sufficient breadth of skills in areas of finance, legal, consulting, operations, IT, marketing, general management, supply chain, technology, etc.

The Nomination & Remuneration Committee also recommends to the Board on matters relating to extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Directors.

Key Board qualifications, expertise and attributes

The Company's core business(es) include manufacturing, distribution and sale of paints & coatings, both architectural and industrial coatings, water-proofing, adhesives, wallpapers, etc., in India and abroad. The Company's Home Improvement Business includes modular kitchens and kitchen accessories, bath fittings, sanitary-ware and other home décor products and accessories. The Company has also launched its foray into the hand sanitisers and surface disinfectants category as an extension to its health & hygiene portfolio.

The following is the list of core skills/expertise/competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills/ expertise/ competence:

| Sr. No. | Names of Director(s) | Skill/ Expertise/ competency | | | | |
|---------|----------------------|--|--|--|--|---|
| | | Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry | International Business experience: Experience in leading businesses in different geographies/ markets around the world | General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders | Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc. | Technical, professional skills and knowledge including legal and regulatory aspects |
| 1. | Ashwin Dani | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Abhay Vakil | ✓ | x | ✓ | ✓ | x |
| 3. | Manish Choksi | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Amit Syngle | ✓ | x | ✓ | ✓ | ✓ |
| 5. | Malav Dani | ✓ | ✓ | ✓ | ✓ | x |
| 6. | Amrita Vakil | ✓ | x | ✓ | ✓ | x |

| Sr. No. | Names of Director(s) | Skill/ Expertise/ competency | | | | |
|---------|----------------------|--|--|--|--|---|
| | | Sales & Marketing: Experience in sales and marketing management based on understanding of the consumer & consumer goods industry | International Business experience: Experience in leading businesses in different geographies/ markets around the world | General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders | Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc. | Technical, professional skills and knowledge including legal and regulatory aspects |
| 7. | Jigish Choksi | ✓ | x | ✓ | x | x |
| 8. | Deepak Satwalekar | ✓ | x | ✓ | ✓ | x |
| 9. | S. Sivaram | x | x | ✓ | x | ✓ |
| 10. | M. K. Sharma | ✓ | ✓ | ✓ | ✓ | ✓ |
| 11. | Vibha Paul Rishi | ✓ | ✓ | ✓ | ✓ | x |
| 12. | R Seshasayee | x | ✓ | ✓ | ✓ | x |
| 13. | Suresh Narayanan | ✓ | ✓ | ✓ | ✓ | x |
| 14. | Pallavi Shroff | ✓ | ✓ | ✓ | ✓ | ✓ |

Declarations

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves for including their name in the databank of persons offering to become Independent Directors.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management of the Company.

The Company had also issued formal appointment letters to all the Independent Directors at the time of their appointment in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder. A sample letter of appointment/ re-appointment containing the terms and conditions, issued to the Independent Directors, is posted on the Company's website at the following link:

<https://www.asianpaints.com/about-us.html>

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/Chairmanships more than the prescribed limits.

Directorship and Membership of Committees and Shareholding of Directors

The details of Directorships, relationship *inter-se*, shareholding in the Company, number of Directorships and Committee Chairmanships/ Memberships held by the Directors of the Company in other public companies as on 31st March, 2020 are as under:

| Name of Director(s) | Nature of Directorship | Relationship with each other | Directorship held in other Listed entities along with Category | Directorship in other companies* | Membership and Chairmanship of the Committees of the Board of other companies** | | No. of shares held in the Company along with % to the paid up share capital of the Company*** |
|---------------------|--|------------------------------|---|----------------------------------|---|--------|---|
| | | | | | Chairman | Member | |
| Ashwin Dani | Non-Executive Chairman/ Promoter | Father of Malav Dani | Non-Executive – Non- Independent Director of Hitech Corporation Limited | 3 | 1 | 2 | 11,24,870 (0.12%) |
| Manish Choksi | Non- Executive Vice Chairman/ Promoter | Cousin of Jigish Choksi | Independent Director of NRB Industrial Bearings Limited | 5 | 1 | 3 | 23,81,040 (0.25%) |
| Abhay Vakil | Non-Executive Director/ Promoter | Uncle of Amrita Vakil | - | 4 | 1 | 1 | 2,32,88,200 (2.43%) |
| KBS Anand^ | Managing Director & CEO | \$ | Independent Director of Tata Chemicals Limited | 2 | 0 | 0 | 270 (0%) |
| Malav Dani | Non-Executive Director/ Promoter | Son of Ashwin Dani | Managing Director of Hitech Corporation Limited | 2 | 0 | 1 | 33,05,510 (0.34%) |

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| Name of Director(s) | Nature of Directorship | Relationship with each other | Directorship held in other Listed entities along with Category | Directorship in other companies* | Membership and Chairmanship of the Committees of the Board of other companies** | | No. of shares held in the Company along with % to the paid up share capital of the Company*** |
|---------------------|-------------------------------------|------------------------------|--|----------------------------------|---|--------|---|
| | | | | | Chairman | Member | |
| Amrita Vakil | Non-Executive Director/ Promoter | Niece of Abhay Vakil | Non-Executive – Non – Independent Director of Elcid Investments Limited | 3 | 0 | 0 | 25,66,680 (0.27%) |
| Jigish Choksi | Non-Executive Director/ Promoter | Cousin of Manish Choksi | - | 1 | 0 | 0 | 19,95,180 (0.21%) |
| Deepak Satwalekar | Non-Executive Director/ Independent | \$ | Independent Director of Piramal Enterprises Limited | 3 | 1 | 1 | Nil |
| S. Sivaram | Non-Executive Director/ Independent | \$ | Independent Director of GMM Pfaudler Limited, Deepak Nitrite Limited, Apcotex Industries Limited and Supreme Petrochem Limited | 6 | 2 | 2 | Nil |
| M K Sharma | Non-Executive Director/ Independent | \$ | Independent Director of Wipro Limited, United Spirits Limited, and Vedanta Limited Non-Executive-Non- Independent Director in Ambuja Cement Limited | 6 | 3 | 5 | Nil |
| Vibha Paul Rishi | Non-Executive Director/ Independent | \$ | Independent Director of Escorts Limited, Tata Chemicals Limited, The Indian Hotels Company Limited and ICICI Prudential Life Insurance Company Limited | 7 | 2 | 9 | Nil |
| R. Seshasayee | Non-Executive Director/ Independent | \$ | - | 1 | 0 | 1 | 1496 (0%) |
| Suresh Narayanan | Non-Executive Director/ Independent | \$ | Managing Director of Nestle India Limited | 1 | 0 | 0 | Nil |
| Pallavi Shroff | Non-Executive Director/ Independent | \$ | Independent Director of Apollo Tyres Limited, Trident Limited, InterGlobe Aviation Limited and PVR Limited | 5 | 0 | 3 | Nil |

^ Mr. KBS Anand retired as Managing Director & CEO w.e.f. 31st March, 2020. Mr. Amit Syngle was appointed as the Additional Director/ Managing Director & CEO w.e.f. 1st April, 2020.

* Excludes directorship in Asian Paints Limited. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

** For the purpose of considering the limit of Committee memberships and chairmanships of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered. Also excludes the memberships & chairmanships in Asian Paints Limited.

\$ No *inter-se* relationship with any of the Directors of the Company.

*** As per the declarations made to the Company by the Directors as to the shares held in their own name or held jointly as the first holder or held on beneficial basis as the first holder.

FAMILIARIZATION PROGRAMME

The Board familiarization program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing immersion sessions on business strategic, operational and functional matters.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, values and purpose. The Managing Director & CEO also makes presentations in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

In Board meetings, immersion sessions on business strategy, operational and functional matters provide good

insights on the businesses carried on by the Company to the Independent Directors. These sessions also involve interactions with multiple levels of management. To make these sessions more productive, all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole are provided in advance. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company.

The Company also arranges for visits to the Company's Plants to enable them to get firsthand understanding of the processes.

Further, an information pack is handed over to the new Director(s) on the Board, which includes, Company profile,

Company's Codes and Policies, Strategy documents and such other operational information which will enable them to discharge their duties in a better way.

The details of such familiarization programmes for Independent Director(s) are put up on the website of the Company and can be accessed through the following link:

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

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations, which concern the Company and need a closer review. The Chairman of the respective Committee(s) brief the Board about the summary of the discussions held in

the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as and when appropriate.

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

The terms of reference of the Committees are in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The Company currently has 6 (six) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Shareholders Committee.

AUDIT COMMITTEE

The Audit Committee met 4 (four) times during the financial year 2019-20. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

| Name of Director(s) | Nature of membership | Meeting date(s) | | | |
|---------------------|----------------------|---------------------------|-----------------------------|--------------------------------|--------------------------------|
| | | 1 | 2 | 3 | 4 |
| | | 8 th May, 2019 | 23 rd July, 2019 | 22 nd October, 2019 | 21 st January, 2020 |
| M K Sharma | Chairman | ✓ | ✓ | ✓ | ✓ |
| R Seshasayee | Member | ✓ | ✓ | ✓ | ✓ |
| Abhay Vakil | Member | ✓ | ✓ | ✓ | ✓ |
| Suresh Narayanan | Member | ✓ | ✓ | ✓ | ✓ |

✓ Present

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

The Audit Committee meets the Statutory Auditors and the Chief Internal Auditor independently without the presence of any members of the management at least once in a year. The members of the Audit Committee are financially literate and have relevant experience in financial management.

In addition to the quarterly meetings for consideration of financial results, the Committee meets twice a year to exclusively review the related party transactions and the key internal audit observations. The meetings of the Audit Committee are also attended by the Managing Director & CEO, Statutory and Internal Auditors and CFO & Company Secretary.

The terms of reference of the Audit Committee are formulated in accordance with the regulatory requirements mandated by the Companies Act and Listing Regulations.

The Audit Committee is, *inter alia*, entrusted with the following responsibilities by the Board of Directors of the Company:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management quarterly, half-yearly, nine- months and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;

Report on Corporate Governance (Contd.)

5. Recommending the appointment, remuneration, terms of appointment and scope of Statutory Auditors of the Company and approval for payment towards any other service;
6. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
7. Reviewing the adequacy of internal audit function and discussing with the internal auditors on the significant findings and further course adopted;
8. Reviewing, approving or subsequent modifying transactions of the Company with related parties; and
9. Review compliance with provisions of Securities Exchange Board of India (Prevention of Insider Trading) Regulation, 2015 (including any amendment or modification from time to time) at least once in a financial year and shall verify that the systems for internal controls for ensuring compliance to these Regulations, are adequate and are operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company met 4 times during the financial year 2019-20 to discuss and deliberate on various matters. The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the financial year 2019- 20 is detailed below:

| Name of Director(s) | Nature of membership | Meeting date(s) | | | |
|---------------------|----------------------|-----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| | | 1 26 th April, 2019 | 2 10 th October, 2019 | 3 21 st January, 2020 | 4 24 th March, 2020 |
| Deepak Satwalekar | Chairman | ✓ | ✓ | ✓ | |
| M. K. Sharma | Member | ✓ | ✗ | ✓ | ✗ |
| Manish Choksi | Member | ✓ | ✓ | ✓ | |

✓ Present ✗ Absent Present through video-conference

Mr. R J Jeyamurugan acts as secretary to the Committee.

The Nomination and Remuneration Committee is, inter alia, entrusted with the following responsibility by the Board of Directors of the Company:

1. Formulate a criterion for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
3. Devise a policy on Board Diversity;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Specify methodology for effective evaluation of performance of Board/committees of the Board and review the terms of appointment of Independent Directors on the basis of the report of performance evaluation of the Independent Directors;
6. Reviewing and recommending to the Board, the remuneration, payable to Directors of the Company;
7. Recommend to the Board all remuneration, in whatever form, payable to senior management; and
8. Undertake any other matters as the Board may decide from time to time.

SUCCESSION PLANNING

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee and the Board, as part of the succession planning exercise, periodically review the composition of the Board to ensure that the same is closely aligned with the strategy and long-term needs of the Company. The Nomination & Remuneration Committee plays a pivotal role in identifying successors to the members of the Senior Management.

As mentioned earlier in the Report, in addition to identifying Mr. Amit Syngle as the successor to Mr. KBS Anand as the Managing Director & CEO, the Nomination & Remuneration Committee played a pivotal role in identifying the successor to the CFO & Company Secretary of the Company.

Mr. Jayesh Merchant retired as the CFO & Company Secretary, President – Industrial JVs of the Company. Mr. R J Jeyamurugan, then Vice President – Finance & Compliance Officer, was identified as his successor.

NOMINATION AND REMUNERATION POLICY

The Nomination & Remuneration Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Companies Act, 2013 and Listing Regulations. As required under the Listing Regulations effective 1st April, 2019, the Nomination and Remuneration Committee will recommend to the Board the payment of remuneration to the senior management.

In accordance with the Policy, the responsibilities of Nomination and Remuneration Committee, *inter alia*, include:

- a. Formulation of criteria and its review on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director, based on the qualities, including independence for Independent Directors, and such expertise which may be beneficial for the Company and essential for it to operate in changing business environment. Identification of persons as potential candidates, who are qualified to be appointed as Directors and recommend their re – appointment, if any, to the Board after taking into consideration the performance of a Director.
- b. The Nomination & Remuneration Committee, *inter alia*, has been entrusted with the responsibility of evaluating the performance of every Director, Committees of the Board and the Board. The Committee also evaluates the performance of Managing Director against the Key Performance Indicators set at the beginning of the financial year.
- c. Remuneration of Directors, Senior Management and other employees:
 - i. Compensation to Managing Director or Executive Director: The Committee shall approve compensation package of the Managing Director or Executive Director(s). The Committee ensures that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interests, with industry standards and have an adequate balance between fixed and variable component, subject to approval of the Board.
 - ii. Compensation to Senior Management: The Nomination & Remuneration Committee shall review performance of the senior management of the Company (which includes Key Managerial

Personnel), as presented by the Managing Director & CEO. The Committee shall ensure that the remuneration to the Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- iii. Remuneration to Non-Executive Directors: The Nomination & Remuneration Committee shall recommend to the Board for its approval, commission payable to the Non-Executive Directors, including Independent Directors, after reviewing payments made by similar sized, successful companies. The Nomination and Remuneration Committee considers and recommends commission payable to Directors after taking into account their contribution to the decision making at meetings of the Board/ Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of Corporate Governance and Board effectiveness.
- iv. Remuneration to other employees: Focus on productivity and pay for performance have been the cornerstone of the Company's overall remuneration policy. The Company regularly benchmarks the compensation levels and employee benefits in the market and makes necessary changes to remain consistent with the industry standards. The Committee shall review the Company's policy on performance management and rewards for employees from time to time. The remuneration structure of employees is designed on principles of fairness, transparency and internal and external parity and involves an optimum balance of fixed and variable components.

The Nomination and Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at:

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

Details of remuneration paid to Directors during the financial year 2019-20:

The shareholders of the Company at their Annual General Meeting held on 26th June, 2014, approved a sum of not exceeding 1% of the net profits of the Company, per annum calculated in accordance with Section 198 of Companies Act, 2013, to be paid to Non – Executive Directors in a manner as decided by the Board.

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All the Non-Executive Directors of the Company are paid ₹ 50,000 (Rupees fifty thousand only) as sittings fees for attending meetings of the Board/Audit Committee and ₹ 30,000 (Rupees thirty thousand only) for attending meetings of other Committees except Shareholders Committee for which no sitting fees is paid. Independent Directors are paid ₹ 30,000 (Rupees thirty thousand only) for the separate meeting of Independent Directors.

Given the current COVID-19 situation, resultant impact on the business operations and considering the nominal increase in remuneration payable to all employees of the Company, the Board of Directors being concerned and empathetic about the situation, at their meeting held on 23rd June, 2020, decided to take a cut of 10% in the commission payable to the Non-Executive Directors for the FY 2019-20 vis-a-vis the base commission considered for the FY 2018-19.

Details of the remuneration of the Directors of the Company for the financial year 2019-20 are as follows:

| Name of the Director(s) | Basic Salary | Perquisites | Sitting Fees | Commission | Amount in ₹ |
|-------------------------|--------------|---------------|--------------|-------------|--------------|
| | | | | | Total |
| Ashwin Dani | - | 7,35,000# | 3,50,000 | 32,40,000 | 43,25,000 |
| Manish Choksi | - | - | 4,70,000 | 28,80,000 | 33,50,000 |
| Abhay Vakil | - | 7,20,000# | 5,50,000 | 25,20,000 | 37,90,000 |
| KBS Anand* | 3,32,29,356 | 10,65,90,874^ | - | 6,79,00,000 | 20,77,20,230 |
| Malav Dani | - | - | 3,80,000 | 27,00,000 | 30,80,000 |
| Amrita Vakil | - | - | 4,10,000 | 25,20,000 | 29,30,000 |
| Jigish Choksi | - | - | 3,80,000 | 25,20,000 | 29,00,000 |
| Deepak Satwalekar | - | - | 4,70,000 | 28,80,000 | 33,50,000 |
| S. Sivaram | - | - | 3,10,000 | 27,00,000 | 30,10,000 |
| M K Sharma | - | - | 6,10,000 | 30,60,000 | 36,70,000 |
| Vibha Paul Rishi | - | - | 3,80,000 | 25,20,000 | 29,00,000 |
| R Seshasayee | - | - | 5,30,000 | 27,00,000 | 32,30,000 |
| Suresh Narayanan | - | - | 5,00,000 | 25,20,000 | 30,20,000 |
| Pallavi Shroff | - | - | 2,80,000 | 25,20,000 | 28,00,000 |

Notes:

The Company has not granted stock options to any of its Directors.

* Mr. KBS Anand retired as the Managing Director & CEO of the Company w.e.f. 31st March, 2020.

Represents retiral benefits like pension and medical reimbursement as per their contracts entered with the Company in their erstwhile capacity as Executive Directors which ended on 31st March, 2009.

^ Represents retiral benefits like gratuity and leave encashment as per the agreement entered in his capacity as an Executive Director which ended on 31st March, 2020.

PERFORMANCE EVALUATION

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees.

The Company has a structured assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

The Independent Directors at their separate meeting reviewed the performance of: Non-Independent Directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Directors and Non-Executive Directors, the quality, quantity and timeliness of flow of information between the Company

management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, surveys were undertaken for evaluation of performance of Directors, Board as a whole and Committees of the Board. Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Chairman of the NRC and a separate meeting of the Board would be held to discuss and draw up a plan of action.

Board and Individual Directors

The parameters for performance evaluation of Board includes composition of Board, process for appointment to the Board, succession planning, handling critical and dissenting suggestions, attention to Company's long term strategy, evaluation of the governance levels of the Company, quality of discussions at the meeting, etc.

The parameters of the performance evaluation process for Directors, *inter alia*, includes, effective participation in meetings of the Board, understanding of the roles and responsibilities, domain knowledge, attendance of Director(s), etc. Independent Directors were evaluated by the entire Board with respect to fulfillment of independence criteria as specified in the Listing Regulations and Companies Act, 2013 and their Independence from the Management. Additional criteria for evaluation of Chairman of the Board includes ability to co-ordinate Board discussions, steering the meeting effectively, seeking views and dealing with dissent, etc.

The outcome of surveys and feedback from Directors was discussed at the respective meetings of Board and Committees of Board.

Managing Director & CEO

The Nomination & Remuneration Committee evaluates the performance of the Managing Director & CEO by setting his Key Performance Objectives at the beginning of each financial year. The Committee ensures that his Key Performance Objectives are aligned with the immediate and long-term goals of the Company. The performance of Managing Director vis-à-vis the Performance Objectives/Parameters set at the beginning of the financial year are also reviewed by the Committee during the year.

Committees of the Board

The performance evaluation of committee's included aspects like degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of discussions at the Committee meetings, quality of deliberations at the meetings and information provided to the Committee's.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and agreed to take necessary steps going forward.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

| Name of Director(s) | Nature of membership | Meeting date 21st October, 2019 |
|---------------------|----------------------|------------------------------------|
| R Seshasayee | Chairman | ✓ |
| K.B.S Anand | Member | ✓ |
| Amrita Vakil | Member | ✓ |
| Jigish Choksi | Member | ✓ |
| Amit Syngle* | Member | NA |

✓ Present

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to the retirement of Mr. KBS Anand as the Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

Mr. R. J. Jeyamurugan, CFO & Company Secretary, is the Compliance Officer in accordance with Regulation 6 of Listing Regulations. Mr. Jeyamurugan is a qualified Company Secretary & Chartered Accountant.

The terms of reference of the Stakeholders Relationship Committee, as approved by the Board and amended from time to time, includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Details relating to the number of complaints received and redressed during the financial year 2019-20 as on 31st March, 2020 are as under:

| Nature of Complaints | Number of complaints received | Number of complaints redressed | Number of pending complaints |
|---------------------------------|-------------------------------|--------------------------------|------------------------------|
| Non-Receipt of Dividend | 8 | 8 | 0 |
| Non-Receipt of Annual Report | 1 | 1 | 0 |
| Dematerialization of securities | 1 | 1 | 0 |
| Others | 20 | 19 | 1 |
| Total | 30 | 29 | 1 |

Note:

Nature of complaints in the category "Others" includes updation of change in signature and address, transfer of shares, non-receipt of split shares, transmission of shares and issue of duplicate shares.

M/s. TSR Darashaw Consultants Private Limited (TSR), is the Registrar & Transfer Agent of the Company. The management on an on-going basis engages with TSR in order to address the requests received from the shareholders, resolving their grievances, etc.

Report on Corporate Governance (Contd.)

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

| Name of Director(s) | Nature of membership | Meeting date |
|---------------------|----------------------|------------------------------|
| | | 2 nd August, 2019 |
| Malav Dani | Chairman | ✓ |
| K.B.S Anand | Member | ✓ |
| Vibha Paul Rishi | Member | ✓ |
| Amrita Vakil | Member | ✓ |
| Amit Syngle* | Member | NA |

✓ Present

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to retirement of Mr. KBS Anand as Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

The meetings of the CSR Committee are also attended by members of the CSR Council of the Company as invitees.

The terms of reference of CSR Committee as approved by the Board and amended from time to time, includes the following:

1. Recommend the amount of expenditure to be incurred on the activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at: <https://www.asianpaints.com/more/about-us.html>

SHAREHOLDERS COMMITTEE

The composition of the Shareholders Committee of the Company along with the details of the meetings held and attended by the Members of the Committee during the financial year 2019-20 is detailed below:

| Name of Director(s) | Nature of membership | Meeting details | |
|--------------------------|----------------------|-----------------|----------|
| | | Held | Attended |
| Abhay Vakil | Chairman | 12 | 11 |
| Ashwin Dani | Member | 12 | 12 |
| Manish Choksi | Member | 12 | 11 |
| K. B. S. Anand | Member | 12 | 12 |
| Jayesh Merchant* | Member | 12 | 8 |
| R J Jeyamurugan* | Member | 12 | 2 |
| Amit Syngle [#] | Member | NA | NA |

Mr. R J Jeyamurugan also acts as a Secretary to the Committee.

* Mr. Jayesh Merchant ceased to be a member of the Committee on 26th November, 2019 consequent to his retirement as the CFO and Company Secretary of the Company. Mr. R J Jeyamurugan was inducted as a member in the Committee effective from 27th November, 2019.

[#] Consequent to retirement of Mr. KBS Anand as Managing Director and CEO of the Company effective from 31st March, 2020, Mr. Amit Syngle has been inducted as a member of the Committee effective from 1st April, 2020.

The terms of reference of the Shareholders Committee, as approved by the Board and amended from time to time, includes the following:


1. To issue share certificates pursuant to duplicate/ remat/ renewal requests as and when received by the Company;
2. To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits;
3. To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard;
4. To authorise affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company, and
5. Such other activities as the Board of Directors may determine from time to time.

Further, the Board of Directors of the Company have delegated the authority to approve the transfer, transmission, dematerialization of shares etc., to any two members, jointly, of the Shareholders Committee including the Company Secretary.

RISK MANAGEMENT COMMITTEE

The composition of the Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members

of the Committee during the financial year 2019-20 is detailed below:

| Name of Director(s) | Nature of membership | Meeting date(s) | |
|---------------------|----------------------|----------------------------------|---|
| | | 1 | 2 |
| | | 28 th August, 2019 | 14 th February, 2020 |
| Dr. S. Sivaram | Chairman | ✓ | ✓ |
| K B S Anand* | Member | ✓ | ✓ |
| Pallavi Shroff | Member | ✗ |  |
| Amit Syngle* | Member | ✓ | ✗ |
| Amit Kumar Baveja | Member | ✓ | NA |
| P. Sriram | Member | NA | ✓ |

✓ Present ✗ Absent  Present through video conferencing

Mr. R J Jeyamurugan acts as secretary to the Committee.

* Consequent to retirement of Mr. K B S Anand as the Managing Director & CEO of the Company effective from 31st March, 2020, he ceased to be a member of the Committee. Mr. Amit Syngle would continue as a Member of the Risk Management Committee in the capacity of Managing Director & CEO.

Mr. P Sriram was appointed as a member of the Committee on 22nd January, 2020 in place of Mr. Amit Kumar Baveja.

The Risk Management Committee is responsible for oversight on overall risk management processes of the Company and to ensure that key strategic and business risks are identified and addressed by the management.

The terms of reference of the Risk Management Committee, as approved by the Board and amended from time to time, includes the following:

1. framing a risk management policy;
2. identify Company's risk appetite set for various elements of risk;

GENERAL BODY MEETINGS

Details of last three AGM and the summary of Special Resolutions passed therein, if any, are as under:

| Financial year(s) | Date | Time | Location | No. of Special resolutions set out at the AGM |
|-------------------|-----------------------------|------------|--|---|
| 2018-19 | 27 th June, 2019 | 11.00 a.m. | Patkar Hall, Nathibai Thackersay Road, New Marine Lines, Mumbai - 400020 | Nil |
| 2017-18 | 26 th June, 2018 | 11.00 a.m. | Yashwantrao Chavan Pratisthan Auditorium, Y.B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021 | |
| 2016-17 | 27 th June, 2017 | 11.00 a.m. | Patkar Hall, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020 | |

No Special Resolution was passed through Postal Ballot during financial year 2019-20. Further, no Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

3. review the risk management practices and structures and recommend changes to ensure their adequacy including but not limited to cyber security and related risks;
4. approve and review the risk treatment plans put in place by management; and
5. ensure adequacy of risk management practices in the Company.

The Risk Management Policy formulated by the Risk Management Committee, articulates the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/business risks, information technology, financial, cyber security risks and operational risks respectively.

CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2019-20 signed by Mr. Amit Syngle, Managing Director & CEO and Mr. R J Jeyamurugan, CFO & Company Secretary, was placed before the Board of Directors of the Company at their meeting held on 23rd June, 2020 and is annexed to this Report as Annexure 'B'.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required by Schedule V of the Listing Regulations, the Auditors Certificate on Corporate Governance is annexed to this Report as Annexure 'C'.

OTHER DISCLOSURES

1. The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

Report on Corporate Governance (Contd.)

2. Related Party Transactions

All transaction entered into by the Company with related parties, during the financial year 2019 – 20, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of Listing Regulations.

The Company has formulated a framework for Related Party Transactions which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably.

The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted.

The Audit Committee, during the financial year 2019-20, has approved Related Party Transactions along with granting omnibus approval in line with the Policy on dealing with and materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link:

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

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large.

The details of remuneration paid to the employees of the Company, who are relatives of directors, as on 31st March, 2020 is as under:

| Name of the employee | Nature of relationship with Director(s) | Remuneration (₹) |
|----------------------|---|------------------|
| Varun Vakil | Relative of Amrita Vakil | 54,03,921.96 |

In terms, of Section 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations, the appointment and remuneration payable to the aforesaid is approved by the Audit Committee and noted by the Board of Directors of the Company and is at arm's length and in ordinary course of business of the Company.

3. Vigil Mechanism and Whistle Blower Policy:

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Company has adopted a Whistle Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and Business Associates to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors/ Employees and Business Associates who avail of the mechanism.

The scope of the vigil mechanism enables employees, Directors and other stakeholders to report on any cases of leakage of unpublished price sensitive information and consequent non-compliance with SEBI (Prohibition of Insider Trading Regulations) Regulations, 2015 ('Prohibition of Insider Trading Regulations'). In accordance with the Policy, an Ethics Committee has been constituted comprising of the Managing Director & CEO, the CFO & Company Secretary and the Vice President – Human Resources for receiving and investigating all complaints and Protected Disclosures under this policy. Employees of the Company or business associates can make Protected Disclosures to the Ethics Committee through the Asian Paints Ethics Hotline (toll free number/ web reporting facility) and/or any other written or oral means of communication. The Employees/Directors and Business Associates may, in exceptional cases, approach directly the Chairperson of the Audit Committee of the Board of Directors of the Company for registering complaints.

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

No personnel were denied access to the Audit Committee of the Company with regards to the above.

4. In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees

including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

5. The Company has complied with all the requirements of the Stock Exchange(s) and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI, stock exchange(s) on which the shares of the Company are listed or any statutory authority in this regard, during the last 3 (three) years.
6. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

- (i) The Non-Executive Chairman of the Company has been provided with a Chairman's Office at the Registered Office of the Company.
- (ii) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- (iii) Half-yearly financial results of the Company including summary of the significant events for the period ended 30th September, are sent to all shareholders of the Company. The soft copy of quarterly results is also sent to the shareholders who have registered their email addresses with the Company. The Company discusses with the Institutional Investors and Equity Analysts on the Company's performance on a periodic basis and presentations, if any, made during such meetings and calls are also available on the website of the Company.
- (iv) During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- (v) The Chief Internal Auditor reports to the Audit Committee of the Company. He participates in the meetings of the Audit Committee of the Board of Directors of the Company and

presents his internal audit observations to the Audit Committee.

7. Subsidiary Companies:

The Company does not have any material non-listed subsidiary Company in terms of Regulation 16 of the Listing Regulations. The synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company.

The Management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at the following link:

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

8. Website

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website (<https://www.asianpaints.com>). There is a separate section on 'Investors' on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders.

9. Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations

The Company has not raised funds through preferential allotment or Qualified Institutional Placement.

10. Secretarial Compliance Report

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued

Report on Corporate Governance (Contd.)

thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of Dr. K R Chandratre (CP No. 5144), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification.

The Company is publishing the said Secretarial Compliance Report, on voluntary basis and the same has been annexed as Annexure (C-2) to the Board's Report forming part of this Annual Report.

11. Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Makarand Joshi, (CP No. 3662) and Ms. Kumudini Bhalerao, (CP No. 6690), Partners of M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 23rd June, 2020 and is set out as Annexure 'A' to this Report.

12. Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 3,63,77,262 (Rupees three crores sixty three lakhs seventy seven thousand two hundred and sixty two) for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

13. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is

aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

- Number of complaints filed during the financial year: 2
- Number of complaints disposed of during the financial year: 2
- Number of complaints pending as on end of the financial year: Nil

14. Code of Conduct

The Company has adopted a Code of Conduct for all employees and for members of the Board and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti – competitive practices. Employees are mandated to undergo video based training modules and case studies embodying real – life examples upon joining the organization as a part of their induction and annually as a part of periodic refresher trainings for all employees.

All members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2019-20. The declaration to this effect signed by Mr. Amit Syngle, Managing Director & CEO of the Company is annexed to this report as Annexure 'B'.

The Code of Conduct for employees and the Board and Senior Management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

15. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Prevention of Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider

Trading Regulations). In accordance with the SEBI Insider Trading Regulations, the Company has established systems and procedures to prohibit insider trading activity.

The Prevention of Insider Trading Code was suitably amended to incorporate the amendments carried out by SEBI to SEBI Insider Trading Regulations.

The declarations and disclosures to be received from the designated persons (except Directors, Promoter(s) and Promoter(s) group) are automated. The Company has a portal under which disclosure/ declarations/ undertakings are given by designated persons as required under Insider Trading Code. The digital database as required under SEBI Insider Trading Regulations is also maintained on the said portal.

The Compliance Officer and the management conducted several trainings and workshops with the Designated Person(s) to create awareness on various aspects of the Prevention of Insider Trading Code and the SEBI Insider Trading Regulations and to ensure that the internal controls are adequate and effective to ensure compliance. A digital campaign was also conducted during the year which aimed at sensitizing the Designated Persons on the various aspects of the Prevention of Insider Trading Code through relatable, conversational and pictorial graphics & videos.

These initiatives have created substantial awareness amongst the Designated Persons.

The Audit Committee reviews cases of non-compliances, if any, and makes necessary recommendations to the Board w.r.t. action taken against such defaulters. The said non-compliances are promptly intimated to SEBI in the prescribed format.

The Board have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the SEBI Insider Trading Regulations.

The Prevention of Insider Trading Code and Code of Fair Disclosure and Conduct have been uploaded on website of the Company and can be accessed through the following link:

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

16. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation

along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

MEANS OF COMMUNICATION

The Company promptly discloses information on material corporate developments and other events as required under Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purposes, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

a. Publication of financial results

Quarterly, half-yearly and annual financial results of the Company are published in leading English and Marathi language newspaper, viz., all India editions of Economic Times, Mumbai editions of Free Press Journal and Navshakti newspapers and Maharashtra edition of Maharashtra Times.

b. Website and News Releases

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website (<https://www.asianpaints.com>). Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Investors Section on the Company's website.

c. Analysts presentations

The presentations on performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director & CEO, CFO & Company Secretary and other members of the management.

Report on Corporate Governance (Contd.)

d. Stock Exchange

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. The Managing Director & CEO and the CFO & Company Secretary are empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

e. NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based

application designed by BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others, are in accordance with the Listing Regulations filed electronically. Further, in compliance with the provisions of Listing Regulations, the disclosures made to the stock exchanges, to the extent possible, are in a format that allows users to find relevant information easily through a searching tool.

f. Reminders to Investors

Reminders are, *inter alia*, sent to shareholders for registering their email ids, claiming returned undelivered share certificates and unclaimed dividend and transfer of shares thereto.

General Shareholder Information

| | |
|---|---|
| 1. CORPORATE IDENTIFICATION NUMBER | L24220MH1945PLC004598 |
| 2. REGISTERED OFFICE | Asian Paints Limited 6A, Shantinagar Santacruz (E) Mumbai – 400 055 |
| 3. ANNUAL GENERAL MEETING (AGM) | |
| Date | Wednesday, 5 th August, 2020 |
| Time | 2.00 p.m. IST |
| Venue | The Company is conducting meeting through Video Conference / Other Audio Visual Means pursuant to the MCA Circular dated 5 th May, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |
| 4. DATES OF BOOK CLOSURE | Saturday, 25 th July, 2020 to Wednesday 5 th August, 2020 (both days inclusive) |
| 5. FINANCIAL CALENDAR | |
| Financial Year | 1 st April to 31 st March |
| Tentative schedule for declaration of financial results during the financial year 2020-21 | |
| Quarter ending 30 th June, 2020 | 24 th July, 2020 |
| Quarter ending 30 th September, 2020 | 22 nd October, 2020 |
| Quarter ending 31 st December, 2020 | 21 st January, 2021 |
| Quarter and financial year ending 31 st March, 2021 | 11 th May, 2021 |
| 6. LISTING DETAILS | |
| Name of Stock Exchange(s) & Stock Code(s) | Address |
| BSE Limited (BSE) – 500820 | BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 |
| National Stock Exchange of India Limited (NSE) – ASIANPAINT | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 |
| ISIN for Depositories | INE021A01026 |
| The Company has paid listing fees to BSE and NSE for the financial year ended 31 st March, 2020. | |

General Shareholder Information (Contd.)

7. THE DETAILS OF THE DIVIDEND DECLARED AND PAID BY THE COMPANY FOR THE LAST FIVE YEARS ARE AS FOLLOWS

| Year(s) | Percentage (%) | In ₹ per share (Face value of ₹ 1 each) | Dividend amount (₹ in crores) |
|-------------------|----------------|---|-------------------------------|
| 2014-15 | 610 | 6.1 | 585.1 |
| 2015-16 | 750 | 7.5 | 719.4 |
| 2016-17 | 1030 | 10.3 | 988 |
| 2017-18 | 870 | 8.7 | 834.5 |
| 2018-19 | 1050 | 10.50 | 1007.16 |
| 2019-20 (interim) | 1050 | 10.50 | 1007.16 |

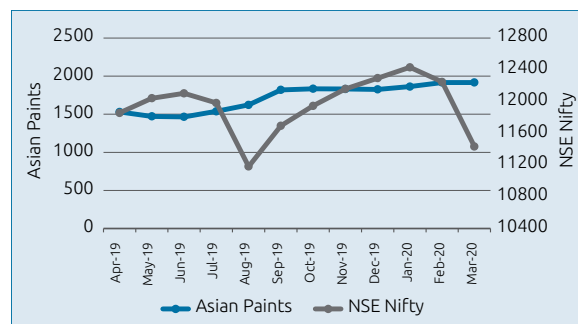
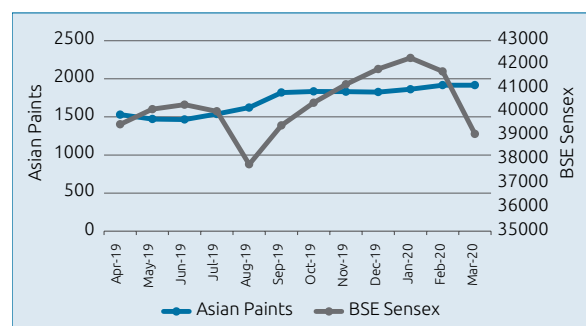
8. MARKET PRICE DATA – THE MONTHLY HIGH AND LOW PRICES OF THE COMPANY'S SHARES AT BSE AND NSE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020 ARE AS FOLLOWS

| Month | BSE | | NSE | |
|-----------------|----------|----------|----------|----------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2019 | 1,529.95 | 1,405.00 | 1,529.85 | 1,405.35 |
| May, 2019 | 1,471.90 | 1,294.50 | 1,472.90 | 1,295.85 |
| June, 2019 | 1,464.90 | 1,350.00 | 1,464.95 | 1,350.10 |
| July, 2019 | 1,538.35 | 1,291.45 | 1,538.25 | 1,291.25 |
| August, 2019 | 1,621.95 | 1,494.30 | 1,622.50 | 1,493.65 |
| September, 2019 | 1,819.55 | 1,501.25 | 1,820.00 | 1,502.10 |
| October, 2019 | 1,833.65 | 1,717.55 | 1,834.80 | 1,717.10 |
| November, 2019 | 1,830.50 | 1,666.00 | 1,830.90 | 1,666.15 |
| December, 2019 | 1,825.90 | 1,698.10 | 1,826.00 | 1,698.35 |
| January, 2020 | 1,861.95 | 1,694.00 | 1,862.25 | 1,694.00 |
| February, 2020 | 1,915.65 | 1,747.80 | 1,916.70 | 1,747.00 |
| March, 2020 | 1,915.90 | 1,431.85 | 1,915.90 | 1,431.20 |

Source: BSE & NSE website.

9. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The Chart below shows the comparison of the Company's monthly share price movement on the BSE vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31st March, 2020 (based on the month end closing):

**10. IN CASE THE SECURITIES OF THE COMPANY ARE SUSPENDED FROM TRADING, THE REASONS THEREOF**

Not applicable

11. IMPACT OF LOCKDOWN ON SHARE RELATED OPERATIONS

The Ministry of Home Affairs issued various guidelines, vide its Order dated 24th March, 2020, laying down measures to be taken by ministries and the other departments of Government of India for containment of COVID – 19 pandemic. The Order, *inter alia*, provided that commercial and private establishments shall be closed, but the entities providing capital and debt market services as notified by SEBI shall be exempted from such closure.

SEBI in line with the said Order of the Ministry of Home Affairs with respect to lockdown restrictions, issued a Notification dated 24th March, 2020, allowing entities providing capital and debt market services, including Registrar and Share Transfer Agents (RTA) to operate during the period of lockdown with restrictions.

The office of the Company's RTA, TSR Darashaw Consultants Private Limited, is situated in Mumbai. The lockdown restrictions imposed by the Government of India to counter the spread of COVID – 19 pandemic and other restrictive measures taken by the State Government on use of public transport, on operations of the postal services as well as their office area being demarcated as a red zone, from time to time, allowed for only critical business operations and largely impacted its regular operations.

SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59 dated 13th April, 2020, extended the timelines for processing of various investor requests pertaining to physical securities and compliance & disclosures to be made under SEBI Regulations and various SEBI circulars. The relaxation was being given to intermediaries / market participants, including Registrar and share Transfer Agent for equivalent period of lock down declared by the Government of India, over and above the prescribed time limits.

Accordingly, all the request(s) received from the shareholders and pending with the Company or its Registrar and Share Transfer Agent would be addressed in accordance with the timelines/relaxations as provided by the Statutory Authorities.

12. SHARE TRANSFER SYSTEM

Pursuant to an Order passed by the National Company Law Tribunal, Mumbai, and approval of Securities and Exchange Board of India, the Registry business of TSR Darashaw Limited had been demerged into a new entity TSR Darashaw Consultants Private Limited w.e.f. 28th May, 2019.

TSR Darashaw Consultants Private Limited is the Company's RTA. Share transfers, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by our RTA.

The Securities and Exchange Board of India has mandated transfer of securities only in dematerialized form with effect from 1st April, 2019, barring certain instances.

The shares lodged for transfer, transmission, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. The Board of Directors of the Company have delegated the authority to approve the transfer, transmission, dematerialization of shares etc., to any two members, jointly, of the Shareholders Committee of the Company including the Company Secretary. A summary of approved transfers, transmissions, dematerialization of shares, etc. is placed before the Board of Directors from time to time as per the Listing Regulations.

Transactions involving issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates etc. are approved by the Shareholders' Committee.

13. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), dividend, if not claimed for a period of seven (7) years from the date of transfer to Unclaimed Dividend Account on the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Further, according to the IEPF Rules, all the shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more from the respective date of transfer to Unpaid Dividend Account shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

During the year under review, the Company had sent individual notices and has issued advertisements in the newspapers, requesting the shareholders to claim their dividends in order to avoid transfer of shares / dividend to the IEPF. Details of the unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the website of the Company at:

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

The details of the unclaimed dividend and shares transferred to IEPF during the financial year 2019 – 20 are as follows:

| Particulars | Amount of unclaimed dividend transferred (in ₹) | No of shares transferred |
|--------------------------|---|--------------------------|
| Final Dividend 2011-12 | 74,88,881 | 63,080 |
| Interim Dividend 2012-13 | 25,78,112 | 21,150 |
| Total | 1,00,66,993 | 84,230 |

During the financial year 2020–21, the Company would be transferring unclaimed final dividend amount for the financial year ended 31st March, 2013 on or before 29th August, 2020, and unclaimed interim dividend amount for the financial year ended 31st March, 2014 on or before 26th December, 2020, to IEPF.

The members who have a claim on the dividends and shares transferred to the IEPF Authority may claim the same by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Appointment of Nodal and Deputy Nodal Officer(s)

In terms of IEPF Rules, the Company which is required to credit amounts or shares to the fund or has deposited the amount or transferred the shares

General Shareholder Information (Contd.)

to the Fund shall nominate a Nodal Officer, who shall either be a Director or Chief financial Officer or Company Secretary of the Company, for the purposes of verification of claims and coordination with IEPF Authority.

Companies are also authorized to appoint one or more Officer as Deputy Nodal Officer to assist the Nodal Officer for the purposes of verification of claim and for co-ordination with IEPF Authority.

In accordance with IEPF Rules, the Board of Directors have appointed Mr. R J Jeyamurugan, CFO and Company Secretary of the Company, as the Nodal Officer and Mrs. Radhika Shah, Chief Manager – Secretarial & Legal is the Deputy Nodal Officer.

Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available at the website of the Company at

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

14. DIVIDEND

| Dividend details | Payment date |
|--|--------------------------------|
| 1 st Interim Dividend for FY 2019-20 of ₹ 3.35 per equity share declared on 22 nd October, 2019 | 2 nd November, 2019 |
| 2 nd Interim Dividend for FY 2019-20 of ₹ 7.15 per equity share declared on 25 th February, 2020 | 6 th March, 2020 |

| Dividend details | Payment date |
|--|---|
| Final Dividend for FY 2019-20 of ₹ 1.5 per equity share recommended by the Board of Directors at its meeting held on 23 rd June, 2020 | 6 th August, 2020 (Subject to approval of the shareholders) |

The Company provides the facility for remittance of dividend to members through DC (Direct credit) / NACH (National Automated Clearing House) / NEFT (National Electronic Funds Transfer).

Members who have not opted for remittance of dividend through electronic mode and wish to avail the same are required to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition), to their respective Depository Participants (DPs) for shares held in electronic form or to the Company's RTA for shares held in physical form, as the case may be, in order to ensure safe and speedy credit of their dividend into their Bank account.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. Further details in this regard have been made available in the Notice for the Company's 74th Annual General Meeting forming part of this Annual Report.

Details of Unclaimed Dividend

The details of the outstanding unclaimed dividend and corresponding due dates for transfer to IEPF as on 31st March, 2020 are as under:

| Sr. No. | Particulars of Dividend | Amount (in ₹) | Due dates for transfer to IEPF |
|---------|--|----------------|---------------------------------|
| 1. | Final Dividend 2012-2013 | 1,01,35,381.00 | 29 th August, 2020 |
| 2. | Interim Dividend 2013-2014 | 37,28,719.00 | 26 th December, 2020 |
| 3. | Final Dividend 2013-2014 | 95,14,349.00 | 30 th August, 2021 |
| 4. | Interim Dividend 2014-2015 | 53,98,476.00 | 22 nd November, 2021 |
| 5. | Final Dividend 2014-2015 | 1,21,76,129.00 | 7 th September, 2022 |
| 6. | Interim Dividend 2015-2016 | 59,30,912.00 | 27 th December, 2022 |
| 7. | Final Dividend 2015-2016 | 2,27,35,246.80 | 2 nd September, 2023 |
| 8. | Interim Dividend 2016-2017 | 1,27,94,423.10 | 30 th December, 2023 |
| 9. | Final Dividend 2016-2017 | 3,41,45,293.05 | 2 nd September, 2024 |
| 10. | Interim Dividend 2017-18 | 1,19,19,382.00 | 28 th December, 2024 |
| 11. | Final Dividend 2017-18 | 2,44,44,468.40 | 1 st September, 2025 |
| 12. | Interim Dividend 2018-19 | 1,07,77,779.73 | 26 th December, 2025 |
| 13. | Final Dividend 2018-19 | 2,99,81,841.75 | 31 st August, 2026 |
| 14. | 1 st Interim Dividend 2019-20 | 1,19,36,975.65 | 26 th December, 2026 |
| 15. | 2 nd Interim Dividend 2019-20 | 1,90,85,916.85 | 30 th April, 2027 |

15. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED TO THE 'ASIAN PAINTS LIMITED – UNCLAIMED SUSPENSE ACCOUNT' IS AS UNDER

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

| | Particulars | No. of shareholders | No. of Equity Shares |
|-----------------|---|---------------------|----------------------|
| Opening Balance | Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 1 st April, 2019 | 460 | 700,180 |
| Less | Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year | 22 | 44,880 |
| Less | Number of shareholders whose shares got transferred from suspense account to IEPF during the year | 49 | 32,880 |
| Closing Balance | Aggregate number of shareholders and outstanding shares lying in the suspense account as on 31 st March, 2020 | 389 | 622,420 |

All the corporate benefit against those shares like bonus shares, split, etc., would also be transferred to Unclaimed Suspense Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account would be credited back to the relevant dividend accounts of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

The shareholders holding shares in physical form are requested to dematerialize their shares for safeguarding their holdings and managing the same hassle free. Shareholders are accordingly requested to get in touch with any of the Depository Participant(s) registered with SEBI to open a Demat account. The shareholders may also visit website of depositories viz. National Securities Depository Limited or Central Depository Services (India) Limited for further understanding of the demat procedure.

16. DEMATERIALIZATION OF SHARES

Break up of shares in physical and demat form as on 31st March, 2020 is as follows:

| Particulars | No. of Shares | % of Total No. of Shares |
|------------------|--------------------|--------------------------|
| Physical Segment | 7,725,758 | 0.81 |
| Demat Segment | 951,472,032 | 99.19 |
| NSDL | 928,221,771 | 96.77 |
| CDSL | 23,250,261 | 2.42 |
| Total | 959,197,790 | 100 |

The Company in terms of SEBI Press Release dated 27th March, 2019, is accepting only those request(s) for physical transfer of shares, which were lodged and returned prior to the deadline of 1st April, 2019 due to deficiency in document(s).

17. DISTRIBUTION OF SHAREHOLDING

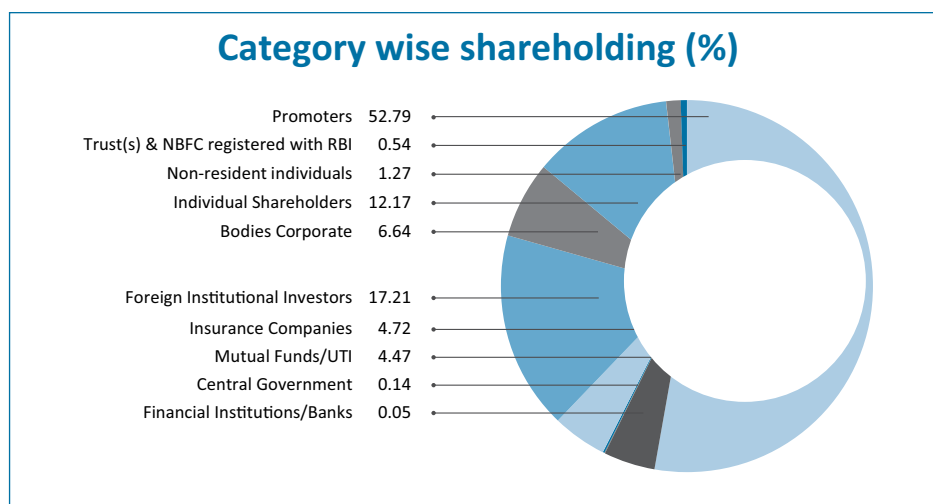
Distribution of shareholding of shares of the Company as on 31st March, 2020 is as follows:

| No. of equity shares | | Shareholders | | Shareholding | |
|----------------------|-----------|----------------|---------------|--------------------|---------------|
| | | No. | % to total | No. | % to total |
| Upto | 50 | 205,902 | 65.23 | 3,064,597 | 0.32 |
| 51 | 100 | 40,214 | 12.74 | 3,275,132 | 0.34 |
| 101 | 200 | 25,860 | 8.19 | 3,815,392 | 0.40 |
| 201 | 300 | 8,928 | 2.83 | 2,261,048 | 0.24 |
| 301 | 400 | 4,338 | 1.37 | 1,547,631 | 0.16 |
| 401 | 500 | 3,713 | 1.18 | 1,755,917 | 0.18 |
| 501 | 1000 | 7,439 | 2.36 | 5,678,776 | 0.59 |
| 1001 | 5000 | 12,680 | 4.02 | 32,771,108 | 3.42 |
| 5001 | 10000 | 3,530 | 1.12 | 27,256,102 | 2.84 |
| 10001 | AND ABOVE | 3,022 | 0.96 | 877,772,087 | 91.51 |
| Total | | 315,626 | 100.00 | 959,197,790 | 100.00 |

General Shareholder Information (Contd.)

Shareholding Pattern as on 31st March, 2020

| | Category of Shareholder(s) | No. of Shares | % of Total No. of Shares |
|-----|--|--------------------|--------------------------|
| (A) | Shareholding of Promoter(s) and Promoter(s) Group | | |
| | (a) Individuals/Hindu Undivided Family | 100,967,572 | 10.53 |
| | (b) Bodies Corporate | 404,631,382 | 42.18 |
| | (c) Trust | 785,700 | 0.08 |
| | Total Shareholding of Promoter(s) and Promoter(s) Group (A) | 506,384,654 | 52.79 |
| (B) | Public shareholding | | |
| | (1) Institutions | | |
| | (a) Mutual Funds/UTI | 42,885,325 | 4.47 |
| | (b) Financial Institutions/Banks | 518,288 | 0.05 |
| | (c) Central Government | 1,386,963 | 0.14 |
| | (d) Insurance Companies | 45,272,595 | 4.72 |
| | (e) Foreign Institutional Investors | 165,046,022 | 17.21 |
| | Sub-Total (B)(1) | 255,109,193 | 26.59 |
| | (2) Non-Institutions | | |
| | (a) Bodies Corporate | 63,702,852 | 6.64 |
| | (b) Individuals | | |
| | (i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | 107,979,167 | 11.26 |
| | (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 8,679,901 | 0.91 |
| | (c) Non-Resident individuals | 12,132,947 | 1.27 |
| | (d) NBFCs registered with Reserve Bank of India (RBI) | 11,271 | 0.00 |
| | (e) Trust(s) | 5,197,805 | 0.54 |
| | Sub total (B)(2) | 197,703,943 | 20.62 |
| | Total Public Shareholding (B)=(B)(1)+(B)(2) | 452,813,136 | 47.21 |
| | Total (A)+(B) | 959,197,790 | 100 |

Category wise shareholding as on 31st March, 2020

18. OUTSTANDING INSTRUMENTS AND THEIR IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ ADRs/ Warrants/Convertible Instruments as on 31st March, 2020.

19. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

- a) Risk management policy of the listed entity with respect to commodities including through hedging:

The Company has in place a Risk Management Policy and a mechanism to assess risk, periodically review it and ensure that steps are taken to mitigate the risks. The Risk Management Committee (RMC) periodically meets to discuss the key strategic and business risks and the risk treatment plans being taken by the Company. The minutes of the meetings of the RMC are periodically shared with the Audit Committee of the Board.

The Company imports certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing paints and related products of the Company. Most of the significant raw materials are not commodities per se, though some of them could be derivatives of commodities.

The Company does not undertake any commodity hedging activities.

The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

- b) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: NA
- c) Commodity risks faced by the listed entity during the year and how they have been managed: NA

20. CREDIT RATINGS AND ANY REVISIONS THERETO FOR DEBT INSTRUMENTS OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2020.

The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA respectively. There was no revision in the said ratings during the year under review.

21. PLANT LOCATIONS

Paint Plants:

1. Plot Nos. 2602/2702, GIDC Industrial Area, Ankleshwar - 393 002, Gujarat.
2. SIPCOT Industrial Park, Plot No. E6-F13, Sriperumbudur - 602 105, Kancheepuram District, Tamil Nadu.
3. Plot A1, MIDC, Khandala Industrial Area, Taluka Khandala, Satara - 412 802, Maharashtra.
4. Plot Nos. 50-55, Industrial Development Area, Phase II, Patancheru - 502 319 Dist. Medak, Telangana.
5. A-1, UPSIDC Industrial Area, Kasna - II, Kasna Village, Greater Noida, Dist. Gautambudh Nagar - 203 207, Uttar Pradesh.
6. Plot No. 1, IMT, Sector 30 B, PO Kherisadh Village, Rohtak - 124 027, Haryana.
7. Taloja Plant: Plot No. 3/2, MIDC, Taloja, Raigad - 410 208, Maharashtra.
8. Plot No. 3, 4 and UDL, Industrial Cluster, Pudi, Rambilli 531 061, Visakhapatnam District, Andhra Pradesh.
9. Thandya Phase - 2, Industrial Area, Immavu, Nanjangud Taluk, Mysuru - 571 302, Karnataka.

Other Plant:

Penta Plant: B-5 and 10, Sipcot Industrial Complex, Cuddalore - 607 005, Tamil Nadu.

22. ADDRESS FOR CORRESPONDENCE

For any queries relating to the shares of the Company, correspondence may be addressed to the Company's RTA at:

M/s. TSR Darashaw Consultants Private Limited (TSR)
6, Haji Moosa Patrawala Industrial Estate,
Near Famous Studios, 20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011,
Tel No.: (022) 6656 8484 Extn.: 411/412/413
Fax No.: (022) 6656 8494
Toll Free No.: 1800 2100 124
e-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

For the convenience of our investors, our RTA will accept the share transfer documents and other related letters at their following locations:

General Shareholder Information (Contd.)

1. Branches of TSR

503 Barton Centre, 5th Floor 84, Mahatma Gandhi Road, Bangalore – 560 001.

Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.

Plot No 2/42, Sant Vihar, Ansari Road Daryaganj, New Delhi – 110 002.

Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur – 831 001.

2. Agents of TSR

Shah Consultancy Services Ltd., 3, Sumatinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad – 380 006.

The documents will also be accepted at the Registered Office of the Company:

Asian Paints Limited

CIN: L24220MH1945PLC004598

6A, Shantinagar, Santacruz (E),

Mumbai – 400 055, Tel. No.: (022) 6218 1000

E-mail: investor.relations@asianpaints.com

Website: www.asianpaints.com

Shareholders are requested to quote their Folio No./ DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

23. ADDRESS OF THE REDRESSAL AGENCIES FOR INVESTORS TO LODGE THEIR GRIEVANCES

Ministry of Corporate Affairs (MCA)

'A' Wing, Shastri Bhawan, Rajendra Prasad Road, New Delhi – 110 001

Tel. No.: (011) 2338 4660, 2338 4659

Website: www.mca.gov.in

Securities and Exchange Board of India

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051,

Tel. No.: (022) 26449000 / 40459000 /

(022) 26449950 / 40459950

Fax No.: (022) 26449019-22 / 40459019-22

Toll Free Investor Helpline: 1800 22 7575

E-mail : sebi@sebi.gov.in

Website: www.sebi.gov.in

Stock Exchanges:

National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Tel. No.: (022) 26598100 - 8114

Fax No.: (022) 26598120

Website: www.nseindia.com

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Tel. No.: (022) 22721233/4, (022) 66545695 (Hunting)

Fax No.: (022) 22721919

Website: www.bseindia.com

Depositories:

National Securities Depository Limited

Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound,

Lower Parel, Mumbai – 400 013

Tel. No.: (022) 2499 4200

Fax No.: (022) 2497 6351

Email: info@nsdl.co.in

Website: www.nsdl.co.in

Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th Floor,

N M Joshi Marg, Lower Parel, Mumbai – 400 013

Toll free No.: 1800-22-5533

Email: complaints@cdslindia.com

Website: www.cdslindia.com

24. OTHERS

a. Non-resident shareholders:

Non-resident shareholders are requested to immediately notify:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement; and
- Particulars of their Non Resident Rupee Account, whether repatriable or not, with a bank in India, if not furnished earlier.

b. Updation of shareholders details:

- Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written request under the signatures of sole/first joint holder; and

ii. Shareholders holding shares in electronic form are requested to send their instructions directly to their DPs.

c. Shareholders holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

d. Shareholders are requested to Deal only through SEBI registered intermediaries and give clear and unambiguous instructions to your broker / sub-broker / DP.

e. Nomination of shares:

Section 72 of the Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in companies. Shareholders, in particular, those holding shares in single name, may avail of the above facility by furnishing the particulars of their nominations in the prescribed Form No. SH-13 annexed to this report or download the same from the Company's website.

f. Email Id registration

To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to Company like Notice and Outcome of Board Meetings, Dividend credit intimations, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses.

The Company periodically sends reminder to all those shareholders who haven't registered their email address or wish to change the same. The shareholders willing to register their email address can write to their respective Depository Participant or Company's Registrar and Share Transfer Agent, as the case may be.

g. SEBI Complaints Redress System (SCORES):

SEBI vide its circular dated 26th March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance.

In its efforts to improve the ease of doing business, SEBI launched a Mobile Application for the convenience of investors to lodge their grievances in SEBI Complaints Redress System (SCORES).

The App has all the features of SCORES which is presently available electronically where investors have to lodge their complaints by using internet medium. After mandatory registration on the App, for each grievance lodged, investors will get an acknowledgement via SMS and e-mail on their registered mobile numbers and e-mail ID respectively. Investors can, not only file their grievances but also track the status of their complaint redressal. Investors can also key in reminders for their pending grievances. Tools like FAQs on SCORES for better understanding of the complaint handling process can also be accessed. Connectivity to the SEBI Toll Free Helpline number has been provided from the App for any clarifications/help that investors may require.

Annexure A to Report on Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Asian Paints Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Asian Paints Limited** having **CIN L24220MH1945PLC004598** and having registered office at **6A, Shantinagar, Santacruz (E), Mumbai 400055** (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

TABLE A

| Sr. No. | Name of the Directors | Director Identification Number | Date of appointment in Company |
|---------|--------------------------|--------------------------------|--------------------------------|
| 1. | Ashwin Suryakant Dani | 00009126 | 18/12/2003 |
| 2. | Abhay Arvind Vakil | 00009151 | 22/07/2014 |
| 3. | Manish Mahendra Choksi | 00026496 | 22/10/2018 |
| 4. | Kanwar Bir Singh Anand | 03518282 | 25/06/2012 |
| 5. | Malav Ashwin Dani | 01184336 | 21/10/2013 |
| 6. | Amrita Amar Vakil | 00170725 | 14/05/2014 |
| 7. | Jigish Shailesh Choksi | 08093304 | 01/04/2019 |
| 8. | Deepak Madhav Satwalekar | 00009627 | 30/05/2000 |
| 9. | Sivaram Swaminathan | 00009900 | 07/04/2001 |
| 10. | Mahendrakumar Sharma | 00327684 | 25/10/2012 |
| 11. | Vibha Paul Rishi | 05180796 | 14/05/2014 |
| 12. | Seshasayee Ramaswami | 00047985 | 23/01/2017 |
| 13. | Suresh Narayanan | 07246738 | 01/04/2019 |
| 14. | Pallavi Shardul Shroff | 00013580 | 01/04/2019 |

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN- F006667B000331134

Place: Mumbai
Date : 10th June, 2020

For **Makarand M. Joshi & Co.**
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN- F005533B000366621

Place: Mumbai
Date : 22nd June, 2020

Annexure B to Report on Corporate Governance for the financial year ended 31st March, 2020

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2020.

Amit Syngle

Managing Director & CEO

Place: Mumbai

Date : 23rd June, 2020

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Board of Directors
Asian Paints Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

Amit Syngle

Managing Director & CEO

Place: Mumbai

Date : 23rd June, 2020

R J Jeyamurugan

CFO & Company Secretary

Annexure C to Report on Corporate Governance for the financial year ended 31st March, 2020

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF ASIAN PAINTS LIMITED

To the Members of
Asian Paints Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. AAD/AVJ/3435/2019-20/01 dated June 12, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Asian Paints Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on

Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No: 117366W/W-100018

Abhijit A. Damle

Partner

Membership No: 102912

UDIN : 20102912AAAADH1280

Place: Mumbai

Date : June 23, 2020

Business Responsibility Report (BRR)

INTRODUCTION

Asian Paints is committed to manage its operations including deployment of resources using principles of sustainable development to minimize impact on environment and protect health & safety of its employees, service providers, neighboring communities and customers.

The Company's approach to sustainable development is incorporated into its business strategy. An integral part of that sustainable journey is its continuous endeavor to protect environment through conservation of water and energy, minimization of waste and its environmentally sound disposal.

The Business Responsibility Report is a summary of the Company's sustainability programmes and its more detailed Sustainability Report is published separately which is available on Company's website and can be accessed by using the link - <https://www.asianpaints.com/sustainability/>

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN)** : L24220MH1945PLC004598
- Name of the Company** : Asian Paints Limited
- Registered address** : 6A, Shantinagar, Santacruz (East), Mumbai - 400 055
- Website** : www.asianpaints.com
- E-mail Id** : investor.relations@asianpaints.com
- Financial Year reported** : 1st April, 2019 to 31st March, 2020
- The Company is engaged in (industrial activity code-wise):**

| Group* | Description |
|--------|--|
| 202 | Manufacture of paints, varnishes, enamels or lacquers |
| 202 | Manufacture of surfacing preparations; organic composite solvents and thinners, and other related products |
| 201 | Manufacture of organic and inorganic chemical compounds n.e.c. |
| 259 | Manufacture of metal sanitary ware such as bath, sinks, washbasins and similar articles |

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. The key products that the Company manufactures (as per Balance Sheet) are:

- Paints/Synthetic Enamels, Other Colours,
- Pentaerythritol
- Bath Fittings

Please refer to Company's website (www.asianpaints.com) for complete list of products.

9. Total number of locations where business activity is undertaken by the Company:

- Number of international locations – Nil (on a standalone basis)
- Number of national locations –

| | |
|---|-----|
| Paint Manufacturing Facilities | 9 |
| Chemical Plants | 1 |
| Research & Technology Centre and Test Sites | 3 |
| Sales Locations | 140 |
| Admin Offices | 34 |
| Distribution Centres | 10 |
| Other offices including the Registered Office | 5 |

10. Markets served by the Company:

| Local | State | National | International |
|-------|-------|----------|---------------|
| ✓ | ✓ | ✓ | ✓ |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital** : ₹ 95.92 crores
- Total Turnover** : ₹ 19,739.97 crores
- Total profit after taxes** : ₹ 2,653.95 crores
- Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (PAT)%**

The Company's total spending on CSR for the financial year 2019-20 is ₹ 74.64 crores which is 2.8 % of PAT.

5. Some of the areas for which expenditure in 4 above has been incurred:

- Education
- Water Conservation
- Health Care, Hygiene and Sanitation
- Vocational Training

SECTION C: OTHER DETAILS

- The Company as on 31st March, 2020 has 6 (Six) direct subsidiaries and 18 (Eighteen) indirect subsidiaries.
- The Company encourages its subsidiaries to adopt its policies and practices.

Business Responsibility Report (BRR) (Contd.)

SECTION D: BUSINESS RESPONSIBILITY INFORMATION**1. Details of Director/Directors responsible for BR**

- a. Details of the Director responsible for implementation of the BR policy:
- DIN : 07232566
 - Name : Amit Syngle
 - Designation : Additional Director / Managing Director & CEO
- b. Details of the BR head:
- Name : R J Jeyamurugan
 - Designation : CFO & Company Secretary
 - Tel. No. : +91 22 6218 1000
 - E-mail Id : investor.relations@asianpaints.com

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/Policies (Reply in Y/N)

| | |
|----|---|
| P1 | Business should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| P3 | Businesses should promote the well-being of all employees |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect, and make efforts to restore the environment |
| P7 | Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| P8 | Businesses should support inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

| Sr. No. | Question(s) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|--|--|--|--|--|--|--|----|--|--|
| 1. | Do you have a policy/policies for.... | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1 | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 3. | Does the policy conform to any national/international standards? Refer Note 2 | Y | Y | Y | Y | Y | Y | NA | Y | N |
| 4. | Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director? Refer Note 3 | Y (It is signed by the Vice President - Human Resources Function) | Y (It is signed by the Managing Director & CEO) | Y (It is signed by the Vice President - Human Resources Function) | Y (It is signed by the Managing Director & CEO) | Y (It is signed by the Vice President - Human Resources Function) | Y (It is signed by the Managing Director & CEO) | NA | Y (It is signed by the Managing Director & CEO) | Y (It is signed by the Managing Director & CEO) |
| 5. | Does the Company has a specified committee of the Board of Directors/ Official to oversee the implementation of the policy? Refer Note 4 | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 6. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 7. | Does the Company have in-house structure to implement the policy/policies | Y | Y | Y | Y | Y | Y | NA | Y | Y |

| Sr. No. | Question(s) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----|----|
| 8. | Does the Company has a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | Y | Y | Y | Y | Y | NA | Y | Y |
| 9. | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 5: | Y | Y | Y | Y | Y | Y | NA | Y | Y |

Notes:

- While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.
- The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards. Please refer the detailed report for more information.
- As a process all the policies are noted by the Board. The Board authorises Senior Officials of the Company to authenticate the policies and make necessary changes whenever required.
- The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function. The CSR Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013 and Rules framed thereunder. The EHS Policy is overseen by the Supply Chain, Manufacturing and the Research & Technology Function. The Company has a separate Customer Centricity Function which looks at all customer related issues.
- While the Company has not carried out independent audit of the policies, the Internal Audit Function periodically looks at the implementation of the policies.

| Principle | Applicable Policies | Link for policies |
|---|---|--|
| Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability | Code of Conduct | https://www.asianpaints.com/more/investors/policies-programs.html |
| Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle | Environment, Health and Safety Policy. | https://www.asianpaints.com/footer-links/ehs-policy.html |
| Principle 3: Businesses should promote the well-being of all employees | Code of Conduct & Internal HR Policies for Employees. | https://www.asianpaints.com/more/investors/policies-programs.html |
| Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized | CSR Policy & Customer Policy. | https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf https://www.asianpaints.com/footer-links/customer-policy.html |
| Principle 5: Businesses should respect and promote human rights | Code of Conduct. | https://www.asianpaints.com/more/investors/policies-programs.html |
| Principle 6: Businesses should respect, protect, and make efforts to restore the environment | Environment, Health and Safety Policy. | https://www.asianpaints.com/footer-links/ehs-policy.html |
| Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner | NA | NA |
| Principle 8: Businesses should support inclusive growth and equitable development | CSR Policy. | https://www.asianpaints.com/content/dam/asianpaints/website/secondary-navigation/about-us/corporate-citizenship/CSR%20Policy.pdf |
| Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner | Customer Policy. | https://www.asianpaints.com/footer-links/customer-policy.html |

Business Responsibility Report (BRR) (Contd.)

2a. If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)

| Sr. No. | Question(s) | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|----|----|----|
| 1. | The Company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3. | The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4. | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5. | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6. | Any other reason (please specify) | - | - | - | - | - | - | * | - | - |

* The Company does not have a separate policy on "policy advocacy". For advocacy on policies related to the Paint Industry, the Company works through industry associations such as Indian Paints Association, Confederation of Indian Industries, etc. There are specified officials in the Company who are authorised for communicating with industrial bodies and managing government affairs in accordance with Communication Policy of the Company.

Governance related to BR

The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company – <https://www.asianpaints.com/more/investors/annual-reports.html>

PRINCIPLE 1**Business should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company has built trust with its stakeholders by committing to adhere to compliance, disclosure, responsible and ethical business conduct. Our sustainability approach is based on the principles of transparency and accountability. Across the organisation, we strive to ensure highest levels of adherence to these principles through our policies like Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc. The Company's practice of making timely, accurate and complete disclosure of relevant information has not only enabled it to gain trust of its stakeholders' but also foster a culture promoting ethics and integrity.

The Company also has a Whistle Blower policy under which an Ethics Committee comprising of the Managing Director & CEO, Compliance Officer and Head of the Human Resources function has been constituted for receiving and investigating complaints from any employee/business associates. An Ethics Hotline has been provided to employees to enable them to report any instances of fraud, abuse, misconduct or malpractices at workplace. The Hotline is provided with language options to facilitate employees to report their concerns in the language they are more conversant with. This hotline is available for the Company as well as to all its subsidiaries including international subsidiaries in local languages.

The Code of Conduct for employees and the Whistle Blower Policy of the Company is also extended to employees of the subsidiary companies. The Code of Conduct and Company's Policy on Fraud Prevention which covers acts such as deception, bribery, forgery, extortion and corruption are applicable to any irregularity involving employees as well as vendors, contractors, customers, and/or any other entities having a business relationship with the Company. Adequate measures have been taken to educate employees and suppliers on the Company's expectation on ethical conduct.

The Company has adopted and implemented various policies and codes thereby setting the foundation for good corporate governance at the core of all its business transactions and processes. The Company has put in place a robust system of compliance in the organization with the help of its people and technology. A well-organised compliance management system which enables the

Company's employees to know about the compliance requirements related to their respective areas, report the status of compliances and seek clarity on legal provisions, has been set up. The web-based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at all levels in the Company.

The Company is cognizant of its responsibility towards protecting and maintaining the confidentiality and disclosure of price sensitive information in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. In this regard, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which not only conforms to the regulatory requirements but also instils a sense of responsibility among the designated persons for protecting and maintaining confidentiality. With a view to implement the Code in its true spirit and to ensure full adherence by the designated persons, the Company has automated the process of obtaining disclosures and sanctioning pre-clearance applications for trades by designated persons under the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Asian Paints Insider Trading Management System not only acts as a repository of relevant information but also provides an electronic platform for submission of statutory declarations by the designated persons, seeking trading approvals and sending out timely compliance reminders.

There are different systems in place to receive and resolve complaints from various stakeholders. In case of investors, complaints received from SEBI, stock exchanges or depositories are resolved through Company's share transfer agent. During the year the Company received 30 investor complaints out of which 29 have been resolved and one is in process as on 31st March, 2020.

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is committed to offer products that meet internationally accepted green product standards. This commitment drives the team of dedicated professionals working at Company's state-of-the-art Research & Technology Centre at Mumbai where technology and innovation are the corner stones.

Royale Health Shield is an anti-bacterial product that provide better interior air quality and protection against bacteria. This product has been endorsed by Indian Medical Association. It is now upgraded further and has been certified by American Asthma Federation.

In the space of exterior paints, sustainability through durability has been the focus of the company. Ultima Protek Lamino was introduced as durable paint that has longer service life and added features like graffiti removal.

Water proofing solution continue to be a focus area and several new products have been launched to prevent migration of water into the structure and improve the service life of construction. Ultron is one such product.

The Company has been taking all possible measures to reduce Volatile Organic Compounds (VOC) levels in paints. Moving further, dealer tinting system, this year, has been transformed for universal colorant to a separate solvent based and water based colorant platform. This, not only reduces the environmental impact, but also attributing. All our existing and new products for architectural and decorative market are free from presence of heavy metals and respirable crystalline silica.

Apolite Rust Shield has been introduced to the market to address the challenge of corrosion in household metallic structures. It can be applied over moderately rusted surfaces. The unique polymer technology and formulation science helps the product to hold onto the rust and protect the overall structure for longer period.

The company launched a new product Nilaya Natural. The product is designed as per Ecocert standard for natural Origin paints and Coatings and more than 97% of its ingredients are either natural or natural origin.

Waterproofing

This year, SmartCare PU Magnum 2K waterproofing membrane coating was launched

We have upgraded all our premium products to give better performance in different environmental conditions

In the recent past, the company has made focused efforts in the area of increasing the renewable content of the products and process innovation. Polyols and polymeric carbohydrates derived from renewable origin have been incorporated in products thereby increasing the renewable content of many products. A new way of dispersion technology has been scaled up at manufacturing plants that enables reduction of rutile which is a key contributor to greenhouse gas emissions.

Business Responsibility Report (BRR) (Contd.)

The Company continues to accord highest priority in developing eco-friendly products which meet the best international standards such as GS 11 from Green Seal USA. The company's internal green logo "Green Assure" on certain categories of products is a testimony of commitment to develop and market best of the class green product to ensure consumer safety as well as safeguarding environment. Accordingly the company has initiated number of R&D programs towards developing products based on sustainable design philosophy starting from raw material selection to formulation development to manufacture, application and waste control. The entire architectural product category continues to be free from heavy metals and respirable crystalline silica free.

Amidst the ever-changing landscape, one thing that has remained constant is our steadfast commitment to being truly green. We started this journey, about seven years ago, with 'Lead & Heavy Metal Free Guarantee'. This was much before the government's legislation in 2016 banning decorative paints containing metallic lead concentration more than 90 ppm. All our raw material and newly developed paint formulation are screened for Lead content by using our internal facility which is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) ISO/IE 17025:2005.

Our Research and Technology division is where over 200 highly qualified scientists come together and share their insights in technological developments, to help us push the envelope year after year. Our state-of-the-art laboratories are spread across multiple locations around the world. Here is where most of our paint development and testing for architectural and industrial application takes place. We also have a microbiology lab, a modern instrumentation lab and a resin and functional polymer development lab.

With a view to reduce carbon footprint, the Company has implemented more efficient machinery at plants to reduce the power consumption and to reduce raw materials that are high contributors to produce carbon footprint. Company's application laboratory has developed test protocol for various application tools designed by the Company for best outcome in terms of finish and ease of application. Application laboratory also has developed test protocol to get the best output from automated tools. Application laboratory has also tested various construction materials and their impact on finish of final top coat.

The Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available on the Company's website. It contains the information pertaining to product features, process of application,

technical details, safety precautions etc. The information can be accessed through the following link:

https://www.asianpaints.com/pro/product_listing.aspx

Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment.

The company has initiated proactive steps to control, reduce and eliminate use of toxic and hazardous raw materials during design and manufacture of products. Appropriate safeguard mechanism has been instituted to prevent entry of new toxic material at the raw material approval stage itself. Also identification of toxic and hazardous materials from the active raw material list has been completed and removal plans have been initiated wherever possible. In cases where alternates are not available easily for replacement, a detailed plan for mitigating exposure risk during manufacturing, application and disposal has been designed and implemented at plants.

The Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its production. In order to reduce the consumption of power derived from non-renewable sources, the Company has installed solar power panels and wind mills at or near its plants for sourcing power.

In the area of energy management we look to responsibly manage and conserve energy by improving the efficiency of our production processes and incorporating renewable energy technologies to supplement our power needs.

In the past decade, specific fresh water consumption in our paint manufacturing plants has been reduced significantly through the following:

- ✓ Reduction of water consumed in utilities by process improvements in cooling tower operations.
- ✓ Reuse and recycle of waste water which streams back into the manufacturing processes.
- ✓ Installation of Zero Discharge Facilities etc.

Over the period of time, the Company has developed standard practices for ensuring sustainable development and have included them as one of the selection criteria for its vendors and suppliers. As such the Company prefers to enter into long term commitments with its business partners who fulfil their responsibility towards society as well as environment. The Company take initiatives to improve awareness about legal compliances, enhance eco-friendly efficiencies, packaging / logistics improvements

at the suppliers end. Supplier and transporter meets are held on a periodical basis where the Company engages and encourages them to undertake sustainable practices across supply chain.

The Company has strategically designed its distribution network in order to serve its dealers in the least possible time and transportation cost. This has resulted in better warehouse and inventory management. Further, the Company drives its distribution plan using an ERP (Enterprise Resource Planning) system to optimize freight cost. It also promotes suppliers wherever feasible, to set up their manufacturing units near to the Company's manufacturing locations. These initiatives on one hand benefits the Company in terms of time and cost of transportation and on the other support environment through reduction in fuel consumption and resultant carbon emission.

The Company has been procuring papers that contain 100% recycled content. The Company also uses recycled cardboard cartons (secondary packaging) to pack small sized paint containers. The jumbo packaging used for transfer of certain powder raw material by suppliers is also reused for internal purposes.

PRINCIPLE 3

Businesses should promote the wellbeing of all employees

The safety and well-being of the Company's employees is paramount and non-negotiable. The Company follows industry accredited best practices on health & safety across our operations, and conduct all our processes in a responsible manner to safeguard our employees. The Company has a long standing practice of developing talent from within. Much of this can be attributed to living and espousing our values, employee-friendly policies and practices and nurturing a culture of shared vision and commitment.

| Sr. No. | Category of employees | Number of employees |
|---------|------------------------------|---------------------|
| 1 | Permanent employees | 6750 |
| | Women employees | 436 |
| | Differently abled employees | 5 |
| | Other employees | 6309 |
| 2 | Temporary employees | 16224 |
| | Contract employees | 16131 |
| | Temporary / casual employees | 93 |

Details of employees and contracted work force in India as on 31st March, 2020 are listed below:

There are registered and recognized trade unions at the company's manufacturing locations and certain sales units are affiliated to various local and central trade unions. Around 28% of permanent employees are under unionised category.

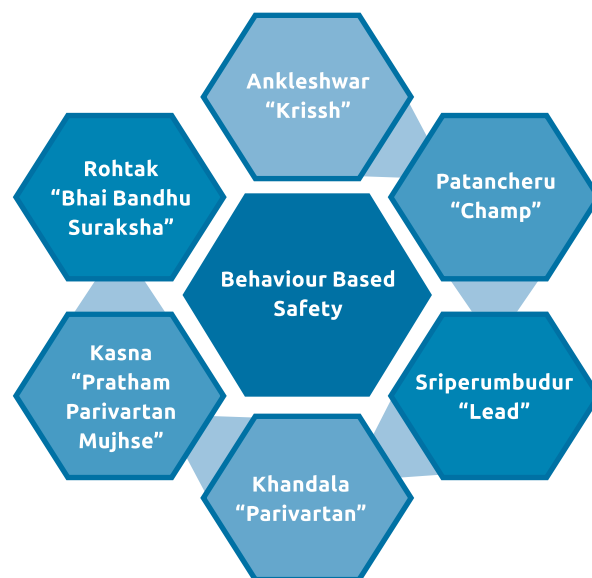
The Company's policy prohibits engaging of any child labour or involuntary labour. Thus, there are no complaints relating to child labour, forced labour and involuntary labour.

Safety & Health at the workplace

Establishing policies, plans and procedures aimed at reducing accident rates are important, but a strong safety culture emerges only when employees share the organisation's vision. At Asian Paints, we are building a culture where employees exhibit and practice safe behaviour.

Occupational Health and Safety is centrally governed by a 'Safety Council' and is supplemented by plant level 'Apex' and 'Department' Safety Committees. Safety Council provides oversight to ensure continuous performance backed up by the Corporate Quality and Safety (CQS) team. The Company has in its staff, specially trained safety professionals along with trained line management. Health and Safety aspects are also covered in all its formal agreements with trade unions and contractors and are a part of the Settlement Book.

Some of the initiatives taken in the area of Health & Safety are listed below:



- Behaviour Based Safety (BBS) initiative was taken at Anklashwar and Patancheru in 2014 and 2016 respectively. As per the process, baseline assessment was carried out at both the plants to establish the maturity level and progress made. Both the plants have made significant improvement in the safety culture and have moved to next levels in the subsequent assessments. This initiative is now extended to six decorative plants. Each plant has branded them keeping in view the regional context.

Business Responsibility Report (BRR) (Contd.)

- All the leaders in Supply Chain (General Works Managers, Chief Managers, General Managers and Vice President) have undergone a workshop on Safety Culture Building. This programme is made for all leaders in the Supply Chain function before they assume their respective roles.
- All the decorative manufacturing plants follow the Asian Paints Safety Manual which is based on British Safety Council Specifications for Five Star Safety Audit. During the year 2018-19, Rohtak plant has successfully completed Five Star Safety Audit of the British Safety Council & was awarded with Sword of Honour. In year 2019-2020 Sriperambudur plant is successfully completed Five star audit form British safety council.
- The Occupational Health Centres at Company's manufacturing locations is ahead of the regulatory requirements and the Company takes all possible measures to keep it uptodate with latest devices and facilities.
- At our Regional Distribution Centres, Suraksha Sarvopari, a safety programme has been implemented which includes fire safety, electrical safety, safety audits etc. The units are graded monthly and annual award is presented to the winning team.
- For the Company sales warehouses, there is a similar programme implemented called Safety Stalwarts. The programme is aimed to sensitise workers on personal safety and focuses on mock drills, safety campaigns, electrical safety, safety audits, safety week celebrations and safety improvements. The units are graded monthly and an annual award is presented.
- Further a helpline service called 'APAL' in partnership with Optum was launched to provide mental and psychological support to employees.
- Global Plank Challenge was launched.

The purpose of this initiative was to challenge employees to build stamina and increase strength and ability to hold a plank for the maximum time. 12 countries, 38 teams and more than 500 employees participated.

- Desk Yoga Session

Prolonged sitting hours at office can cause stress and stiffness in the joints leading to discomfort and tiredness. The Company arranged for desk yoga session for employees. They were taught light yoga

postures which can be performed easily at desk to revitalize body.

- Global Step Challenge

The Company launched a global step initiative between 1st to 30th November, 2019 for all Asian Paints Group employees. The purpose of this initiative was to encourage employees to walk/jog/run daily. Three challenges were launched in this –

- a) Hit a century- The 100 Km (Individual Challenge)
- b) Participants must walk/run to achieve a milestone of 100 kms over a period of 30 days to qualify for this challenge.
- c) Beyond Boundaries (Individual Challenge) This was a 30 day challenge. Any employee could participate in this challenge and share distance covered.
- d) Happy Feet (Team Challenge) A team of 5 members could participate together to achieve the longest distance covered.

- Wellness Initiatives at Factories:

The Company understand that employees spend a big part of their waking hours in the workplace. Hence, the Company focus on creating a holistic work environment by promoting health and wellness at the workplace. Listed are some of the wellness initiatives at our manufacturing locations.

- Diabetes Awareness Session in Ankleshwar
- Wellspring session for drivers in Kasna
- Awareness talk on Dehydration & Obesity in Rohtak
- Stress Management session for Khandala
- Workplace Ergonomics and Physiotherapy for Sriperumbudur
- Blood Donation Camp in Mysore
- Financial Wellness session in Vizag

Percentage of employees who were given safety and skill upgradation training in the last year are:

| | |
|--|------|
| Permanent employees | 90% |
| Permanent women employees | 100% |
| Casual / Temporary / Contractual employees at plants | 100% |
| Employees with disabilities | 100% |

The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees including employees at the manufacturing locations (based on settlement agreements signed by the Company).

Safety and dignity of our women employees is of paramount importance. In order to ensure their safety and to secure individual rights at the workplace, the Company has designed an internal module to apprise employees on the provisions of the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and redressal mechanisms. In addition to the POSH workshops which are conducted for all new-joiner inductions, workshops are also conducted to sensitize employees on the subject. An Internal Complaints Committee has been constituted at all locations with an empanelled external expert.

Cases of sexual harassment reported were settled as per the due process of law prescribed to prevent and redress cases of sexual harassment.

- Number of sexual harassment cases in 2019-20: 2
- Number of sexual harassment cases closed in 2019-20 : 2

At Asian Paints, the wage increase for team members and Operators are done through long term settlements with the union and these settlements have been linked to productivity and overall plant improvement aspects. The relationship with the union has always been fair and as a Company we have not lost any man days on account of industrial relations. Apart from long term settlement the Company has a robust employee relations agenda at plants with focus on growth, inclusive participation and skill upgradation of these employees at large. The team members / Operators through these programmes have taken up supervisory roles and have grown in their career.

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Identifying the stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of our communities has always been an important facet of our operations. The Company extends its social responsibility by engaging in strategic and trust based community development interventions.

While our CSR approach focuses on the development of communities around the vicinity of our plants, we have

also developed innovative programmes that leverage our capabilities as a paint manufacturer and the home improvement service provider to enhance livelihood of underserved communities through vocational training and skill development.

At Asian Paints, our objective is to enhance employable skills and knowledge of an individual to assist him/her in contributing to India's economic growth. The Color Academies were started with the same objective for upskilling of painters and helpers.

The Asian Paints Color Academies are equipped with modern facilities to upgrade the skills of existing painters, thus helping them become specialists in their respective fields. Academy offers training programs across a variety of skills including designer finishes, emulsions, metal care, mechanization, water proofing, wood finishes and wallpaper installation in order to improve skill set of painters. Asian Paints Colour Academy is a NSDC approved training partner and the Company has been supporting the Skill India Mission furthered by the Government of India.

Asian Paints has been engaged in training painters on new finishes, techniques, modern paints and technology since 2005. The training then was focused mostly on customer service, behaviour at site along with novel ideas of masking and hygiene requirements. Initially this training setup was called 'Asian Paints Training Centre' whose training was limited to the requirements of Asian Paints Ezycolor Home Solutions. In the following years, training painters saw a genesis in seeding a new finish which required skilled application - 'Royal Play'. Royal Play became the defector training which was given to already existing painters. The training indeed helped them offer something new to customers and in-turn earn more from their daily work. In 2008 Asian Paints setup its first Colour Academy in Chennai to train painters and contractors from the market.

In the financial year 2019-20, Company's more than 50 Colour Academies in India have conducted more than 1,47,000 trainings.

Be it exposure to chemicals or working at height, a painter is at quite a risk while on his job. Safety is important not only for the painter, but also for systematic, hygienic, and clutter free painting experience. We believe that caring and encouraging a safe environment for one and all must be a practice.

For more details about the Academies and the courses being offered, please visit the following link.

<https://www.asianpaints.com/colouracademy/index.aspx>

Business Responsibility Report (BRR) (Contd.)

Fair treatment and safeguarding the interests of the contract workforce is important for the Company. Contract labour is deployed at the manufacturing facilities and in other functions, in various non-core activities like housekeeping, canteen operations, warehouse operations and others. Each unit maintains suitable checks and balances to ensure that wage payments, statutory contributions, and other such obligations are met by the contractors. Further, safety training programs which are conducted for employees and workmen are also extended to contractual employees. The Company has taken significant steps towards imparting training and skill building for painters and contractors.

PRINCIPLE 5

Business should respect and promote human rights

Human rights as enshrined in the Universal Declaration of the Human Rights of the United Nations has been the fulcrum of our Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance for the employment of contract workforce at our manufacturing units. According to International conventions, the term 'human rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. The Company is compliant to national regulations pertaining to human rights. Several workshops explaining the principles enshrined in the Code of Conduct of The Company were organized for its employees. The Code of Conduct of The Company also applies to the employees of the subsidiary companies.

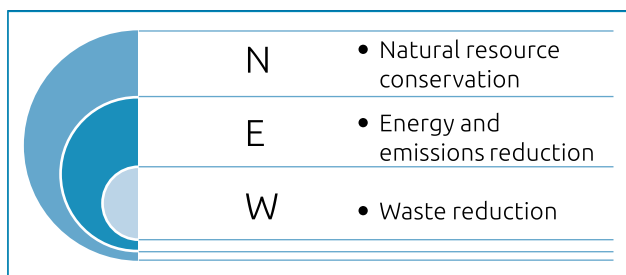
There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms. Further, through one of its initiatives named "Sambandh" The Company engages with the workers to receive or provide timely feedback. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the last financial year, there were no complaints received from the stakeholders.

PRINCIPLE 6

Business should respect, protect, and make efforts to restore the environment

At Asian Paints, we are constantly persevering towards improving our environmental footprint by strengthening our systems and processes. The Company has effectively responded to the changing regulations around Plastic Waste Management. Our initiatives towards fulfilling

our Extended Producer's Responsibility has resulted in collection and recycle of more than 1800 tons of post-consumer flexible plastic across 12 States of India.



Our Environment, Health and Safety (EHS) Policy is signed by the MD & CEO and available on the Company's website can be accessed at <https://www.asianpaints.com/footer-links/ehs-policy.html>

During FY 2019-20, project 'NEW' was extended to our two new manufacturing facilities in Mysore and Vizag. Each of our eight decorative paint manufacturing facilities are now aligned to the 6 key 'themes' and have displayed significant progress wrt the targets considering base year as FY 2013-14. The performance of the 6 key themes and other highlights are published each year in the company's Sustainability Report. The Sustainability Report can be accessed at <https://www.asianpaints.com/sustainability/index.html>

The company realizes that Water is a crucial natural resource that we share with the communities where we operate. Therefore, as a responsible corporate, we continue to replenish the water we use over time by investing and supporting community water projects across all our manufacturing locations through:

- Rooftop rainwater harvesting and recharge systems
- Integrated watershed development in nearby villages
- Rejuvenation and restoration of existing waterbodies

The factories have made all possible efforts to reduce water footprint by efficient water usage in non-product applications such as utilities, cleaning activities, gardening and domestic purposes.

All the manufacturing units consistently work towards reducing specific energy consumption. Some of our major initiatives include:

- Utility power load reduction
- Improving processes to decrease energy consumption

Renewable energy now accounts for 56.7% of the total energy consumption in manufacturing locations, far exceeding the 36% goal set for the year 2020. It was a flagship initiative which demonstrated our commitment towards sourcing clean energy. This has also helped us to reduce dependence on fossil fuels.

We follow the classical '3R' strategy of Reduce, Reuse and Recycle for waste management. The factories have adopted a twin-focused approach for effective effluent management - reducing the trade effluent generated at source and finding possible ways of reusing the treated effluent within the factory. Besides this, innovative ideas have been implemented in various locations to convert scrap generated in the factories into useful articles bringing the principle of 'Circular Economy' into play.

The Company's manufacturing facilities (other than the new factories at Mysuru & Vizag) are ISO 14001 certified for its Environment Management System. As part of the Environment Management System, every factory monitors the Business Risks and Operational Risks (through an Aspect-Impact study of various activities). Risk Management Plans are developed. Deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

In order to monitor the health of the Environment Management System, review meetings are held periodically. The meetings are chaired by the senior management and environment personnel within the Supply Chain function. The members deliberate on the topics of Natural Resource Conservation, Energy & Emissions Reduction, Waste Management including its Generation and Disposal.

Systems and processes have been set in place since the past few years to communicate to the senior management about the environmental statutory compliance by each factory. The Company remains abreast with all applicable legislations and efforts are always to be ahead on the compliance curve.

PRINCIPLE 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

The Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. The Company articulates the larger interest of industry and the community at industrial forums. As on March 31st March, 2020 the Company is a member of following trade associations:

- Confederation of Indian Industries (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce and Industry
- The Indian Paints Association (IPA)
- Nova Club

The Company's scientists participate actively in meetings with statutory agencies like Bureau of Indian Standards, Chemical Division Council and help in evolving new standards for finished products and raw materials for human safety and environmental protection.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

The health and wellbeing of our communities has always been an important facet of our operations. Asian Paints extends its social responsibility by engaging its strategic and trust based community development interventions.

While the Company's CSR approach focusses on the development of the communities around the vicinity of the plants, the Company has also developed innovative programmes that leverage our capabilities as paint manufacturer and home improvement service provider to enhance livelihoods of underserved communities through vocational trainings and skill development.

An amount of ₹ 74.64 crores was spent towards various CSR projects during the financial year 2019-20 and people of more than 50 villages in the states of Uttar Pradesh, Haryana, Gujarat, Andhra Pradesh, Maharashtra, Karnataka and Tamil Nadu were benefitted.

The details of the CSR initiatives undertaken by the Company are set out in the Corporate Social Responsibility section of this Annual Report.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company places its customers at the center of all its business conducts rather than at the receiving end. The culture of customer centricity has been instilled through various efforts including setting up of Customer Centricity Function, launching Customer First Campaign, training programs for our employees to understand customer issues etc.

Business Responsibility Report (BRR) (Contd.)

The Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers to communicate their views, feedback, suggestions, complaints etc. The Company has provided following a dedicated helpline which operates in six regional languages. Each complaint is brought to a final point of closure within the defined level of service commitment.

We conduct annual customer experience surveys for all our products and services and measure the percentage of customers who would promote our products and services to other customers through the Net Promoter Score (NPS) method. The NPS method of customer feedback now covers most of our customer interaction points including retail experiences, direct to home painting and colour consultancy services.

On our website, we have created an interactive platform that allows any potential customer to raise queries pertaining to our products and services. Be it our toll free number (1800-209-5678) or our website (www.asianpaints.com) all our channels ensure that a

potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.

The products of the Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

While there are no cases filed by any stakeholder against the Company regarding unfair trade practices, there are 60 consumer related cases pending against the Company. Further, the Competition Commission of India has passed a prima facie order dated 14th January, 2020, directing the Director General to cause an investigation against the Company, under the provisions of the Competition Act, 2002, basis information received from a competitor. Further, there are complaints filed against the Company regarding misleading advertisements to which Company has provided appropriate response and the matter has been satisfactorily closed by the authorities.